



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

1200 New Jersey Avenue, SE
Washington, DC 20590

December 30, 2025

VIA ELECTRONIC MAIL TO: cjorda@citgo.com

Carlos Jordá
President and Chief Executive Officer
CITGO Pipeline Company; CITGO Petroleum Corporation (Terminals)
1289 Eldridge Parkway
Houston, Texas 77077

**CPF Nos. 1-2024-033-NOPV
 1-2024-035-NOPV
 1-2024-036-NOPV
 1-2024-037-NOPV
 1-2024-038-NOPV**

Dear Mr. Jordá:

Enclosed please find a Consent Order incorporating the terms of the Consent Agreement between the Pipeline and Hazardous Materials Safety Administration (PHMSA) and CITGO Pipeline Company; CITGO Petroleum Corporation (Terminals), which was executed on 12/23/2025. Service of the Consent Order and Consent Agreement by electronic mail is deemed effective upon the date of transmission and acknowledgement of receipt, or as otherwise provided under 49 CFR § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

for Linda Daugherty
Acting Associate Administrator
for Pipeline Safety

Enclosure: Consent Order and Consent Agreement

cc: Robert Burrough, Region Director, Eastern Region, Office of Pipeline Safety, PHMSA
 Ann Al-Bahish, Senior Corporate Counsel – HSE, CITGO Petroleum Corporation,

aalbahi@citgo.com
Brianne Kurdock, Counsel for CITGO, Babst Calland, bkurdock@babstcalland.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	)		
	)	CPF Nos.	1-2024-033-NOPV
CITGO Pipeline Company; CITGO	)		1-2024-035-NOPV
Petroleum Corporation (Terminals),	)		1-2024-036-NOPV
	)		1-2024-037-NOPV
Respondents.	)		1-2024-038-NOPV
_____	)		

CONSENT ORDER

By letters dated August 30, 2024, pursuant to 49 CFR § 190.207, the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), issued five Notices of Probable Violation, Proposed Civil Penalties, and Proposed Compliance Orders (Notices) to CITGO Pipeline Company and CITGO Petroleum Corporation (Terminals) (CITGO or Respondents).

CITGO responded to the Notices by letters dated November 22, 2024. Respondents contested most of the alleged violations, the proposed civil penalties, and the proposed compliance orders, and requested a hearing. CITGO also requested to meet informally with PHMSA to discuss the matters raised in its Responses. Respondents and PHMSA (the Parties) subsequently met on February 5 and July 29, 2025. As a result of those discussions, the Parties have agreed to a Consent Agreement by which PHMSA makes findings of violations for 12 Items alleged in the Notices, Respondents will pay a reduced civil penalty in the amount of **\$185,400**, and Respondents will complete certain compliance actions.

Accordingly, the Consent Agreement is hereby approved and incorporated by reference into this Consent Order issued pursuant to 49 CFR § 190.219. CITGO is hereby ordered to comply with the terms of the Consent Agreement pursuant to its terms. Pursuant to 49 U.S.C. § 60101, *et seq.*, failure to comply with this Consent Order may result in the assessment of civil penalties as set forth in 49 U.S.C. § 60122 and 49 CFR § 190.223, or in referral to the Attorney General for appropriate relief in a district court of the United States.

The terms and conditions of this Consent Order are effective upon service in accordance with 49 CFR § 190.5.

for Linda Daugherty
Acting Associate Administrator
for Pipeline Safety

Date Issued

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

In the Matter of	)	
	)	
	)	CPF Nos. 1-2024-033-NOPV
CITGO Pipeline Company; CITGO	)	1-2024-035-NOPV
Petroleum Corporation (Terminals),	)	1-2024-036-NOPV
	)	1-2024-037-NOPV
Respondents.	)	1-2024-038-NOPV
	)	

CONSENT AGREEMENT

From April 17, 2023 through November 7, 2023, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of Title 49, United States Code (U.S.C.), conducted an on-site pipeline safety inspection of the facilities and records of CITGO Pipeline Company and CITGO Petroleum Corporation (Terminals) (CITGO or Respondents) in Sour Lake, Texas; Linden, New Jersey; Toledo, Ohio; Niles, Michigan; and Everglades, Florida.

As a result of the inspection, the Director, Eastern Region, OPS (Director), issued to Respondents, by letters dated August 30, 2024, five Notices of Probable Violation, Proposed Civil Penalty, and Proposed Compliance Order (Notices), which also included warning items pursuant to 49 CFR § 190.205. In accordance with 49 CFR § 190.207, the Notices collectively proposed finding that CITGO committed 21 violations of 49 CFR Parts 194 and 195, proposed ordering Respondents to take certain measures to correct the alleged violations, and proposed a civil penalty of \$432,900. Other probable violations were brought as warnings, advising the operators to correct the probable violations or face potential future enforcement action.

CITGO responded to the Notices by letters dated November 22, 2024 (Responses). Respondents contested most of the alleged violations, the proposed civil penalties, and the proposed compliance order, and requested a hearing. CITGO also requested to meet informally with PHMSA to discuss the matters raised in its Responses.

PHMSA and Respondents (the Parties) subsequently met to discuss the issues raised in the Responses. As a result of those discussions and as explained in more detail below, the Parties have agreed to a Consent Agreement by which PHMSA makes findings of violations for 12 Items alleged in the Notices and withdraws 9 Items. Respondents will pay a reduced civil penalty in the amount of **\$185,400**, and Respondents will complete certain compliance actions.

Having agreed that settlement of this proceeding will avoid further administrative proceedings or litigation and will serve the public interest by promoting safety and protection of the environment, pursuant to 49 U.S.C. § 60101, *et seq.* and 49 CFR Part 190, and upon consent and agreement, the Parties hereby agree as follows:

I. General Provisions:

1. Respondents acknowledge that as the operators of the pipeline facilities subject to the Notice, Respondents and their referenced pipeline facilities are subject to the jurisdiction of the Federal pipeline safety laws, 49 U.S.C. § 60101, *et seq.*, and the regulations and administrative orders issued thereunder. For purposes of this Consent Agreement (Agreement), Respondents acknowledge that they received proper notice of PHMSA's action in these proceedings and that the Notices state claims upon which relief may be granted pursuant to 49 U.S.C. § 60101, *et seq.*, and the regulations and orders issued thereunder.

