



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

230 Peachtree Street N.W.
Suite 2100
Atlanta, GA 30303
404.832.1147

**NOTICE OF PROBABLE VIOLATION
and
PROPOSED CIVIL PENALTY**

VIA ELECTRONIC MAIL TO: Mlittle@colpipe.com

July 10, 2026

Melanie Little
President & CEO
Colonial Pipeline Company
1000 Lake Street
Alpharetta, GA 30009

CPF 2-2026-010-NOPV

Dear Ms. Little:

From March 9, 2026, to March 11, 2026, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code (U.S.C.), inspected Colonial Pipeline Company's (Colonial) Port Arthur Products facilities, records, and procedures related to the PAPEX construction project in Port Arthur, Texas.

As a result of the inspection, it is alleged that Colonial 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. § 195.505 Qualification Program.

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

(a)...

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

Colonial failed to comply with 49 CFR §195.505(b) because it did not ensure through evaluation

that individuals performing covered tasks are qualified. Specifically, Colonial did not follow its written qualification program to ensure a non-destructive examination (NDE) contractor was qualified to visually inspect welds on tanks 1498, 1499, 1500 and 1501 at the time of the documented inspections. Visual inspections for tanks 1498, 1499, 1500, and 1501 occurred between August 1, 2025, and December 1, 2025, and the bottom plates of tank 1501 were also inspected on June 4, 2025.

Section 16 of Colonial's Operator Qualification (OQ) Program Manual, dated April 1, 2025, stated the following:

All companies that are contracted to perform Covered Task work for CPC must be able to supply documentation that verifies that personnel performing the task or personnel that are directing non-qualified individuals are qualified and meet the CPC Operator Qualification program. Each contractor must have the capability to immediately produce, upon request, acceptable records of an individual's qualifications. These qualifications must meet the requirements of this program...

During PHMSA's March 10, 2026, onsite inspection, Colonial personnel produced documentation to verify compliance with operator qualifications for the visual inspection of the welds on tanks 1498, 1499, 1500, and 1501 at Colonial's Port Arthur tank farm facility. The NDE records produced indicated that over 125 welds were visually inspected by a contractor who lacked OQ at the time of the inspections. Colonial personnel provided the contractor's third-party summary OQ report, and the initial qualification for visual weld inspection was completed on December 15, 2025. Therefore, the third-party contractor was not qualified to visually inspect welds when the inspections were performed. By not using a qualified contractor, Colonial failed to comply with Section 16 of its OQ Program Manual and was out of compliance with the requirement of § 195.505(b).

Proposed Civil Penalty

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$272,926 per violation per day the violation persists, up to a maximum of \$2,729,245 for a related series of violations. For violations occurring on or after December 28, 2023, and before December 30, 2024, the maximum penalty may not exceed \$266,015 per violation per day the violation persists, up to a maximum of \$2,660,135 for a related series of violations. For violations occurring on or after January 6, 2023, and before December 28, 2023, the maximum penalty may not exceed \$257,664 per violation per day the violation persists, up to a maximum of \$2,576,627 for a related series of violations. For violation occurring on or after March 21, 2022, and before January 6, 2023, the maximum penalty may not exceed \$239,142 per violation per day the violation persists, up to a maximum of \$2,391,412 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 violations 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.

We have reviewed the circumstances and supporting documentation involved for the above probable violations and recommend that you be preliminarily assessed a civil penalty of \$87,800 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$87,800

Response to this Notice

Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Enforcement Proceedings*. Please refer to this document and note the response options. All material you submit in response to this enforcement action may be 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 your receipt of this Notice, you have 30 days to respond as described in the enclosed *Response Options*. 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 you are responding to this Notice, we propose that you submit your correspondence to my office within 30 days from receipt of this Notice. The Region Director may extend the period for responding upon a written request timely submitted demonstrating good cause for an extension.

In your correspondence on this matter, please refer to **CPF 2-2026-010-NOPV** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

James A. Urisko
Director, Southern Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration

Enclosures: *Response Options for Pipeline Operators in Enforcement Proceedings*