



Region 6 - Enforcement & Compliance Assurance Division
INSPECTION REPORT

Inspection Date(s):	7/10/2023 - 7/13/2023	
Media Program:	Air	
Regulatory Program(s)	Clean Air Act (CAA) § 112(r) and 40 Code of Federal Regulations (C.F.R.) Part 68 Chemical Accident Risk Management Plan (RMP)	
Company Name:	International-Matex Tank Terminal (IMTT)	
Facility Name:	IMTT St. Rose	
Facility Physical Location:	11842 River Road	
(city, state, zip code)	St. Rose, Louisiana 70087	
Mailing address:	PO Box 159	
(city, state, zip code)	St. Rose, Louisiana 70087	
County/Parish:	St. Charles Parish	
Facility Phone Number	(504) 468-3997	
Facility Contact:	Darryl	Daigs
	DarrylDaigs@imtt.com	
FRS Number:	110070239686	
Identification/Permit Number:	Air Operating Permit: 2520-00033-V15	
Media Identifier Number:	Not Applicable	
NAICS:	493190 – Other Warehousing and Storage 424710 -Petroleum Bulk Stations and Terminals	
SIC:	42260102 – Petroleum and Chemical Bulk Stations and Terminals for Hire 17999935 – Petroleum Storage Tank Installation	
Personnel participating in inspection:		
Howard Cole	U.S EPA Region 6	Inspector
Aimee Boss	U.S EPA Region 6	Inspector
Darryl Daigs	IMTT	Director of EHSS
Traci Johnson	IMTT	VP of EHSS
Melanie Landry	IMTT	Environmental Regulatory Compliance Manager
Christine Green	IMTT	Environmental Manager St. Rose/Avondale
Wardlaw Witherspoon	IMTT	Director of Engineering/Maintenance
Alice Audiffred	IMTT	Assistant Director of Engineering/Maintenance
Robert Nemeth	IMTT	Interim General Manager
Billy Mercier	IMTT	Operations Manager
Sergio Alvarado	IMTT	Gulf Region Fire Chief
Robert B Hill	IMTT	EHSS-Regional Director
Richard Jurisich	IMTT	General Counsel
John King	BSW	Outside Counsel
Chip Duncan	Duncan & Sevin LLC	Outside Counsel
Ramesh Guniseti	IMTT	EHS Technician

International-Matex Tank Terminal (IMTT)/ IMTT St. Rose
 Inspection Date 07/10/2023 – 07/13/2023

Doyce (Buster) Phipps	IMTT	Assistant Forman
Shanon Naquin	IMTT	Director of Operations
Tommy Hebert	IMTT	Director of Scheduling & Logistics
Dominic Rouge	IMTT	Director of Heating
EPA Lead Inspector Signature/Date		
	Howard Cole	Date
Supervisor Signature/Date		
	Samuel Tates	Date

Section I – INTRODUCTION

PURPOSE OF THE INSPECTION

EPA Region 6 inspectors, Howard Cole and Aimee Boss (“We,” “Us”), arrived at the International-Matex Tank Terminals St. Rose facility (“IMTT”) at 9:00am on July 10, 2023 for an announced inspection. We met with Darryl Daigs (Director of EHSS), Traci Johnson (VP of EHSS), Melanie Landry (Environmental Regulatory Compliance Manager), Christine Green (Environmental Manager St. Rose/Avondale), Wardlaw Witherspoon (Director of Engineering/Maintenance), Alice Audiffred (Assistant Director of Engineering/Maintenance), Robert Nemeth (Interim General Manager), Billy Mercier (Operations Manager), Sergio Alvarado (Gulf Region Fire Chief), and Robert B Hill (EHSS-Regional Director) at the opening conference. We presented our credentials to the front gate and to the facility representatives. We informed them that this was an EPA inspection to determine compliance with CAA § 112(r) General Duty Clause and 40 C.F.R. Part 68 Risk Management Program Chemical Accident Prevention Provisions. The scope of the inspection was a partial compliance evaluation of the facility pursuant to 40 CFR Subpart 68 – Chemical Accident Prevention Provisions. The inspection was prompted by the Facility’s April 3, 2023 tank fire that resulted in the hospitalization of two contractor employees. The facility does not have union representation.