2. After Respondents return this signed Agreement to PHMSA, the Agency's representative will present it to the Associate Administrator for Pipeline Safety, recommending that the Associate Administrator adopt the terms of this Agreement by issuing an administrative order (Consent Order) incorporating the terms of this Agreement. The terms of this Agreement constitute an offer of settlement until accepted by the Associate Administrator. Once accepted, the Associate Administrator will issue a Consent Order incorporating the terms of this Agreement.

3. Respondents consent to the issuance of the Consent Order, and hereby waive any further procedural requirements with respect to its issuance. Respondents waive all rights to contest the adequacy of Notices, or the validity of the Consent Order or this Agreement, including all rights to administrative or judicial hearings or appeals, except for the Dispute Resolution provisions set forth herein. Respondents agree to withdraw their requests for an administrative hearing regarding the Notices.

4. This Agreement shall apply to and be binding upon PHMSA and Respondents, their officers, directors, and employees, and their successors, assigns, or other entities or persons otherwise bound by law. Respondents agree to provide a copy of this Agreement and any incorporated work plans and schedules to all of Respondent's officers, employees, and agents whose duties might reasonably include compliance with this Agreement.

5. This Agreement constitutes the final, complete and exclusive agreement and understanding between the Parties with respect to the settlement embodied in this Agreement. The Parties acknowledge that there are no representations, agreements or understandings relating to settlement other than those expressly contained in this Agreement, except that the terms of this Agreement may be construed by reference to the Notices.

6. Nothing in this Agreement affects or relieves Respondents of their responsibility to comply with all applicable requirements of the Federal pipeline safety laws, 49 U.S.C. § 60101, *et seq.*, and the regulations and orders issued thereunder. Nothing in this Agreement alters PHMSA's right of access, entry, inspection, and information gathering or PHMSA's authority to

bring enforcement actions against Respondents pursuant to the Federal pipeline safety laws, the regulations and orders issued thereunder, or any other provision of Federal or State law.

7. For all transfers of ownership or operating responsibility of Respondents' pipeline system referenced herein, Respondents will provide a copy of this Agreement to the prospective transferee at least 30 days prior to such transfer. Respondents will provide written notice of the transfer to the Director no later than 60 days after the transfer occurs.

8. This Agreement does not waive or modify any Federal, State, or local laws or regulations that are applicable to Respondents' pipeline systems. This Agreement is not a permit, or a modification of any permit, under any Federal, State, or local laws or regulations. Respondents remain responsible for achieving and maintaining compliance with all applicable Federal, State, and local laws, regulations and permits.

9. This Agreement does not create rights in, or grant any cause of action to, any third party not party to this Agreement. The U.S. Department of Transportation is not liable for any injuries or damages to persons or property arising from acts or omissions of Respondents or their officers, employees, or agents carrying out the work required by this Agreement. Respondents agree to hold harmless the U.S. Department of Transportation, its officers, employees, agents, and representatives from any and all causes of action arising from any acts or omissions of Respondents or their contractors in carrying out any work required by this Agreement.

10. Except as set forth herein, this Agreement does not constitute a finding of violation of any other federal law or regulation and may not be used in any civil proceeding of any kind as evidence or proof of any fact, fault or liability, or as evidence of a violation of any law, rule, regulation, or requirement, except in a proceeding to enforce the provisions of this Agreement or in future PHMSA enforcement actions.

II. Findings of Violation:

A. CPF No. 1-2024-033-NOPV

11. **Item 2 - 49 CFR § 195.402(a):** The Notice alleged that CITGO failed to conduct an annual review of its operations and maintenance manual at intervals not exceeding 15 months but at least once each calendar year for calendar years 2020, 2021, and 2022. CITGO does not contest the allegation of violation as alleged in CPF No. 1-2024-033-NOPV. As such, PHMSA finds a violation of 49 CFR § 195.402(a).

12. **Item 3 - 49 CFR § 195.402(c)(13):** The Notice alleged that CITGO failed to conduct periodic reviews of the work done by operator personnel to determine the effectiveness of the procedures used in normal operation and maintenance, taking corrective action where deficiencies are found, throughout calendar years 2020, 2021, and 2022. CITGO does not contest the allegation of violation as alleged in CPF No. 1-2024-033-NOPV. As such, PHMSA finds a violation of 49 CFR § 195.402(c)(13).

13. **Item 4 - 49 CFR § 195.402(d)(5):** The Notice alleged that CITGO failed to conduct periodic reviews of operator personnel responses to determine the effectiveness of the procedures controlling abnormal operation, taking corrective actions where deficiencies are found, in calendar years 2020, 2021, and 2022. CITGO does not contest the allegation of violation as alleged in CPF No. 1-2024-033-NOPV. As such, PHMSA finds a violation of 49 CFR § 195.402(d)(5).

14. **Item 5 - 49 CFR § 195.403(c):** The Notice alleged that CITGO failed to require and verify that its supervisors maintain a thorough knowledge of that portion of the emergency response procedures established under section 195.402 for which they are responsible for ensuring compliance during calendar years 2020 through 2022. CITGO does not contest the allegation of violation as alleged in CPF No. 1-2024-033-NOPV. As such, PHMSA finds a violation of 49 CFR § 195.403(c).

15. **Item 6 - 49 CFR § 195.446(c)(3):** The Notice alleged that CITGO failed to test and verify its internal communication plan to provide adequate means for manual operation of the pipeline safely, at least once each calendar year, but at intervals not to exceed 15 months, during calendar years 2020 and 2021 at its Sour Lake, Texas pipeline facilities. Specifically, CITGO used information from actual events in lieu of scheduled testing. As such, PHMSA finds a violation of 49 CFR § 195.446(c)(3).

