

NOTICE OF AMENDMENT

VIA E-MAIL TO MR. TODD DENTON

April 25, 2022

Mr. Todd Denton
President
Phillips 66 Pipeline, LLC
3010 Briar Park Drive
PWC-7109
Houston, TX 77042

CPF 5-2022-032-NOA

Dear Mr. Denton:

From August 16 through August 19, 2021, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected Phillip 66's written procedures for its Portland Terminal in Portland, Oregon.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within Phillip 66's plans or procedures, as described below:

1. **§195.403 Emergency response training.**
 - (a) **Each operator shall establish and conduct a continuing training program to instruct emergency response personnel to:**
 - (1)...
 - (2)...
 - (3)...
 - (4)...
 - (5)...

Phillip 66's procedure, identified as "P66-TSD-0103 - Verification of Personnel Knowledge, Procedure, Effectiveness, & Emergency Response Training, Rev. 13 - Effective Date: 2021-04-08" is inadequate to assure the safe operation of a pipeline facility. Specifically, this procedure identifies incorrect regulatory requirements: Sections 2 and 4 reference § 195.555, which is specific to corrosion control supervisors

under Subpart H - Corrosion Control, not emergency response; and Sections 2.0 and 5.4 reference §195.402(c)(13), which requires periodic review of work done by operator personnel to determine the effectiveness of procedures used in normal operation and maintenance, not emergencies.

Phillips 66 should revise its procedure cited above to ensure that the correct regulatory citations and requirements are included. Emergency Response regulations are identified in §195.402(e)(1) through (e)(10), and §195.403 Emergency Response Training.

2. §195.403 Emergency response training.

(a) ...

(b) At intervals not exceeding 15 months, but at least once each calendar year, each operator shall:

- (1) Review with personnel their performance in meeting the objectives of the emergency response training program set forth in paragraph (a) of this section; and**
- (2) Make appropriate changes to the emergency response training program as necessary to ensure that it is effective.**

Phillips 66's procedure, identified as "P66-TSD-0103 - Verification of Personnel Knowledge, Procedure, Effectiveness, & Emergency Response Training, Rev. 13 - Effective Date: 2021-04-08" is inadequate to assure the safe operation of a pipeline facility. Specifically, Section 5. Process, Subsections 5.1 and 5.2 fail to clearly identify how the operator reviews with personnel their performance in meeting the objectives of the emergency response training program set forth in § 195.403(a)(1)-(5). Instead, the procedure focuses only on reviewing procedures, gathering employee feedback, and evaluating Operator Qualifications (OQ).

Phillips 66 should revise the procedure cited above to include how its § 195.403(b) review will focus on determining whether personnel performance meets the objectives set forth in § 195.403(a)(1)-(5). In its revisions, Phillips 66 should consider what documentation, such as performance reviews, is needed to demonstrate compliance with this requirement.

3. §195.403 Emergency response training.

(a)...

(c) Each operator shall require and 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.

Phillips 66's procedure, identified as "P66-TSD-0103 - Verification of Personnel Knowledge, Procedure, Effectiveness, & Emergency Response Training, Rev. 13 - Effective Date: 2021-04-08" is inadequate to assure the safe operation of a pipeline facility. Specifically, Section 4.0 Responsibilities, Subsection 4.2 Supervisors, fails to clearly identify and verify how supervisors are maintaining a thorough knowledge of that portion of emergency response procedures established under § 195.402 for which they are responsible to ensure compliance. Instead, the procedure focuses on field personnel rather than supervisors. It also does not explain how supervisory knowledge is verified. For example, is supervisors' knowledge verified by their performance during emergency exercises or drills, or real emergencies? Finally, Section 4.2 incorrectly lists regulations not associated with emergency response.

Phillips 66 should revise its procedure cited above to clearly explain how the company verifies that its supervisors have a thorough knowledge of the emergency response procedures established under § 195.402 for which they are responsible to ensure compliance, and how this verification is documented.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206. Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*.

Please refer to this document and note the response options. 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).

Following the receipt of this Notice, you have 30 days to submit written comments, revised procedures, or a request for a hearing under §190.211. 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 an Order Directing Amendment. If your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.206). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within sixty (60) days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

It is requested (not mandated) that Phillips 66 Pipeline, LLC maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Dustin Hubbard, Director, Western Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 5-2022-032-NOA** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Dustin Hubbard
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

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

cc: PHP-60 Compliance Registry
PHP-500 D. Fehling (#21-228051)