



U.S. Department
of Transportation
**Pipeline and Hazardous
Materials Safety
Administration**

1200 New Jersey Avenue, SE
Washington, DC 20590

October 14, 2021

VIA ELECTRONIC MAIL TO: jschmidt@usoil.com

John Schmidt
President & Chief Executive Officer
U.S. Venture, Inc.
425 Better Way
Appleton, Wisconsin 54915

Re: CPF No. 3-2021-036-NOPV

Dear Mr. Schmidt:

Enclosed please find the Final Order issued in the above-referenced case. It makes a finding of violation and assesses a civil penalty of \$81,900. When the civil penalty has been paid, this enforcement action will be closed. Service of the Final Order by e-mail is effective upon the date of transmission as provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

ALAN KRAMER MAYBERRY
Digitally signed by ALAN
KRAMER MAYBERRY
Date: 2021.10.14
06:57:34 -04'00'

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Enclosures (Final Order and NOPV)

cc: Mr. Gregory Ochs, Director, Central Region, Office of Pipeline Safety, PHMSA
Ms. Melodie Briggs, Compliance Manager, U.S. Venture, Inc., mbriggs@usoil.com
Mr. Eric Kessenich, President, U.S. Oil, U.S. Venture, Inc., ekessenich@usoil.com
Mr. Dan Morrill, Vice President, Terminal Operations, U.S. Venture, Inc.,
dmorrill@usoil.com

CONFIRMATION OF RECEIPT REQUESTED

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

In the Matter of)	
U.S. Venture, Inc.,)	
Respondent.)	CPF No. 3-2021-036-NOPV

FINAL ORDER

On August 25, 2021, pursuant to 49 C.F.R. § 190.207, the Director, Central Region, Office of Pipeline Safety (OPS), issued a Notice of Probable Violation (Notice) to U.S. Venture, Inc. (Respondent). The Notice proposed finding that Respondent had violated the pipeline safety regulations in 49 C.F.R. Part 195 and proposed a civil penalty of \$81,900. Respondent did not contest the allegation of violation nor the proposed civil penalty.

Based upon a review of all of the evidence, pursuant to § 190.213, I find Respondent violated the pipeline safety regulation listed below, as more fully described in the enclosed Notice, which is incorporated by reference:

49 C.F.R. § 195.505(b) (**Item 1**) — Respondent failed to identify covered tasks and to qualify seven terminal technicians responsible for performing monthly rectifier readings and/or rectifier calibrations until late October 2020.

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent. In accordance with 49 C.F.R. § 190.223, Respondent is assessed a civil penalty amount of **\$81,900**.

Payment of the civil penalty must be made within 20 days of service. Federal regulations (49 C.F.R. § 89.21(b)(3)) require such payment to be made by wire transfer through the Federal Reserve Communications System (Fedwire), to the account of the U.S. Treasury. Detailed instructions are contained in the enclosure. Questions concerning wire transfers should be directed to: Financial Operations Division (AMK-325), Federal Aviation Administration, Mike Monroney Aeronautical Center, 6500 S MacArthur Blvd, Oklahoma City, Oklahoma 79169. The Financial Operations Division telephone number is (405) 954-8845.

Failure to pay the \$81,900 civil penalty will result in accrual of interest at the current annual rate in accordance with 31 U.S.C. § 3717, 31 C.F.R. § 901.9 and 49 C.F.R. § 89.23. Pursuant to

those same authorities, a late penalty charge of six percent (6%) per annum will be charged if payment is not made within 110 days of service. Furthermore, failure to pay the civil penalty may result in referral of the matter to the Attorney General for appropriate action in a district court of the United States.

The terms and conditions of this order are effective upon service in accordance with 49 C.F.R. § 190.5.

ALAN KRAMER
MAYBERRY

Digitally signed by ALAN
KRAMER MAYBERRY
Date: 2021.10.14 06:57:07
-04'00'

October 14, 2021

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Date Issued



U.S. Department
of Transportation
**Pipeline and Hazardous
Materials Safety Administration**

901 Locust Street, Suite 480
Kansas City, MO 64106

NOTICE OF PROBABLE VIOLATION PROPOSED CIVIL PENALTY

VIA ELECTRONIC MAIL TO: ekessenich@usoil.com, dmorrill@usoil.com and
mbriggs@usoil.com

August 25, 2021

Eric Kessenich
President of U.S. Oil
U.S. Venture, Inc.
425 Better Way
Appleton, WI 54915

CPF 3-2021-036-NOPV

Dear Mr. Kessenich:

From October 5 through October 8, 2020, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected your U.S. Venture, Inc. Green Bay Products System in Green Bay, WI.

As a result of the inspection, it is alleged that you have committed probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The items inspected and the probable violation are:

1. **§ 195.505 Qualification program.**
Each operator shall have and follow a written qualification program. The program shall include provisions to:
 - (a)
 - (b) **Ensure through evaluation that individuals performing covered tasks are qualified;**

U.S. Venture failed to identify covered tasks and to qualify seven terminal technicians responsible for performing monthly rectifier readings and/or rectifier calibrations until late October 2020. It was the understanding of U.S. Venture that all cathodic protection work was being completed by its CP contractor.

Once U.S. Venture determined that it was their technicians performing the monthly rectifier inspections, they prepared a Standard Operating Procedure (SOP) for reading rectifiers and for performing rectifier calibrations & adjustments. SSOPs for reading rectifiers and performing rectifier calibration & adjustment were issued on 10-07-2020 and revised on 10-22-2020. The technicians were then qualified to the SOPs on October 27th and 28th, 2020. However, all rectifier readings and rectifier adjustments made prior to the operator qualification date were done by non-qualified technicians.

Proposed Civil Penalty

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$225,134 per violation per day the violation persists, up to a maximum of \$2,251,334 for a related series of violations. For violation occurring on or after January 11, 2021 and before May 3, 2021, the maximum penalty may not exceed \$222,504 per violation per day the violation persists, up to a maximum of \$2,225,034 for a related series of violations. For violation occurring on or after July 31, 2019 and before January 11, 2021, the maximum penalty may not exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations. For violation occurring on or after November 27, 2018 and before July 31, 2019, the maximum penalty may not exceed \$213,268 per violation per day, with a maximum penalty not to exceed \$2,132,679. For violation occurring on or after November 2, 2015 and before November 27, 2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022. We have reviewed the circumstances and supporting documentation involved for the above probable violation and recommend that you be preliminarily assessed a civil penalty of \$81,900 as follows:

Item Number	Penalty
1	\$81,900

Response to this Notice

Enclosed as part of this Notice is a document entitled Response Options for Pipeline Operators in Compliance Proceedings. Please refer to this document and note the response options. All material you submit in response to this enforcement action may be made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. 552(b), along with the complete original document you must provide a second copy of the document with the portions you believe qualify for confidential treatment redacted and an explanation of why you believe the redacted information qualifies for confidential treatment under 5 U.S.C. 552(b).

Following the receipt of this Notice, you have 30 days to submit written comments, or request a hearing under 49 CFR §190.211. If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further

notice to you and to issue a Final Order. If you are responding to this Notice, we propose that you submit your correspondence to my office within 30 days from receipt of this Notice. This period may be extended by written request for good cause.

In your correspondence on this matter, please refer to CPF 3-2021-036-NOPV and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Gregory Ochs
Director, Central, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration

Enclosures:

Proposed Compliance Order

Response Options for Pipeline Operators in Enforcement Proceedings

cc: Dan Morrill, Vice President Terminal Operations, dmorrill@usoil.com
Melodie Briggs, Compliance Manager, mbriggs@usoil.com