B. CPF No. 1-2024-035-NOPV

16. The Parties agree that there are no findings of violation associated with CPF No. 1-2024-035-NOPV.

C. CPF No. 1-2024-036-NOPV

17. **Item 6 - 49 CFR § 195.402(a):** The Notice alleged that CITGO failed to follow its manual of written procedures. Specifically, the Notice alleged that CITGO failed to follow its *O&M Manual Section K— Inspection and Maintenance*, dated August 31, 2022 (O&M – Section K) regarding installation of cathodic protection test leads. CITGO does not contest the allegation of violation as alleged in CPF No. 1-2024-036-NOPV. As such, PHMSA finds a violation of 49 CFR § 195.402(a).

D. CPF No. 1-2024-037-NOPV

18. **Item 7 - 49 CFR § 195.434:** The Notice alleged that CITGO failed to post signs visible to the public around each breakout tank area and gate containing telephone numbers where the operator can be reached at all times at its Niles, Michigan facility. CITGO does not contest the allegation of violation as alleged in CPF No. 1-2024-037-NOPV. As such, PHMSA finds a violation of 49 CFR § 195.434.

19. **Item 10 - 49 CFR § 195.49:** The Notice alleged that CITGO failed to submit its annual report accurately to include all PHMSA-jurisdictional pipelines at its Niles, Michigan

facility for calendar year 2022. CITGO agrees that the pipelines referenced in this Item are PHMSA-regulated pipelines. As such, PHMSA finds a violation of 49 CFR § 195.49.

20. **Item 11 - 49 CFR § 195.583(a):** The Notice alleged that CITGO failed to inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion at least once every 3 years, but with intervals not exceeding 39 months. Specifically, the Notice alleged that CITGO failed to inspect exposed pipe at the required intervals during its 2020 triennial inspection. CITGO does not contest the allegation of violation as alleged in CPF No. 1-2024-037-NOPV. As such, PHMSA finds a violation of 49 CFR § 195.583(a).

E. CPF No. 1-2024-038-NOPV

21. **Item 7 - 49 CFR § 195.410(a)(1):** The Notice alleged that CITGO failed to maintain line markers at each public road crossing so that the location of the pipeline is accurately known. Specifically, the Notice alleged that CITGO failed to maintain line markers at its public road crossing in the North and South directions of Interstate 595-East and North Federal Highway, and at each railroad crossing in the North and South directions of the Eller Drive railroad, located in Fort Lauderdale, Florida. CITGO does not contest the allegation of violation as alleged in CPF No. 1-2024-038-NOPV. As such, PHMSA finds a violation of 49 CFR § 195.410(a)(1).

22. **Item 8 - 49 CFR § 195.420(b):** The Notice alleged that CITGO failed to inspect at least twice each calendar year, but at intervals not exceeding 7 ½ months, each valve to determine that it is functioning properly. Specifically, the Notice alleged that CITGO failed to inspect each mainline valve during calendar years 2020, 2021, and 2022. CITGO does not contest the allegation of violation as alleged in CPF No. 1-2024-038-NOPV. As such, PHMSA finds a violation of 49 CFR § 195.420(b).

23. **Item 11 - 49 CFR § 195.583(a):** The Notice alleged that CITGO failed to inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion at least once every 3 years, but with intervals not exceeding 39 months. Specifically, the Notice alleged that CITGO failed to inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion during its 2019 and 2022 calendar year inspections. CITGO does not contest the allegation of violation as alleged in CPF No. 1-2024-038-NOPV. As such, PHMSA finds a violation of 49 CFR § 195.583(a).

24. Each Item in Section II will be considered by PHMSA as a prior offense in any future PHMSA enforcement action taken against Respondents.

III. Warning Items:

A. CPF No. 1-2024-033-NOPV

25. **Item 1 - 49 CFR § 195.402(a):** The Notice alleged that CITGO failed to follow its manual of written procedures. Specifically, the Notice alleged that CITGO failed to follow its

O&M Manual, Section J – Inspection and Maintenance, dated September 23, 2022 (OM – Section J) for conducting its annual firefighting extinguisher inspections for calendar years 2021 through 2023 pursuant to § 195.430(a). This Item was brought as a warning and does not constitute a finding of violation. CITGO accepts the warning as alleged in CPF No. 1-2024-033-NOPV.

B. CPF No. 1-2024-035-NOPV

26. **Item 2 - 49 CFR § 195.402(a):** The Notice alleged that CITGO failed to follow its manual of written procedures. Specifically, the Notice alleged that CITGO failed to follow its *OM Manual - Section J - Inspection and Maintenance*, dated September 23, 2022 (OM – Section J) for documenting its routine in-service inspections of breakout tanks conducted pursuant to section 195.432(b). This Item was brought as a warning and does not constitute a finding of violation. CITGO accepts the warning as alleged in CPF No. 1-2024-035-NOPV.

27. **Item 4 - 49 CFR § 195.402(a):** The Notice alleged that CITGO failed to conduct an annual review of its operations and maintenance manual at intervals not exceeding 15 months but at least once each calendar year. Specifically, the Notice alleged that CITGO failed to conduct an annual review of its operations and maintenance manual for calendar years 2020, 2021, and 2022. This Item was brought as a warning and does not constitute a finding of violation. CITGO accepts the warning as alleged in CPF No. 1-2024-035-NOPV.

28. **Item 5 - 49 CFR § 195.402(c)(13):** The Notice alleged that CITGO failed to conduct periodic reviews of 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. Specifically, the Notice alleged that CITGO failed to provide records or other documentation that demonstrated the work done by operator personnel was reviewed to determine the effectiveness of the procedures used in normal operations, or what corrective actions were taken if any deficiencies were found, in calendar years 2020, 2021, and 2022. This Item was brought as a warning and does not constitute a finding of violation. CITGO accepts the warning as alleged in CPF No. 1-2024-035-NOPV.

