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May 20, 2022

Dustin Hubbard
Director, Western Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration
12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

Re: CPF 5-2022-032-NOA

Dear Mr. Hubbard,

Phillips 66 Pipeline LLC received your notice of amendment letter dated April 25, 2022, following the August 19, 2021, PHMSA inspection of our Portland Terminal in Portland, Oregon. We do not intend to contest the allegations. This letter is to notify PHMSA that Phillips 66 Pipeline LLC has amended our procedures to address the noted inadequacies.

Amended procedures are attached for your review. By submitting this response, Phillips 66 does not waive any right, privilege, or objection that it may have in any separate or subsequent proceeding related in any way to the information provided in this response.

PHMSA identified the following apparent inadequacies found within Phillips 66's 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.

Phillips 66 Response:

Phillips 66 standard TSD-0103 Verification of Personnel Knowledge, Procedure Effectiveness, & Emergency Response Training has been revised to address these recommendations by adding correct citations and references to company emergency response procedures and plans.

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.

Phillips 66 Response:

Phillips 66 standard TSD-0103 Verification of Personnel Knowledge, Procedure Effectiveness, & Emergency Response Training has been revised to address these recommendations by including additional clarifying requirements for emergency response training, performance reviews, and changes to the emergency response training program.

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.

Phillips 66 Response:

Phillips 66 standard TSD-0103 Verification of Personnel Knowledge, Procedure Effectiveness, & Emergency Response Training has been revised to address these recommendations by including additional clarifying requirements for supervisor knowledge verification and documentation.

These procedural amendments will provide further benefit to our pipeline operation. Please let me know if you have any additional questions regarding these updates to our procedures.

Best Regards,

A handwritten signature in blue ink, appearing to read "DSauer", with a long horizontal flourish extending to the right.

Doug Sauer
Vice President, Pipeline Regulatory Affairs
Phillips 66 Pipeline LLC

CC. Todd Denton, President Phillips 66 Pipeline LLC