

Appendix Q

Doug Beu, Olympic – Interview and Deposition Transcripts

Pipeline Rupture and Fire
Bellingham, Washington
June 10, 1999
DCA-99-MP-008

UNITED STATES OF AMERICA
NATIONAL TRANSPORTATION SAFETY BOARD

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In the Matter of: :
 :
PIPELINE RUPTURE AND FIRE THAT :
HAPPENED IN BELLINGHAM, : DCA-99-MP-008
WASHINGTON ON JUNE 10, 1999 :
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490 L'Enfant Plaza, S.W.
4th Floor
RPH Conference Room
Washington, DC 20594

Thursday,
February 7, 2002

Interview of:

DOUGLAS BEU

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9:00 a.m.

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MR. BESHORE: My name is Allan Beshore. I'm the lead investigator with the National Transportation Safety Board into the pipeline rupture and fire that happened in Bellingham on June 10th of 1999.

I want to thank you for coming in today and answering some questions for us.

I'm going to start off and ask you what questions I have, and then when I run out of questions, we're going to go around the table and these folks will be able to ask some questions that they might have. So, I'm going to ask everyone to identify themselves so that you know who they are and who they're with.

MS. PILKEY-JARVIS: I'm Linda Pilkey-Jarvis with the Department of Ecology.

MR. SCHAU: Jerry Schau with BP Pipelines.

MR. BARBER: Anthony Barber with U.S. EPA.

MR. PARRISH: Johnny Parrish with Daniel Measurement and Control.

MR. MAHLER: I'm sorry. I didn't get that.

MR. PARRISH: Johnny Parrish, Daniel Measurement and Control.

MS. IMHOF: Patty Imof, IMCO General Construction.

1 MR. BESHORE: Doug, you have a representative
2 with you today; right?

3 MR. BEU: Yes.

4 MR. BESHORE: If he would identify himself,
5 please.

6 MR. MAHLER: My name is Bob Mahler and I'm
7 with MacDonald, Hoague and Bayless.

8 MR. BESHORE: Doug, just for the record,
9 what's your full name?

10 MR. BEU: Douglas Dean Beu.

11 MR. BESHORE: And you spell that?

12 MR. BEU: B, as in boy, E-U.

13 MR. BESHORE: And you're employed by who,
14 Doug?

15 MR. BEU: ~~Ed Malone~~ *EQVILON*

16 MR. BESHORE: Where's your current place of
17 residence?

18 MR. BEU: My residence is in League City,
19 Texas.

20 MR. BESHORE: And who were you employed by at
21 the time of the accident?

22 MR. BEU: I was actually employed by ~~Ed Malone~~ *EQVILON*
23 at that time, too.

24 MR. BESHORE: And you were headquartered
25 where?

1 MR. BEU: At that time, I was headquartered in
2 ^{Redmond} Redmond, Washington.

3 MR. BESHORE: And you were on the Olympic
4 System; correct?

5 MR. BEU: Yes.

6 MR. BESHORE: What was your title, Doug?

7 MR. BEU: Operations Manager.

8 MR. BESHORE: And if you could, just kind of
9 briefly tell us when you started with Olympic and what
10 your background with them was.

11 MR. BEU: I actually started with Olympic -- I
12 think it was the 27th of January of about '97. The
13 effective date was February 1st but I showed up a few
14 days early.

15 MR. BESHORE: What was your role at that time?

16 MR. BEU: Can you define role for me?

17 MR. BESHORE: Your title at that time.

18 MR. BEU: Okay. Same title.

19 MR. BESHORE: You've had the same job then
20 your entire tenure with Olympic since January of '97 or
21 February?

22 MR. BEU: That's correct.

23 MR. BESHORE: And who were you actually
24 employed by at that time? Do you recall?

25 MR. BEU: Texaco Trading and Transportation,

1 Inc.

2 MR. BESHORE: And if you could, just kind of
3 go back and briefly tell us what your history with
4 Texaco was. Just when you started and how that
5 progressed, if you could.

6 MR. BEU: Originally, I was employed right out
7 of school by Texaco Cities Service Pipeline Company in
8 Tulsa, Oklahoma, and worked there for about two and a
9 half years, and was transferred to the Texas Pipeline
10 Company in Houston and worked there in varying
11 capacities until I transferred out in 1991 to Hobbs,
12 New Mexico, working for Texas-New Mexico Pipeline
13 Company.

14 MR. BESHORE: And then you were there until
15 you went to Olympic System?

16 MR. BEU: No. Actually, I was with that
17 company but I transferred in '93, I believe, to the San
18 Angelo office. San Angelo, Texas.