29. **Item 6 - 49 CFR § 195.403(c):** The Notice alleged that CITGO failed to require and verify that its supervisors maintain a thorough knowledge of that portion of the emergency response procedures established under section 195.402 for which they are responsible for ensuring compliance. Specifically, the Notice alleged that CITGO failed to provide records demonstrating compliance with section 195.403(c) for calendar years 2018 through 2022. This Item was brought as a warning and does not constitute a finding of violation. CITGO accepts the warning as alleged in CPF No. 1-2024-035-NOPV

30. **Item 8 - 49 CFR § 195.428(a):** The Notice alleged that CITGO failed to inspect and test each pressure limiting device, relief valve, pressure regulator, or other item of pressure control equipment at intervals not exceeding 15 months, but at least once each calendar year, to determine that it is functioning properly, is in good mechanical condition, and is adequate from the standpoint of capacity and reliability of operation for the service in which it is used. Specifically, the Notice alleged that CITGO failed to document its overpressure relief valve

inspections for calendar years 2021 through 2023. This Item was brought as a warning and does not constitute a finding of violation. CITGO accepts the warning as alleged in CPF No. 1-2024-035-NOPV.

31. **Item 9 - 49 CFR § 195.446(c)(3):** The Notice alleged that CITGO failed to test and verify its internal communication plan to provide adequate means for manual operation of the pipeline safely, at least once each calendar year, but at intervals not to exceed 15 months. Specifically, the Notice alleged that CITGO failed to provide records that demonstrate it tested and verified its internal communication plan at least once each calendar year, but at intervals not to exceed 15 months during calendar years 2020 and 2021 at its Linden, New Jersey pipeline facility. This Item was brought as a warning and does not constitute a finding of violation. CITGO accepts the warning as alleged in CPF No. 1-2024-035-NOPV.

32. **Item 10 - 49 CFR § 195.589(c):** The Notice alleged that CITGO failed to maintain records of each atmospheric corrosion inspection required by section 195.583(a) in sufficient detail to demonstrate the adequacy of corrosion control measures or that corrosion requiring control measures does not exist. Specifically, the Notice alleged that CITGO failed to have records for its calendar year 2020 and 2023 atmospheric corrosion inspections. This Item was brought as a warning and does not constitute a finding of violation. CITGO accepts the warning as alleged in CPF No. 1-2024-035-NOPV.

33. **Item 11 - 49 CFR § 195.589(c):** The Notice alleged that CITGO failed to maintain a record of each analysis, check, demonstration, examination, inspection, investigation, review, survey, and test required by subpart H of Part 195 in sufficient detail to demonstrate the adequacy of corrosion control measures or that corrosion requiring control measures does not exist. Specifically, the Notice alleged that CITGO failed to maintain tank bottom lining installation records on nine aboveground breakout tanks built to API Standard 650 pursuant to API RP 652. This Item was brought as a warning and does not constitute a finding of violation. CITGO accepts the warning as alleged in CPF No. 1-2024-035-NOPV.

C. CPF No. 1-2024-036-NOPV

34. **Item 1 - 49 CFR § 194.105(b)(3):** The Notice alleged that CITGO failed to conduct its worst case discharge calculations. Specifically, the Notice alleged that CITGO failed to conduct the worst case discharge calculations for its breakout tanks at the Toledo, Ohio facilities. This Item was brought as a warning and does not constitute a finding of violation. CITGO accepts the warning as alleged in CPF No. 1-2024-036-NOPV.

35. **Item 3 - 49 CFR § 195.402(a):** The Notice alleged that CITGO failed to follow its manual of written procedures. Specifically, the Notice alleged that CITGO failed to follow its *O&M Manual Section J— Inspection and Maintenance*, dated September 23, 2022 (O&M - Section J) for conducting its annual firefighting extinguisher inspections for calendar years 2020 through 2022 pursuant to section 195.430(a). This Item was brought as a warning and does not constitute a finding of violation. CITGO accepts the warning as alleged in CPF No. 1-2024-036-NOPV.

36. **Item 4 - 49 CFR § 195.402(a)**: The Notice alleged that CITGO failed to conduct an annual review of its operations and maintenance manual at intervals not exceeding 15 months but at least once each calendar year. Specifically, the Notice alleged that CITGO failed to conduct an annual review of its operations and maintenance manual for calendar years 2020, 2021, and 2022. This Item was brought as a warning and does not constitute a finding of violation. CITGO accepts the warning as alleged in CPF No. 1-2024-036-NOPV.

37. **Item 5 - 49 CFR § 195.402(a)**: The Notice alleged that CITGO failed to follow its manual of written procedures. Specifically, the Notice alleged that CITGO failed to follow its *O&M Manual Section J– Inspection and Maintenance*, dated September 23, 2022 (O&M – Section J) for conducting its monthly firefighting extinguisher inspections in accordance with section 195.430(a). This Item was brought as a warning and does not constitute a finding of violation. CITGO accepts the warning as alleged in CPF No. 1-2024-036-NOPV.

38. **Item 7 - 49 CFR § 195.402(c)(13)**: The Notice alleged that CITGO failed to conduct periodic reviews of 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. Specifically, the Notice alleged that CITGO failed to provide records or other documentation that demonstrated the work done by operator personnel was reviewed to determine the effectiveness of the procedures used in normal operations, or what corrective actions were taken if any deficiencies were found, in calendar years 2020, 2021, and 2022. This Item was brought as a warning and does not constitute a finding of violation. CITGO accepts the warning as alleged in CPF No. 1-2024-036-NOPV.

39. **Item 9 - 49 CFR § 195.428(a)**: The Notice alleged that CITGO failed to inspect and test each pressure limiting device, relief valve, pressure regulator, or other item of pressure control equipment at intervals not exceeding 15 months, but at least once each calendar year, to determine that it is functioning properly, is in good mechanical condition, and is adequate from the standpoint of capacity and reliability of operation for the service in which it is used. Specifically, the Notice alleged that CITGO failed to document its overpressure relief valve inspections for calendar years 2021 through 2023. This Item was brought as a warning and does not constitute a finding of violation. CITGO accepts the warning as alleged in CPF No. 1-2024-036-NOPV.