FACILITY DESCRIPTION

IMTT's St. Rose Terminal is a bulk liquid storage facility with a total capacity of 15.4 million barrels. Various products (vegetable oil, chemicals, petroleum products, etc.) are pumped into the tanks for storage and then pumped out to customers as necessary. IMTT offers a full range of heating, blending and product services. The main sources of air pollution are the storage tanks, diesel engines, hot oil heaters, loading racks and docks, steam boilers, air pollution control devices, and equipment fugitive emissions. Tanks are equipped with either fixed roofs or floating roofs. Hot oil heaters and steam boilers are used to heat products (with very low vapor pressures) in tanks to minimize viscosity or prevent solidification of the products before they are transferred. The facility operates 24 hours/ 7 days a week with 139 IMTT employees and various contractors. IMTT is a non-union facility.

Section II - OBSERVATIONS

The inspection at IMTT was initiated due to a fire and explosion that occurred at the St. Rose facility on April 3, 2023 resulting in two contractor employees being hospitalized. The fire occurred at an out-of-service aboveground tank (N-22) that normally contains 200,000 barrels of crude oil. Railroad tracks that run through the facility were shut down due to the close proximity to the impacted tank and adjacent tanks.

On July 10, 2023, facility representatives provided an overview of the safety requirements and the business of the facility. The representatives explained that the facility is a bulk liquid storage facility that only has atmospheric storage tanks, except for some small pressure vessels that are used in their utility systems. Some of the storage tanks contain mixers for blending product if requested by the customer.

There is a non-producing and currently inoperative refinery on site that has been nitrogen blanked since 2019. An operator remains on site to maintain the non-producing refinery and the attached wastewater treatment process.

Section 112(r) of the Clean Air Act Amendments required EPA to publish regulations and guidance for chemical accident prevention at facilities that use certain hazardous substances. These regulations and guidance are contained in the Risk Management Program (RMP) standard. The RMP standard requires facilities that use, store, or handle, a listed extremely hazardous regulated substances above a threshold quantity to comply with the requirements of 40 CFR Part 68 standard.

Under the Clean Air Act Section 112(r)(1), the General Duty Clause (GDC) states: *“The owners and operators of stationary sources producing, processing, handling or storing such substances have a general duty to identify hazards which may result from (such) releases using appropriate hazard assessment techniques, to design and maintain a safe facility taking such steps as are necessary to prevent releases, and to minimize the consequences of accidental releases which do occur.”* GDC differs from the RMP standard in that there is no list of regulated toxic or flammable chemicals and there is no specified threshold quantity for any chemical.

RMP Covered Facility Determination

To determine if IMTT was an RMP-regulated facility containing a covered process; the first task was to identify the chemicals and quantity of chemicals on site. In our initial document request (Item 3-06), we asked IMTT to *“Please provide an inventory of all storage tanks at this facility and the quantity of material held in each tank during the months of April, May, and June 2023.”* This information was provided and reviewed during the inspection, and we determined that IMTT did not have an RMP-listed/regulated chemical on site at this facility. Hence, the requirements of the RMP standard are not applicable to IMTT at this site and we focused the inspection on compliance with the provisions of the CAA-GDC.

Upon reviewing the tank inventory, it was noticed that many of the storage tanks (15+) had less than 500 barrels of product (approximately 20,000 gallons) and IMTT staff indicated that many of these storage tanks were identified as out-of-service (OOS). We interviewed the Assistant Director of Engineering and Maintenance. We asked her what “out of service” means on the tank inventory list and she explained that tanks with an out-of-service designation could be out of service for an API inspection, repair, or there is currently no customer for the tank. While looking at the documentation, we observed that many tanks listed as out-of-service had gauging measurement indicating that there was material still inside the tank. The Assistant Director explained that some customers may leave residual product inside the tank. We requested a description of tanks that are labeled out-of-service and their status, such as with product, without product, repair, testing, cleaned, no customer, etc.