19 MR. BESHORE: And all of those entities were
20 affiliated with Texaco?

21 MR. BEU: That's correct.

22 MR. BESHORE: At what point did you get --
23 which of those assignments was your first management
24 type of a role, Doug?

25 MR. BEU: It was in Houston when I became an

1 operations coordinator and I managed the Salem area.

2 MR. BESHORE: What year would that be?

3 MR. BEU: I really don't recall the year.

4 Probably in the neighborhood of '85.

5 MR. BESHORE: And what was your -- can you
6 just briefly tell us your educational background?

7 MR. BEU: I've got a bachelor of science in
8 electrical engineering from Texas A&I University.

9 MR. BESHORE: And was that what you started
10 out with at Texaco as an electrical engineer?

11 MR. BEU: That's correct.

12 MR. BESHORE: What would you describe your
13 duties to be at the time of the accident, Doug?

14 MR. BEU: What do you mean duties? It was
15 really pretty undefined.

16 MR. BESHORE: What were your areas of
17 responsibility? Maybe that would be better
18 terminology.

19 MR. BEU: Well, the people reporting to me
20 were people in field operations, field maintenance, and
21 at that particular time, the control center.

22 MR. BESHORE: And the control center, that had
23 been recently added to your duties. Is that correct?

24 MR. BEU: That's correct. Probably --

25 MR. BESHORE: Go ahead. I'm sorry.

1 MR. BEU: Probably a month or two.

2 MR. BESHORE: As you recall, in May of '99?
3 Something around in there?

4 Let's say prior to the control center
5 becoming under your direction, do you recall how many
6 direct reports you had reporting to you?

7 MR. BEU: No. I really don't recall the
8 number.

9 MR. BESHORE: Well, I have this organizational
10 chart. Actually, I only brought one copy of it but we
11 might enter this as an Exhibit. I'll have to make a
12 copy before I mark on it, but we'll just make this Beu
13 Exhibit A. And this is an organizational chart. Maybe
14 that will help kind of refresh your memory.

15 (Document above referred to was
16 marked for identification as Beu
17 Exhibit A.)

18 MR. BESHORE: By direct reports, I see there
19 it look like some supervisors reported to you and then
20 some maybe other personnel. But maybe you could help
21 me. Clarify that for me a little bit. Is that
22 correct?

23 MR. BEU: This looks pretty accurate.

24 MR. BESHORE: By direct reports, I'm looking
25 at that seeing the technicians reporting to a

1 supervisor who then reported to you. Would that be
2 correct, or did those people report directly to you?

3 MR. BEU: No. They reported to the supervisor
4 who reported to me.

5 MR. BESHORE: And there's three listed on that
6 org chart?

7 MR. BEU: Yes.

8 MR. BESHORE: And who are they?

9 MR. BEU: Jim Cargo, Dave Justice and Donald
10 Gregor.

11 MR. BESHORE: Do you recall which -- what were
12 the responsibilities of each of those three areas? Do
13 you recall just in general?

14 MR. BEU: Yes. Jim Cargo had the construction
15 and maintenance; Dave Justice was field operations for
16 central and the north area; and Don Gregor had the
17 field operations for the south area.

18 MR. BESHORE: Could you just kind of go
19 through what field operations? What were the typical
20 duties and responsibilities that would be in field
21 operations?

22 MR. BEU: Typical duties would be making
23 switches at the various terminals to ensure that there
24 was no product degradation; running scrapers would be
25 one.

1 Let's see.

2 (Pause.)

3 They were also -- I guess getting one calls.
4 They'd go out on the one calls to check the line or
5 mark it. That sort of thing.

6 MR. BESHORE: Okay. What about the
7 maintenance area under Jim Cargo?

8 MR. BEU: That would be -- the maintenance
9 area would be maintaining the equipment.

10 MR. BESHORE: So that would be more like
11 technicians, mechanics?

12 MR. BEU: Mechanics and electrical.

13 MR. BESHORE: Would that have included Ron
14 Grennich?

15 MR. BEU: Yes.

16 MR. BESHORE: And how about Ken Hopf?

17 MR. BEU: No. Ken Hopf^{not} reported to
18 engineering.

19 MR. BESHORE: Okay. So he reported to Craig
20 Hammett then at that point?

21 MR. BEU: Yes.

22 MR. BESHORE: Was that organizational chart
23 that we're looking at here, that was in place -- was
24 that in place for some period of time prior to June
25 '99?