40. **Item 10 - 49 CFR § 195.446(c)(3)**: The Notice alleged that CITGO failed to test and verify its internal communication plan to provide adequate means for manual operation of the pipeline safely, at least once each calendar year, but at intervals not to exceed 15 months. Specifically, the Notice alleged that CITGO failed to provide records that demonstrate it tested and verified its internal communication plan at least once each calendar year, but at intervals not to exceed 15 months during calendar years 2020 and 2021 at its Toledo, Ohio pipeline facility. This Item was brought as a warning and does not constitute a finding of violation. CITGO accepts the warning as alleged in CPF No. 1-2024-036-NOPV.

D. CPF No. 1-2024-037-NOPV

41. **Item 1 - 49 CFR § 195.402(a)**: The Notice alleged that CITGO failed to

complete a review of its written procedures at intervals not exceeding 15 months, but at least once each calendar year to ensure that the emergency response manual was effective. Specifically, the Notice alleged that CITGO failed to conduct a 2021 calendar year annual review of its emergency manual for the Niles, Michigan facility at the required interval. This Item was brought as a warning and does not constitute a finding of violation. CITGO accepts the warning as alleged in CPF No. 1-2024-037-NOPV.

42. **Item 2 - 49 CFR § 195.402(a):** The Notice alleged that CITGO failed to follow its manual of written procedures. Specifically, the Notice alleged that CITGO failed to follow its *O&M Manual, Section J – Inspection and Maintenance*, dated September 23, 2022 (OM – Section J) for conducting its annual firefighting extinguisher inspections for calendar years 2021 through 2023 pursuant to section 195.430(a). This Item was brought as a warning and does not constitute a finding of violation. CITGO accepts the warning as alleged in CPF No. 1-2024-037-NOPV.

43. **Item 3 - 49 CFR § 195.402(a):** The Notice alleged that CITGO failed to conduct an annual review of its operations and maintenance manual at intervals not exceeding 15 months but at least once each calendar year. Specifically, the Notice alleged that CITGO failed to conduct an annual review of its operations and maintenance manual for calendar years 2020, 2021, and 2022. This Item was brought as a warning and does not constitute a finding of violation. CITGO accepts the warning as alleged in CPF No. 1-2024-037-NOPV.

44. **Item 4 - 49 CFR § 195.402(c)(13):** The Notice alleged that CITGO failed to conduct periodic reviews of 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. Specifically, the Notice alleged that CITGO failed to provide records or other documentation that demonstrated the work done by operator personnel was reviewed for effectiveness or what corrective actions were taken if any deficiencies were found in calendar years 2020, 2021, and 2022. This Item was brought as a warning and does not constitute a finding of violation. CITGO accepts the warning as alleged in CPF No. 1-2024-037-NOPV.

45. **Item 6 - 49 CFR § 195.428(a):** The Notice alleged that CITGO failed to inspect and test each pressure limiting device, relief valve, pressure regulator, or other item of pressure control equipment at intervals not exceeding 15 months, but at least once each calendar year, to determine that it is functioning properly, is in good mechanical condition, and is adequate from the standpoint of capacity and reliability of operation for the service in which it is used. Specifically, the Notice alleged that CITGO failed to document its overpressure relief valve inspections during calendar years 2021 through 2023. This Item was brought as a warning and does not constitute a finding of violation. CITGO accepts the warning as alleged in CPF No. 1-2024-037-NOPV.

46. **Item 9 - 49 CFR § 195.446(c)(3):** The Notice alleged that CITGO failed to test and verify its internal communication plan to provide adequate means for manual operation of the pipeline safely, at least once each calendar year, but at intervals not to exceed 15 months. Specifically, the Notice alleged that CITGO failed to test and verify its internal communication at least once each calendar year, but at intervals not to exceed 15 months during calendar years

2020 and 2021 at its Niles, Michigan pipeline facility. This Item was brought as a warning and does not constitute a finding of violation. CITGO accepts the warning as alleged in CPF No. 1-2024-037-NOPV.

E. CPF No. 1-2024-038-NOPV

47. ***Item 2 - 49 CFR § 195.402(a)***: The Notice alleged that CITGO failed to complete a review of its written procedures at intervals not exceeding 15 months, but at least once each calendar year to ensure that the emergency response manual was effective. Specifically, the Notice alleged that CITGO failed to conduct its 2021 calendar year annual review of its emergency manual for the Port Everglades, Florida facility at the required interval. This Item was brought as a warning and does not constitute a finding of violation. CITGO accepts the warning as alleged in CPF No. 1-2024-038-NOPV.

48. ***Item 3 - 49 CFR § 195.402(a)***: The Notice alleged that CITGO failed to conduct an annual review of its operations and maintenance manual at intervals not exceeding 15 months but at least once each calendar year. Specifically, the Notice alleged that CITGO failed to conduct an annual review of its operations and maintenance manual for calendar years 2020, 2021, and 2022. This Item was brought as a warning and does not constitute a finding of violation. CITGO accepts the warning as alleged in CPF No. 1-2024-038-NOPV.

49. ***Item 4 - 49 CFR § 195.402(c)(13)***: The Notice alleged that CITGO failed to conduct periodic reviews of 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. Specifically, the Notice alleged that CITGO failed to provide records or other documentation that demonstrated the work done by operator personnel was reviewed for effectiveness or what corrective actions were taken if any deficiencies were found in calendar years 2020, 2021, and 2022. This Item was brought as a warning and does not constitute a finding of violation. CITGO accepts the warning as alleged in CPF No. 1-2024-038-NOPV.

50. ***Item 5 - 49 CFR § 195.403(c)***: The Notice alleged that CITGO failed to require and verify that its supervisors maintain a thorough knowledge of that portion of the emergency response procedures established under section 195.402 for which they are responsible for ensuring compliance. Specifically, the Notice alleged that CITGO failed to provide records demonstrating compliance during calendar years 2020 through 2022. This Item was brought as a warning and does not constitute a finding of violation. CITGO accepts the warning as alleged in CPF No. 1-2024-038-NOPV.

