

WARNING LETTER

VIA ELECTRONIC MAIL

February 22, 2023

Francesco Mainoe
President, Americas
Air Products & Chemicals Inc.
1940 Air Products Blvd
Allentown, Pennsylvania 18106

CPF 4-2023-036-WL

Dear Mr. Mainoe:

From August 1 through October 20, 2022, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.), inspected Air Products & Chemicals Inc. (Air Products), Texas and Louisiana area facilities.

As a result of the inspection, it is alleged that Air Products 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. § 192.605 Procedural manual for operations, maintenance, and emergencies.

(a) General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least once each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.

Air Products failed to follow its manual of written procedures for controlling corrosion in accordance with § 192.605(a). Specifically, Air Products failed to conduct annual cathodic protection readings in accordance with its procedures (Pipeline Corrosion Control 34-0028, Section 5.2.3.2) at the following locations:¹

Line Segment 1099:

1. West of Humble Road in Pasture Near Canal: TS-1099-0020: Missing 2021 cathodic protection reading.
2. West of Hollman Circle TS-1099-0065: Missing 2021 cathodic protection reading.
3. In Swamp Access from Pine Bluff Road: Missing 2019 cathodic protection reading.
4. South of Gray Road in Pasture: Missing 2020 and 2021 cathodic protection readings.
5. Field Road TS-1099-0214: Missing 2020 cathodic protection reading.

Therefore, Air Products failed to follow its manual of written procedures for controlling corrosion in accordance with §192.605(a).

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 \$2,391,412 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 violations 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 violations 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 violations 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 item identified in this letter. Failure to do so may result in Air Products being subject to additional enforcement action.

¹ After conducting a self-evaluation, Air Products began to implement changes in 2021 to address shortcomings in its cathodic protection program. As part of its changes, Air Products created new internal roles to implement and oversee its cathodic protection program and purchased new software to better manage cathodic protection surveys and maintenance.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 4-2023-036-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,

Bryan Lethcoe
Director, Southwest Region
Pipeline and Hazardous Materials Safety Administration

cc: JW Riley, Pipeline Compliance Manager, rileyjw@airproducts.com