1 MR. BEU: Yes.

2 MR. BESHORE: Maybe not from day one when you
3 went to Olympic, but --

4 MR. BEU: I can't remember exactly the date
5 that we changed. The maintenance used to fall under
6 the field operations supervisors and it was a fairly
7 recent change to put that under Jim Cargo.

8 MR. BESHORE: Would that have been a year,
9 five years -- I mean, two years? Do you have any kind
10 of a sense for that?

11 MR. BEU: It would have been less than a year.
12 Maybe six months. Somewhere in that neighborhood, I
13 think.

14 MR. BESHORE: And then a month prior, around
15 in May of '99 then there was some modifications made to
16 the organizational chart that aren't reflected on it;
17 correct?

18 MR. BEU: Yes.

19 MR. BESHORE: And what did that involve?

20 MR. BEU: It involved moving the control
21 center and Richard Klasen under me.

22 MR. BESHORE: And ^{Bob}~~Bob~~ Brentson would have
23 reported directly to you?

24 MR. BEU: Yes.

25 MR. BESHORE: And I'm assuming Richard Klasen

1 would have reported directly to you. How would he have
2 fit into the organizational chart in your mind at that
3 point?

4 MR. BEU: At that point, he was going to be
5 kind of a liaison between field operations and the
6 control center.

7 MR. BESHORE: Would he have had any
8 supervisory role or was he more of a staff kind of a
9 role?

10 MR. BEU: More of a staff kind of a role.

11 MR. BESHORE: I've reviewed your deposition
12 that was given in the civil proceeding and there was
13 some discussion there about that whole process of Ron
14 Brentson becoming -- reporting to you along with
15 Richard. And you mentioned in there some concerns you
16 had I guess with the control center operations. And
17 you had specifically asked for Richard to come along
18 with you in that operation. Is that correct?

19 MR. BEU: That's correct.

20 MR. BESHORE: You didn't really talk too much
21 in detail. I'm kind of curious what issues might have
22 been involved there that you were concerned about.

23 MR. BEU: Some of the concerns was that I felt
24 as though I was kind of shut out as to how the company
25 was running, and Richard had a lot of knowledge in

1 that. Knew what documents they had, where to find
2 them.

3 I'd ask for things and -- well, you know,
4 nothing exists or whatever. And I felt like I needed
5 Richard there to be honest with me, I guess is really
6 the bottom line. To tell me what he knows and how the
7 company is supposed to run so I can deal with the
8 operation.

9 MR. BESHORE: When you say shut out, did you
10 feel shut out by people above you or shut out by people
11 who reported to you or --

12 MR. BEU: Both.

13 MR. BESHORE: -- people on your same level?

14 MR. BEU: Both. I felt pretty isolated there.

15 MR. BESHORE: Do you know why that was?

16 MR. BEU: No, I don't.

17 MR. BESHORE: Your background was on the
18 Texaco side. Was Craig Hammett from a Texaco
19 background?

20 MR. BEU: Yes.

21 MR. BESHORE: How about Frank Hopf?

22 MR. BEU: He was originally Shell and then
23 went to Texaco whenever Shell sold their interest to
24 Olympic.

25 MR. BESHORE: Was that when Equilon was

1 formed?

2 MR. BEU: No. That was when Texaco I guess
3 took presence there in '91.

4 MR. BESHORE: Okay. So Shell sold their
5 interest to Texaco back in that time period?

6 MR. BEU: I don't know who they sold it to. I
7 think you're right. I think they sold it to Texaco.
8 Texaco re-marketed it. I wasn't there at that time and
9 all of that is kind of fuzzy.

10 MR. BESHORE: Okay. Fair enough. But Frank
11 had been with the Texaco side since around that time
12 frame of '91 and early '90s?

13 MR. BEU: Yes. Since '91, I think.

14 MR. BESHORE: Now your supervisors reporting
15 to you, did you have concerns about trust with them?
16 Dave Justice, Jim Cargo, Don Gregor?

17 MR. BEU: Probably not Jim Cargo. And Don was
18 pretty open to me.

19 MR. BESHORE: So Dave -- help me out a little
20 bit in trying to understand what your concern was. Can
21 you go into it a little bit more? I mean, was there
22 something specific or was it just a feeling?

23 MR. BEU: Well, there was some specifics. I'd
24 ask them to do things and he'd get right in my face and
25 tell me he's not going to do them. And he was supposed

1 to be reporting to me. Without really any real good
2 explanation of why he wasn't going to do it.

3 MR. BESHORE: Did you take any actions to
4 discipline him?

5 MR. BEU: I went to Frank. There's really not
6 a good method to discipline people the way it was set
7 up. You've got the evaluation procedure, but the way
8 that works is everybody has an input into what somebody
9 is rated. It's not the supervisor who can rate them.