51. ***Item 9 - 49 CFR § 195.428(a)***: The Notice alleged that CITGO failed to document its overpressure relief valve inspections to determine that the valves are functioning properly, are in good mechanical condition, and are adequate from the standpoint of capacity and reliability of operation for the service in which it is used. Specifically, the Notice alleged that CITGO failed to document its overpressure relief valve inspections during calendar years 2021 through 2023. This Item was brought as a warning and does not constitute a finding of violation. CITGO accepts the warning as alleged in CPF No. 1-2024-038-NOPV.

52. **Item 10 - 49 CFR § 195.446(c)(3):** The Notice alleged that CITGO failed to test and verify its internal communication plan to provide adequate means for manual operation of the pipeline safely, at least once each calendar year, but at intervals not to exceed 15 months. Specifically, the Notice alleged that CITGO failed to test and verify its internal communication plan during calendar years 2020 and 2021 at its Port Everglades, Florida pipeline facility. This Item was brought as a warning and does not constitute a finding of violation. CITGO accepts the warning as alleged in CPF No. 1-2024-038-NOPV.

53. For the Warning Items in Section III, if OPS finds a violation of these provisions in a subsequent inspection, Respondents may be subject to future enforcement action.

IV. Items Withdrawn:

A. CPF No. 1-2024-033-NOPV

54. The Parties agree that there are no Items withdrawn from CPF No. 1-2024-033-NOPV.

B. CPF No. 1-2024-035-NOPV

55. **Item 1 - 49 CFR § 195.310:** With respect to Item 1 of CPF No. 1-2024-035-NOPV, the Parties agree that this Item should be withdrawn considering the exceptions to the pressure testing requirements in 49 CFR § 195.302(b). Because this Item is withdrawn, it will not constitute a finding of violation for any purpose, and no further action by CITGO is necessary with respect to this Item. As such, the allegation of violation for Item 1 and the proposed compliance order associated with this Item are withdrawn.

56. **Item 3 - 49 CFR § 195.402(a):** With respect to Item 3 of CPF No. 1-2024-035-NOPV, the Parties agree that this Item should be withdrawn after further discussions. Because this Item is withdrawn, it will not constitute a finding of violation for any purpose, and no further action by CITGO is necessary with respect to this Item. As such, the allegation of violation for Item 3 and the proposed civil penalty associated with this Item are withdrawn.

57. **Item 7 - 49 CFR § 195.406:** With respect to Item 7 of CPF No. 1-2024-035-NOPV, the Parties agree that this Item should be withdrawn after CITGO provided records supporting the calculation of the maximum operating pressure. Because this Item is withdrawn, it will not constitute a finding of violation for any purpose, and no further action by CITGO is necessary with respect to this Item. As such, the allegation of violation for Item 7 is withdrawn.

C. CPF No. 1-2024-036-NOPV

58. **Item 2 - 49 CFR § 195.310:** With respect to Item 2 of CPF No. 1-2024-036-NOPV, the Parties agree that section 195.310 applies to breakout tanks and that this Item should be withdrawn after CITGO provided pressure test records for Tanks 209 and 210 that list the facility tested, test medium and temperature, test duration, fill height (gauge), and whether any leaks were experienced during the test. Because this Item is withdrawn, it will not constitute a

finding of violation for any purpose, and no further action by CITGO is necessary with respect to this Item. As such, the allegation of violation for Item 2 and the proposed civil penalty associated with this Item are withdrawn.

59. **Item 8 - 49 CFR § 195.406:** With respect to Item 8 of CPF No. 1-2024-036-NOPV, the Parties agree that this Item should be withdrawn after CITGO provided records supporting the calculation of the maximum operating pressure. Because this Item is withdrawn, it will not constitute a finding of violation for any purpose, and no further action by CITGO is necessary with respect to this Item. As such, the allegation of violation for Item 8 is withdrawn.

D. CPF No. 1-2024-037-NOPV

60. **Item 5 - 49 CFR § 195.406:** With respect to Item 5 of CPF No. 1-2024-037-NOPV, the Parties agree that this Item should be withdrawn after CITGO provided records supporting the calculation of the maximum operating pressure. Because this Item is withdrawn, it will not constitute a finding of violation for any purpose, and no further action by CITGO is necessary with respect to this Item. As such, the allegation of violation for Item 5 is withdrawn.

61. **Item 8 - 49 CFR § 195.444(c):** With respect to Item 8 of CPF No. 1-2024-037-NOPV, the Parties agree that this Item should be withdrawn after CITGO clarified that its leak detection system utilizes fiber optic cables. Because this Item is withdrawn, it will not constitute a finding of violation for any purpose, and no further action by CITGO is necessary with respect to this Item. As such, the allegation of violation for Item 8 and the proposed civil penalty associated with this Item are withdrawn.

E. CPF No. 1-2024-038-NOPV

62. **Item 1 - 49 CFR § 195.310:** With respect to Item 1 of CPF No. 1-2024-038-NOPV, the Parties agree that this Item should be withdrawn considering the exceptions to the pressure testing requirements in 49 CFR § 195.302(b). Because this Item is withdrawn, it will not constitute a finding of violation for any purpose, and no further action by CITGO is necessary with respect to this Item. As such, the allegation of violation for Item 1 and the proposed compliance order associated with this Item are withdrawn.

63. **Item 6 - 49 CFR § 195.406:** With respect to Item 6 of CPF No. 1-2024-038-NOPV, the Parties agree that this Item should be withdrawn after CITGO provided records supporting the calculation of the maximum operating pressure. Because this Item is withdrawn, it will not constitute a finding of violation for any purpose, and no further action by CITGO is necessary with respect to this Item. As such, the allegation of violation for Item 6 and the proposed civil penalty associated with this Item are withdrawn.

V. Civil Penalty:

A. CPF No. 1-2024-033-NOPV

64. **Item 2:** The Notice proposed assessing a civil penalty in the amount of \$21,200 for Item 2. CITGO requested that the proposed civil penalty be withdrawn. After reassessing the evidence, PHMSA agrees to withdraw the proposed civil penalty.