We also asked the Assistant Director how “clean” is defined when referring to a storage tank. She informed us that the storage tanks are cleaned to remove as much liquid as possible from the tank. IMTT explained that sometimes the customer does not de-inventory all the product from the storage tank. Many of the storage tanks have more than .05% of the product remaining in the storage tank. N-22 has a storage capacity of approximately 200,000 barrels/8.4 million gallons of liquid. A storage tank with 8.4-million-gallon capacity still containing greater than a .01% residual would leave 8,400 gallons of a flammable product at the bottom of the storage tank. **The terms “out of service” or “clean” may not accurately represent of the quantity of material at the bottom of a storage tank.**

April 2023 Incident

Background

Tank N-22 is a carbon steel tank with an internal floating roof. N-22 stored crude oil for the refinery when it was in operation. After the refinery ceased production in 2019, N-22 stored petroleum products (crude oil and condensate) that were unrelated to the refinery.

N-22 was de-inventoried after the refinery closed in 2019. The tank was then cleaned in 2021. We received documentation of an email from Mr. Gunisetti showing the tank was cleaned and air monitoring was performed, indicating 200 ppm VOCs were present at the manway of the tank on August 12, 2021. There was no additional information available regarding the content of the tank, the air monitoring results, or work order addressing the cleaning of the tank and no inspection report before or after the cleaning of the tank. There was also no internal inspection on the tank after the cleaning. IMTT did provide the lockout-tagout list indicating that locks or tags had been applied (and removed) to the tank during the cleaning of N-22 in 2021.

After Hurricane Ida, it was identified that a ladder hatch cover had been removed from Tank N-22. Smith Tank, a contractor that is at the facility daily, was hired to do the replacement of the hatch, which required the hatch to be welded on the storage tank. According to IMTT Plant Technical Foreman, Joshua Rouge, the addition of the hatch was a maintenance project, and the decision was made by engineering to use contractors instead of in-house maintenance staff. The week before the incident-fire and explosion, Mr. Rouge met with the IMTT Safety Department, IMTT Operations, and Dallas Thibodeaux, a manager and welder for Smith Tanks. The Monday prior to the incident, Safety, Operations, and Smith Tanks completed a safety check at which time a decision was made to place a fire blanket over the hole that leads into the tank before welding the hatch onto the carbon steel tank.

An interview was conducted with Ramesh Gunisetti, EHS Technician for IMTT. According to Mr. Gunisetti, at approximately 10:00 am on the day of the incident he walked the job site at tank N-22 with Joshua Rouge, IMTT Plant Technical Foreman, and the Smith Tank manager, Dallas Thibodeaux. He called Doyce Phipps, Assistant Foreman in Operations, to the job site and tank N-22. Mr. Phipps confirmed the tank had not been in use for a few years and that **tank N-22 was empty and no lock-out/tag-out would be needed as the contractors would not be entering the tank.** We requested and received the last lock out tag out permit for Tank N-22. Mr. Gunisetti did not return to the tank N-22 site until after the incident.

On the morning of the incident, Mr. Gunisetti used a portable air monitor to determine if gas could be detected at the top of tank but did not use the portable air monitor to detect gas concentrations at the bottom or inside of tank N-22. He also did not open a manway at the bottom of the tank to determine if there was any residual flammable material remaining as he was told that the tank was empty. The 5-gas meter was bump-tested that morning and had been calibrated every 30 days. EPA requested and received the records of calibration and bump testing for the meter. EPA also requested the incident report prepared by IMTT and were told that an outside firm is conducting the investigation and has not yet finalized the report.

The work/hot work permit was issued at approximately 10:45 am in Mr. Gunisetti's office. No employees from the IMTT Operations Department signed the permit because Operations does not typically sign permits drafted by safety. Mr. Phipps indicated that he only writes permits when Safety isn't on-site, such as nights and weekends or when permits require lockout/tag out. Dallas Thibodeaux and Danny Sanchez, the Smith Tank contractor employees involved in the incident; both signed the Job

Safety Analysis, and Mr. Thibodeaux also signed the IMTT work permit. The permit noted that continuous air monitoring would be performed; Mr. Gunisetti could not confirm if continuous air monitoring was performed by the contractor during the job.

Lock-out/tag-out permits are only active for 6 months. IMTT was unsure of the retention of the records once a permit is no longer active.

