

## NOTICE OF AMENDMENT

### ELECTRONIC MAIL - RETURN RECEIPT REQUESTED

January 8, 2021

Karl Schmidt  
President  
CITGO Pipeline Company  
P.O. Box 4689  
Houston, Texas 77210

CPF 4-2021-003-NOA

Dear Mr. Schmidt:

From July 20, 2020 through October 28, 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 CITGO Pipeline Company's (CITGO) hazardous liquid pipeline facilities, records, and procedures located in Louisiana and Texas.

Based on the inspection, PHMSA has identified the apparent inadequacy found within CITGO's plans or procedures as described below:

1. **§ 195.402 Procedural manual for operations, maintenance, and emergencies.**

(a) ...

**(c) *Maintenance and normal operations.* The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:**

**(1) ...**

**(13) Periodically reviewing the work done by operator personnel to determine the effectiveness of the procedures used in normal operation and maintenance and taking corrective action where deficiencies are found.**

CITGO's *Terminal and Pipeline Operations Manual (All Areas) Revision Date 5/27/2020* is inadequate because it does not limit the review required by § 195.402(c)(13) to the performance of its employees while following a specific procedure used in normal operations and maintenance. Specifically, the section titled "Implementation – Responsibility" of CITGO's procedure states "If deficiencies are found regarding an employee's work practices or failure to follow the procedures in this manual, MANAGEMENT will take corrective actions to assure the quality of future work. MANAGEMENT shall document these reviews through the Employee Development Plan (EDP) annual assessment process or they may utilize forms provided on SHAREPOINT for this purpose." The procedure does not provide a means to evaluate the effectiveness of the procedure itself or provide a process to modify the procedures as needed following the effectiveness review. Instead, the procedure focuses on the employee's individual performance.

An operator is required to periodically review the work done by its employees to determine the effectiveness of the procedures used in normal operation and maintenance activities. CITGO procedures do not specify how the periodic review will be conducted. CITGO must amend its procedure to ensure

that CITGO periodically reviews the work done by its employees during the normal operations and maintenance to determine if the procedure was or was not effective rather than if the employee's performance was.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206. 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).

Following the receipt of this Notice, you have 30 days to submit written comments, revised procedures, or a request for a hearing under § 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 an Order Directing Amendment. If 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. § 190.206). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 60 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.

It is requested (not mandated) that CITGO Pipeline Company maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Mary L. McDaniel, Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 4-2021-003-NOA**, and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Mary L. McDaniel. P.E.  
Director, Southwest Region  
Pipeline and Hazardous Materials Safety Administration

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*