65. **Item 5:** The Notice proposed assessing a civil penalty in the amount of \$20,400 for Item 5. CITGO requested that the proposed civil penalty be withdrawn. After reassessing the evidence, PHMSA agrees to withdraw the proposed civil penalty.

B. CPF No. 1-2024-035-NOPV

66. **Item 3:** The Notice proposed assessing a civil penalty in the amount of \$66,600 for Item 3. As noted above in Section IV, this Item and the associated proposed civil penalty are withdrawn.

C. CPF No. 1-2024-036-NOPV

67. **Item 2:** The Notice proposed assessing a civil penalty in the amount of \$20,800 for Item 2. As noted above in Section IV, this Item and the associated proposed civil penalty are withdrawn.

D. CPF No. 1-2024-037-NOPV

68. **Item 8:** The Notice proposed assessing a civil penalty in the amount of \$53,900 for Item 8. As noted above in Section IV, this Item and the associated proposed civil penalty are withdrawn.

69. **Item 11:** The Notice proposed assessing a civil penalty in the amount of \$53,900 for Item 11. CITGO requested that the proposed civil penalty be reduced. After reassessing when the violation ended, PHMSA agrees to reduce the proposed civil penalty for this Item to \$50,100.

E. CPF No. 1-2024-038-NOPV

70. **Item 6:** The Notice proposed assessing a civil penalty in the amount of \$50,200 for Item 6. As noted above in Section IV, this Item and the associated proposed civil penalty are withdrawn.

71. **Item 8:** The Notice proposed assessing a civil penalty in the amount of \$85,600 for Item 8. CITGO requested that the proposed civil penalty be reduced. After reassessing when the violation ended, PHMSA agrees to reduce the proposed civil penalty for this Item to \$79,400.

72. **Item 11:** The Notice proposed assessing a civil penalty in the amount of \$60,300 for Item 11. CITGO requested that the proposed civil penalty be reduced. After reassessing when the violation ended, PHMSA agrees to reduce the proposed civil penalty for this Item to \$55,900.

73. Respondents will pay a total reduced civil penalty in the amount of **\$185,400**, pursuant to the payment instructions at 49 CFR § 190.227(a), to be paid in full no later than 20 days from the *Effective Date* of this Agreement.

VI. Compliance Order:

A. CPF No. 1-2024-033-NOPV

74. **Item 3:** The Notice proposed certain compliance order actions to address the non-compliance alleged in Item 3. CITGO does not contest the Proposed Compliance Order. As such, CITGO agrees to perform the following corrective measures:

- i. CITGO must update its plans and procedures to detail its process for complying with section 195.402(c)(13). CITGO must submit revised procedures to the Director within 90 days of the Effective Date.

75. **Item 4:** The Notice proposed certain compliance order actions to address the non-compliance alleged in Item 4. CITGO does not contest the Proposed Compliance Order. As such, CITGO agrees to perform the following corrective measures:

- i. CITGO must update its plans and procedures and subsequently conduct its initial effectiveness reviews of the procedures controlling abnormal operation with its employees, in accordance with section 195.402(d)(5). CITGO must forward all documentation to the Director within 90 days of the Effective Date.

76. **Item 5:** The Notice proposed certain compliance order actions to address the non-compliance alleged in Item 5. CITGO does not contest the Proposed Compliance Order. As such, CITGO agrees to perform the following corrective measures:

- i. CITGO must update its plans and procedures for complying with section 195.403(c). Citgo must submit revised procedures to the Director within 90 days of the Effective Date.

77. **Item 6:** The Notice proposed certain compliance order actions to address the non-compliance alleged in Item 6. CITGO agrees to perform the following corrective measures:

- i. CITGO must update its plans and procedures for complying with section 195.446(c)(3), and subsequently test and verify its internal communication plan applicable to each control room. CITGO must forward all documentation to the Director within 90 days of the Effective Date.

B. CPF No. 1-2024-035-NOPV

78. **Item 1:** The Notice proposed certain compliance order actions to address the non-compliance alleged in Item 1. As noted above in Section IV, this Item and the associated proposed compliance order are withdrawn. No further action by CITGO is required.

79. **Item 7:** The Notice proposed certain compliance order actions to address the non-compliance alleged in Item 7. While this item was ultimately withdrawn, PHMSA recognizes that CITGO took additional action. The Director finds that CITGO completed the proposed corrective measures associated with Item 7. No further action by CITGO is required.

C. CPF No. 1-2024-036-NOPV

80. **Item 6:** The Notice proposed certain compliance order actions to address the non-compliance alleged in Item 6. CITGO requests additional time to address the non-compliance and the Director agrees to extend the deadline. CITGO agrees to perform the following corrective measures:

- i. CITGO must review the placement of its test leads throughout its pipelines, and install test leads in sufficient quantity to facilitate cathodic protection testing. CITGO must submit documentation demonstrating the remedial actions taken to the Director within 240 days of the Effective Date.

81. **Item 8:** The Notice proposed certain compliance order actions to address the non-compliance alleged in Item 8. While this item was ultimately withdrawn, PHMSA recognizes that CITGO took additional action. The Director finds that CITGO completed the proposed corrective measures associated with Item 8. No further action by CITGO is required.

D. CPF No. 1-2024-037-NOPV

82. **Item 5:** The Notice proposed certain compliance order actions to address the non-compliance alleged in Item 5. While this item was ultimately withdrawn, PHMSA recognizes that CITGO took additional action. The Director finds that CITGO completed the proposed corrective measures associated with Item 5. No further action by CITGO is required.

83. **Item 7:** The Notice proposed certain compliance order actions to address the non-compliance alleged in Item 7. CITGO requests additional time to address the non-compliance and the Director agrees to extend the deadline. As such, CITGO agrees to perform the following corrective measures:

- i. CITGO must update all signage on its gates surrounding the Niles breakout tank facility (entrances/exits) to include a telephone number (including area code) where the operator can be reached at all times, in accordance with section 195.434. Citgo must forward all documentation of compliance to the Director within 120 days of the Effective Date.