Section III – AREAS OF CONCERN

AOC 1 – Clean Air Act (CAA) § 112(r)(1) – The General Duty Clause

The owners and operators of stationary sources producing, processing, handling, or storing such substances [i.e., a chemical in 40 CFR part 68 or any other extremely hazardous substance] have a general duty [in the same manner and to the same extent as the general duty clause in the Occupational Safety and Health Act (OSHA)] to identify hazards which may result from (such) releases using appropriate hazard assessment techniques, to design and maintain a safe facility taking such steps as are necessary to prevent releases, and to minimize the consequences of accidental releases which do occur.

Failure to use appropriate hazard assessment techniques, such as but not limited to, conducting internal, external and ultrasonic testing (UT) to detect any deficiencies/abnormalities in process equipment to prevent the release of flammable materials.

- a. The following Class 3 piping circuits, which were last inspected and tested in 2010, did not have an external inspection or ultrasonic testing (UT) performed every ten (10) years in accordance with API 570; 57200/57300 and 71400/71500.
- b. The following Class 3 piping circuits, which were last inspected and tested in 2011, did not have an external inspection or ultrasonic testing (UT) performed every ten (10) years in accordance with API 570; 83400/84100 and 28000.
- c. The following storage vessels did not have an internal inspection performed every twenty (20) years in accordance with API 653, Section 6.4.2.1:
 - SR-702 failure to perform internal inspections by July 2023.
 - SR-203 failure to perform internal inspection by March 2023.
- d. The following storage vessels did not have an external inspection or ultrasonic testing (UT) every five (5) years in accordance with API 653 Section 6.3.2.1 and 6.3.3.2.a:
 - SR-701-no external or UT inspection performed by the due date of April 2023
 - SR-702-no external or UT inspection performed by the due date of April 2023
 - SR-805-no external or UT inspection performed by the due date April 2018 and/or between April 2018-April 2020
 - SR-909-no external performed by the due date of January 2023.
- e. Failure to conduct external visual inspections in the timeframe identified in the inspection report for storage tank SR-202 (2 years and no later than April 2022); due to the average measured thickness versus the required thickness of Course 4.

AOC 2 – Clean Air Act (CAA) § 112(r)(1) – The General Duty Clause

The owners and operators of stationary sources producing, processing, handling, or storing such substances [i.e., a chemical in 40 CFR part 68 or any other extremely hazardous substance] have a general duty [in the same manner and to the same extent as the general duty clause in the Occupational Safety and Health Act (OSHA)] to identify hazards which may result from (such) releases using appropriate hazard assessment techniques, to design and maintain a safe facility taking such steps as are necessary to prevent releases, and to minimize the consequences of accidental releases which do occur.

Failure to design and maintain a safe facility taking such steps as are necessary to prevent releases.

- a. Failure to develop and maintain operating and maintenance procedures for storage tanks that define the terms out-of-service and “clean”; and specifically delineate the parameters that characterize the quantity of a product present inside a storage tank.
- b. Failure to develop and maintain safe work practices to provide for the control of hazards during operations such as lockout/tagout; confined space entry; and opening process equipment. Safe practices prior to performing work/hot work on a storage tank shall include:
 - perform and document a visual inspection of the inside of the storage tank to identify any residual product inside the storage tank and, if appropriate, collect samples of any residual product that remains.
 - perform air monitoring before the work permit is prepared; and then just prior to the start of work to ensure that the flammable concentration inside the tank remains acceptable for the work to be performed.
 - provide contractor oversight to ensure that the contractor’s employees are following the provisions of the work/hot work permit.
 - maintain records documenting the cleaning history of a storage tank.
- c. Hot work was not performed in accordance with the “Hot Work Policy (30003)”, Section 8.3 which states that:

“No Hot Work will be permitted to be performed on used drums, barrels, tanks or other containers until they have been cleared thoroughly and there are no flammable materials present or any substances such as greases, tars, acids, or other materials which when subjected to heat, might produce flammable or toxic vapors.”

EPA Region 6 inspectors Howard Cole and Aimee Boss conducted a closing conference at IMTT St. Rose at 4:00 pm on July 13, 2023, for the inspection. During the closing conference, Howard Cole reviewed the two Areas of Concern noted during the inspection. IMTT provided on a SharePoint site containing the inspection and testing of selected storage vessels and piping circuits.

Section IV – FOLLOW UP

Inspection and testing reports for storage tanks and piping circuits were received by EPA on August 8, 2023, after exiting the facility on July 13, 2023.