



U S. Department  
of Transportation

**Pipeline and  
Hazardous Materials Safety  
Administration**

8701 South Gessner, Suite 1110  
Houston, TX 77074

## NOTICE OF AMENDMENT

### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

January 28, 2008

Mr Paul R. Brochu  
Vice President,  
Logistics Operations & Development  
Valero Terminals and Distribution Company  
One Valero Way  
San Antonio, TX 78249

**CPF 4-2008-5003M**

Dear Mr Brochu

On October 16-18, 2007, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Valero Terminals and Distribution Company's Operator Qualification Plan in San Antonio, Texas

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within ExxonMobil's plans or procedures, as described below:

**1. §195.505 Qualification program.**

**Each operator shall have and follow a written qualification program. The program shall include provisions to:**

**(a) Identify covered tasks;**

Valero Terminals and Distribution Company needs to finalize the development of the CBT modules for the following additional covered tasks: tubing, threaded pipe, and flanges.

**2. §195.505 Qualification program.**

**Each operator shall have and follow a written qualification program. The program shall include provisions to:**

**(b) Ensure through evaluation that individuals performing covered tasks are qualified;**

In Appendix B "Valero Covered Task List", Valero Terminaling and Distribution Company only requires knowledge or performance (not knowledge and performance) on all covered tasks - Operator is required to ensure that individuals can perform assigned covered tasks. This is important for all covered tasks but most important for those operator identified "critical covered tasks"

**3. §195.505 Qualification program.**

**Each operator shall have and follow a written qualification program. The program shall include provisions to:**

**(g) Identify those covered tasks and the intervals at which evaluation of the individual's qualifications is needed.**

Valero Terminaling and Distribution Company's OQ plan needs requirements to verify that annual visual acuity tests for ASNT level II certifications are included in the documentation of qualifications. Valero Terminaling and Distribution Company corrected this requirement prior to our departure

**4. §195.507 Recordkeeping.**

**Each operator shall maintain records that demonstrate compliance with this subpart.**

**(a) Qualification records shall include:**

- (1) Identification of qualified individual(s);**
- (2) Identification of the covered tasks the individual is qualified to perform;**
- (3) Date(s) of current qualification; and**
- (4) Qualification method(s).**

Valero Terminaling and Distribution Company's internal qualification records are not tracked in ISNetwork and Valero Terminaling and Distribution Company does not have evaluation methods specified - evaluation methods should specifically be identified in the master listing. Valero completed the method specification prior to our departure

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. 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. Be advised that all material you submit in response to this enforcement action is subject to being

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). 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, after opportunity for a hearing, your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.237). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 30 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

In correspondence concerning this matter, please refer to **CPF 4-2008-5003M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,



R M Seeley  
Director, Southwest Region  
Pipeline and Hazardous  
Materials Safety Administration

Enclosure *Response Options for Pipeline Operators in Compliance Proceedings*