84. **Item 10:** The Notice proposed certain compliance order actions to address the non-compliance alleged in Item 10. CITGO agrees to perform the following corrective measures:

- i. CITGO must submit supplemental annual reports to PHMSA to include the pipeline mileage that crosses 3rd Avenue at its Niles, Michigan facility and forward all documentation to the Director within 90 days of the Effective Date.

E. CPF No. 1-2024-038-NOPV

85. **Item 1:** The Notice proposed certain compliance order actions to address the non-compliance alleged in Item 1. As noted above in Section IV, this Item and the associated proposed compliance order are withdrawn. No further action by CITGO is required.

86. **Item 6:** The Notice proposed certain compliance order actions to address the non-compliance alleged in Item 6. While this item was ultimately withdrawn, PHMSA recognizes that CITGO took additional action. The Director finds that CITGO completed the proposed corrective measures associated with Item 6. No further action by CITGO is required.

87. **Item 7:** The Notice proposed certain compliance order actions to address the non-compliance alleged in Item 7. CITGO does not contest the Proposed Compliance Order. As such, CITGO agrees to perform the following corrective measures:

- i. CITGO must install line markers at each public road crossing so that its location is accurately known, along the North and South directions of Interstate 595-East, along North Federal Highway and at each railroad crossing in the North and South directions of Eller Drive, in Fort Lauderdale, Florida. CITGO must submit documentation demonstrating completion of these actions to the Director of Eastern Region within 120 days of the Effective Date.

VII. Enforcement:

88. This Agreement is subject to all enforcement authorities available to PHMSA under 49 U.S.C. § 60101, *et seq.*, and 49 CFR Part 190, including administrative civil penalties under 49 U.S.C. § 60122, of up to \$ 272,926 per violation for each day the violation continues and referral of the case to the Attorney General for judicial enforcement, if PHMSA determines that Respondents are not complying with the terms of this Agreement in accordance with the determinations made by the Director, or in accordance with decisions of the Associate Administrator if resolved pursuant to the Dispute Resolution process herein. The maximum civil penalty amounts are adjusted annually for inflation. *See* 49 CFR § 190.223. All work plans and associated schedules set forth or referenced in Section VI (Compliance Order) are automatically incorporated into this Agreement and are enforceable in the same manner.

VIII. Review and Approval Process:

89. With respect to any submission under Section VI (Compliance Order) of this Agreement that requires the approval of the Director, the Director may: (a) approve, in whole or in part, the submission; (b) approve the submission on specified, reasonable conditions; (c) disapprove, in whole or in part, the submission; or (d) any combination of the foregoing. If the Director approves, approves in part, or approves with conditions, Respondents will take all

actions as approved by the Director, subject to Respondent's right to invoke the dispute resolution procedures with respect to any conditions the Director identifies. If the Director disapproves all or any portion of the submission, the Director will provide Respondents a written notice of the deficiencies. Respondents will correct all deficiencies within the time specified by the Director and resubmit it for approval.

IX. Dispute Resolution:

90. The Director and Respondents will informally attempt to resolve any disputes arising under this Agreement, including any decision of the Director under the terms of Sections VI (Compliance Order) and VIII (Review and Approval Process). If Respondents and the Director are unable to informally resolve the dispute within 15 calendar days after the dispute is first raised, in writing, to the Director, Respondents may submit a written request for a determination resolving the dispute from the Associate Administrator. Such request must be made in writing and provided to the Director, counsel for the Eastern Region, and to the Associate Administrator, no later than 10 calendar days from the 15-day deadline for informal resolution referenced in this paragraph. Along with its request, Respondents must provide the Associate Administrator with all information Respondents believe is relevant to the dispute. Decisions of the Associate Administrator under this paragraph will constitute final agency action. The existence of a dispute and PHMSA's consideration of matters placed in dispute will not excuse, toll, or suspend any term or timeframe for completion of any work to be performed under this Agreement during the pendency of the dispute resolution process.

X. Effective Date:

91. The term "Effective Date," as used herein, is the date on which the Consent Order is issued by the Associate Administrator incorporating the terms of this Agreement.

XI. Recordkeeping and Information Disclosure:

92. Unless otherwise required in this Agreement, Respondents agree to maintain records demonstrating compliance with all requirements of this Agreement for a period of at least five (5) years following completion of all work to be performed, unless a longer period of time is required pursuant to 49 CFR Parts 190-199. For any reports, plans, or other deliverables required to be submitted to PHMSA pursuant to this Agreement, Respondents may assert a claim of business confidentiality or other protections applicable to the release of information by PHMSA, covering part or all of the information required to be submitted to PHMSA pursuant to this Agreement in accordance with 49 CFR Part 7. Respondents must mark the claim of confidentiality in writing on each page, and include a statement specifying the grounds for each claim of confidentiality. PHMSA determines release of any information submitted pursuant to this Agreement in accordance with 49 CFR Part 7, the Freedom of Information Act, 5 U.S.C. § 552, DOT and PHMSA policies, and other applicable regulations and Executive Orders.

XII. Modification:

93. The terms of this Agreement may be modified by mutual agreement of the Parties. Such modifications must be in writing and signed by both parties.

XIII. Termination:

94. This Agreement will remain in effect until the Civil Penalty in Section V is paid in full and the Compliance Order in Section VI is satisfied, as determined by the Director. The Agreement shall not terminate until the Director confirms, in writing, that the Agreement is terminated in accordance with this paragraph. Nothing in this Agreement prevents Respondents from completing any of the obligations earlier than the deadlines provided for in this Agreement.

XIV. Ratification:

95. The Parties' undersigned representatives certify that they are fully authorized to enter into the terms and conditions of this Agreement and to execute and legally bind such party to this document.

96. The Parties hereby agree to all findings, conditions, and terms of this Agreement.

For CITGO Pipeline Company and CITGO Petroleum Corporation (Terminals):

Date

For PHMSA:

Director, Eastern Region, Office of Pipeline Safety

Date