

WARNING LETTER

ELECTRONIC MAIL - RETURN RECEIPT REQUESTED

August 12, 2022

Jeffrey W. Gifford
Vice President
Genesis Offshore Holdings, LLC
919 Milam Suite 2100
Houston, Texas 77002

CPF 4-2022-052-WL

Dear Mr. Gifford:

From February 28 to April 21, 2022, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected Genesis Offshore Holdings, LLC's (Genesis) Keathley Canyon Offshore Liquid Pipeline in the Gulf of Mexico in Louisiana.

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

1. **§ 195.440 Public awareness.**
 - (a) ...
 - (i) **The operator's program documentation and evaluation results must be available for periodic review by appropriate regulatory agencies.**

Genesis failed to provide program documentation and evaluation results of its Public Awareness activities which must be available for periodic review by appropriate regulatory agencies as required by §195.440(a)(i).

Genesis's written Public Awareness Program (Document No. PAP-4000, Revision No. 6, dated 09/02/2019), Section 5.1.7 – Public Awareness / Damage Prevention Committee states that the purpose of the Committee is to provide input and feedback regarding Annual Self-Assessment, Effectiveness Evaluation, and Continuous Improvement process. At the time of the inspection, Genesis failed to provide program documentation and evaluation results of the Committee's input and feedback for the 2018 Effectiveness Review.

In addition, the same procedure, section 10.2 states that once final recommended continuous improvement changes are approved by the Manager of HSSE Compliance Group, they shall be presented to the Public Awareness / Damage Prevention Committee for final internal review and discussion. The final approval of recommendations for continuous improvement shall be agreed upon by this Committee. This process shall be conducted as needed, but atleast once annually. Genesis did not maintain records of key program elements which would demonstrate the level of implementation of the effectiveness review of its public awareness program. Genesis also failed to track the implementation of audit recommendations from its public awareness program effectiveness review.

Furthermore, during the inspection, Genesis provided updates to the 2019 Revision Log for the Operations and Maintenance Procedures Manual Liquids, Revision No. 5, dated 05/23/2019, which fails to adequately identify its changes to the Public Awareness Program based on the considerations provided by the 2018 Effectiveness Review and it does not provide sufficient details of the Committee's internal review and discussion.

Genesis was unable to provide sufficient documentation in support of its decision not to implement considerations from the 2018 Effectiveness Review as part of the revision to the Public Awareness Program.

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$239,142 per violation per day the violation persists, up to a maximum of \$2,391,142 for a related series of violations. For violation occurring on or after May 3, 2021 and before March 21, 2022, the maximum penalty may not 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 documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the items identified in this letter. Failure to do so will result in Genesis Offshore Holdings, LLC being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 4-2022-052-WL**. 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).

Sincerely,

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

cc: John Jewett, Manager – Regulatory Compliance, John.jewett@genlp.com