

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

May 24, 2017

Mr. Thomas Weber
President
Par Hawaii Refining, LLC
800 Gessner Rd., Suite 875
Houston, Texas 77024

CPF 5-2017-6018W

Dear Mr. Weber:

On December 5 through 9, 2016, 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 Honolulu Line, a refined products liquid pipeline, in the greater Honolulu area on the island of Oahu, Hawaii.

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

1. **§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;

Par Hawaii Refining, LLC (Par Hawaii) did not ensure that individuals performing the covered task of corrosion investigation of removed pipe were appropriately qualified. Par Hawaii provided records from pipe removals occurring during the Hart Project in October 2015. The pipe removal and replacement resulted in four (4) pieces of pipe that were removed for internal inspection. Visual inspection was performed on the four (4) sections of pipe by two (2) different inspectors, Mr. Trae McAteer and Mr. Farman Kahn.

No records were provided by Par Hawaii to demonstrate that Mr. McAteer or Mr. Kahn were qualified in abnormal operating conditions or internal corrosion inspection at the time of their visual inspection. Documents provided illustrated that Mr. McAteer visually inspected pipe sections D-East and D-West for internal corrosion. Records also show that Mr. Kahn visually inspected internal pipe sections A, B, and C for corrosion and that he requested that Mr. Randy Hill do ultrasonic thickness measurements on pipe sections A, B, and C. Documents provided by Par Hawaii demonstrate that Mr. Hill however, was properly qualified to perform the ultrasonic thickness measurements.

Par Hawaii must ensure that all workers performing covered tasks are properly qualified in accordance with Subpart G, Qualification of Pipeline Personnel, of 49 CFR §195.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$205,638 per violation per day the violation persists up to a maximum of \$2,056,380 for a related series of violations. For violation occurring between January 4, 2012 to August 1, 2016, the maximum penalty may not exceed \$200,000 per violation per day, with a maximum penalty not to exceed \$2,000,000 for a related series of violations. 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 Par Hawaii Refining, 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 5-2017-6018W**. 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,

Chris Hoidal
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 J. Owens (#154499)