



June 9, 2025

Mr. Bryan Jeffery Lethcoe
Director, Southwest Region
Pipelines and Hazardous Materials Safety Administration
8701 S. Gessner
Suite 630
Houston, TX 77074

RE: CPF 4-2025-002-NOPV

Dear Mr. Lethcoe,

A representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) conducted a pipeline safety inspection of Valero Terminal and Distribution Company's (Valero) hazardous liquid pipeline facilities in Oklahoma, Louisiana, Mississippi and Texas from March 11th through September 27th, 2024.

On May 15th, 2025, the Office of Pipeline Safety issued a Proposed Compliance Order alleging Valero committed probable violations of the Pipeline Safety Regulations in 49 CFR Part 195. This letter is intended to provide responses to the Proposed Compliance Order in accordance with 49 CFR 190.208.

Valero is committed to working with PHMSA to ensure compliance with all pipeline safety regulations, and Valero appreciates the professionalism of the inspector involved in the inspection. Their comments and suggestions are valuable and appreciated. If you have any questions or need additional information please contact Darin Banther at (210) 345-4171 or Carlos Gauna at (210) 345-5208.

Respectfully Submitted,

A handwritten signature in blue ink that reads 'Fred E. Hampton'.

Fred E. Hampton
Vice President

Enclosure

cc: Mr. Carlos Gauna, Director Pipeline and Facility Integrity, Valero Partners Operating Company, LLC, carlos.gauna@valero.com
Mr. Darin Banther, Manager Regulatory Compliance, Valero Partners Operating Company, LLC, darin.banther@valero.com



Item Number: 1

Requirement: 49 CFR 195.403 Emergency Response Training

Probable Violation Description:

Valero failed to, at intervals not exceeding 15 months, but at least once each calendar year, review with its personnel their performance in meeting the objectives of the emergency response training program set forth in paragraph (a) in accordance with § 195.403(b)(1). Specifically, Valero completed post-exercise evaluations for drill exercises completed in calendar years 2021, 2022, and 2023, but did not provide records demonstrating that it had reviewed the performance of its emergency response personnel in meeting each element of the continuing training program under § 195.403(a).

Valero's procedure, *Emergency Response Training* (Doc. No. OML-P610) (Rev. 7.0; Dec. 1, 2022), section 5.2.2 *Program Content*, describes Valero's continuing training program and requires Valero to review with personnel their performance in meeting the objectives of its program. The records provided by Valero show that it did not perform a complete review of the performance of its personnel in meeting the objectives of its continuing training program. The post-drill evaluations provide evidence of training employees to carry out Valero's emergency procedures, but do not include performance reviews of all required continuing training program elements under Valero's procedure and § 195.403(a).

Therefore, Valero failed to, at intervals not exceeding 15 months, but at least once each calendar year, review with its personnel their performance in meeting the objectives of the emergency response training program set forth in paragraph (a) in accordance with § 195.403(b)(1).

Proposed Compliance Order:

In regard to Item 1 of the Notice pertaining to Valero's failure to review with its personnel their performance in meeting the objectives of the emergency response training program set forth in § 195.403(a) in accordance with § 195.403(b)(1), Valero must review with each emergency responder their performance in meeting the objectives of its emergency response continuing training program, make appropriate changes to the emergency response training program as necessary to ensure that it is effective, and provide records demonstrating that the performance reviews were completed, and records of any necessary changes made to the program to the Director, Southwest Region, within 60 days of receipt of the Final Order.

Response:

Valero does not contest this alleged violation and intends to take the following actions in the proposed compliance order:

- Valero must review with each emergency responder their performance in meeting the objectives of its emergency response continuing training program, make appropriate changes to the emergency response training program as necessary to ensure that it is effective, and provide records demonstrating that the performance reviews were completed, and records of any necessary changes made to the program to the Director, Southwest Region, within **60** days of receipt of the Final Order.



Item Number: 2

Requirement: 49 CFR 195.403 Emergency Response Training

Probable Violation Description:

Valero failed to verify that its supervisors maintain a thorough knowledge of that portion of the emergency response procedures established under 195.402 for which they are responsible to ensure compliance in accordance with §195.403(c). Specifically, Valero failed to provide any records demonstrating compliance with §195.403(c) for calendar years 2021, 2022, and 2023.

Proposed Compliance Order:

In regard to Item 2 of the Notice pertaining to Valero's failure to require and verify that its supervisors maintain a thorough knowledge of that portion of the emergency response procedures for which they are responsible to ensure compliance in accordance with §195.403(c), Valero must evaluate each supervisor's knowledge of Valero's emergency response procedures for which they are responsible and provide training as necessary to ensure supervisors have a thorough knowledge of their responsibilities, and must provide records documenting the evaluations and any training conducted to the Director, Southwest Region, within 60 days of receipt of the Final Order.

Response:

Valero does not contest the alleged violation, but respectfully provides an explanation relevant to modification of the proposed compliance order:

A Qualified Individual (QI) / Alternate Qualified Individual (AQI) listed in their respective Emergency Response Plan is required to complete the following three courses:

- **Course Title:** *Incident Personnel with Leadership Responsibilities*
 - *IS-100: Introduction to the Incident Command System*
 - *IS-200: Basic Incident Command System for Initial Response, ICS-200*
 - *IS-700: National Incident Management System, An Introduction*
 - *IS-800: National Response Framework, An Introduction*
 - **Roles:** Supervisory personnel working within the ICS
 - **Frequency:** FEMA Independent Study (IS) courses are offered initially with subsequent training addressed in required regulatory drills.
- **Course Title:** *HAZWOPER - 24 Hour On-Scene Incident Commander Level*
 - Part 1. HAZWOPER: Source of the Hazard - Site Evaluation
 - Part 2. HAZWOPER: Toxicology- Hazardous Substance Exposure
 - Part 3. HAZWOPER: Decontamination Activities
 - **Roles:** Operations Level and Up
 - **Frequency:** Annual 8 Hour First Responder
- **Course Title:** *P&T Multi-Agency Emergency Response Plan Training, Annual Review, Field Exercises and Drills (EPA, DOT, OSHA, USCG, OSRP, NIMS/ICS)*
 - **Roles:** Operations Level and Up
 - **Frequency:** Annual



Item Number: 3

Requirement: 49 CFR 195.583 *What must I do to monitor atmospheric corrosion control?*

Probable Violation Description:

Valero failed to, upon finding atmospheric corrosion during an inspection, provide protection against the corrosion in accordance with § 195.583(c). Specifically, Valero failed to maintain an adequate protective coating as required by § 195.581 on its facility manifold tied to the pumping units at the McKee refinery pump station in McKee, Texas. During the inspection, PHMSA observed areas of disbanded coating and surface corrosion on the facility manifold.

Therefore, Valero failed to, upon finding atmospheric corrosion during an inspection, provide protection against the corrosion in accordance with § 195.583(c).

Proposed Compliance Order:

In regard to Item 3 of the Notice pertaining to Valero's failure to, upon finding atmospheric corrosion during an inspection, provide protection against the corrosion in accordance with §195.583(c), Valero must remediate any corrosion, and clean and coat the pipeline facilities at the McKee, Texas, pump station, and provide documentation of the repairs and re-coating to the Director, Southwest Region, within 60 days of receipt of the Final Order.

Response:

Valero does not contest this alleged violation and intends to take the following actions in the proposed compliance order:

- Valero must remediate any corrosion, and clean and coat the pipeline facilities at the McKee, Texas, pump station, and provide documentation of the repairs and re-coating to the Director, Southwest Region, within **60** days of receipt of the Final Order.