10 MR. BESHORE: Would that be like a 360 degree
11 review for that term or was it just management that was
12 involved in the review process?

13 MR. BEU: Yes. Management and the supervisors
14 would evaluate people below them actually though, so --

15 MR. BESHORE: So Dave continued to get good
16 reviews, adequate reviews? Do you recall?

17 MR. BEU: Adequate reviews.

18 MR. BESHORE: And that was not necessarily
19 your opinion though?

20 MR. BEU: That's right.

21 MR. BESHORE: When you approached Frank on
22 that, what kind of feedback did Frank give you?

23 MR. BEU: I can't really remember but it was
24 essentially, you know, that's too bad, or something to
25 that effect.

1 MR. BESHORE: Were he and Dave tight together
2 to where --

3 MR. BEU: No, but I had the feeling that they
4 just didn't want to rock the boat.

5 MR. BESHORE: But now you had a good
6 relationship then with Richard Klasen?

7 MR. BEU: Yes. Fairly good. Yes. Fairly
8 good.

9 MR. BESHORE: Well, by good, maybe -- you just
10 said earlier that you had some trust for him. You
11 trusted his opinion. Thought he was a straight
12 shooter.

13 MR. BEU: Yes. Right.

14 MR. BESHORE: So I'm assuming that's a good
15 thing for you in your situation, sounds like.

16 MR. BEU: It was. It was.

17 MR. BESHORE: Okay. What about Ron Brentson.
18 Now, you expressed some concerns about Ron reporting
19 you and you asked for Richard to come along with that
20 process. What kind of concerns did you have there?

21 MR. BEU: Well, I didn't know Ron all that
22 well and he wasn't very open to sharing things with me
23 until he started reporting to me. And I felt like it
24 was a difficult process to essentially handle half the
25 operations.

1 MR. BESHORE: Once he started reporting to
2 you, I realize it was just a brief period of time, but
3 once Ron started reporting to you in May, did those
4 concerns start to go away on your part?

5 MR. BEU: Started to.

6 MR. BESHORE: So he became more open when you
7 became his supervisor?

8 MR. BEU: That's correct.

9 MR. BESHORE: Let's kind of change topics here
10 a minute.

11 Do you recall when you went to Olympic, do
12 you recall any interactions that were ongoing with the
13 Department of Ecology?

14 MR. BEU: No.

15 MR. BESHORE: Would that have been something
16 that you were involved in in your role?

17 MR. BEU: I wasn't involved in any kind of
18 ongoing things with the Department of Ecology.

19 MR. BESHORE: So at that time you weren't
20 involved in their administrative order concerning the
21 ^{EBYSLEW}EB-Slew (ph) accident?

22 MR. BEU: No.

23 MR. BESHORE: Did you attend any meetings with
24 DOE?

25 MR. BEU: I don't recall any.

1 MR. BESHORE: Do you recall any conversations
2 about DOE early on in your tenure?

3 MR. BEU: I guess nothing that really stood
4 out that made me understand what I understand now.

5 MR. BESHORE: Do you recall who would have
6 been the primary contact person with the Department of
7 Ecology? What group would that have fallen under? Who
8 would that have fallen under?

9 MR. BEU: My feeling is that it fell -- most
10 of the contact with the Department of Ecology had to be
11 Frank.

12 MR. BESHORE: Now in your role as operations
13 manager, were you involved in compliance issues with
14 either Department of Ecology or Department of
15 Transportation?

16 MR. BEU: Such as?

17 MR. BESHORE: Such as the inspections, for
18 example. If the Department of Transportation, Office
19 of Pipeline Safety, came in and did an inspection with
20 Olympic Pipeline, would you be involved in that?

21 MR. BEU: As far as I can recall, they did
22 that once. And I was there at the closing meeting. So
23 I really didn't feel like I had a whole lot of
24 involvement.

25 MR. BESHORE: So they reviewed some of the

1 records generated by your people and you sat in on the
2 closing meeting?

3 MR. BEU: Yes.

4 MR. BESHORE: Was that with Peter?

5 MR. BEU: Yes.

6 MR. BESHORE: That would be Peter Cashmer?

7 MR. BEU: Right.

8 MR. BESHORE: Do you recall when that was?

9 MR. BEU: Seems like it was probably less than
10 six months before the incident.

11 MR. BESHORE: The first half of '99 or
12 somewhere in there?

13 MR. BEU: Somewhere in there.

14 MR. BESHORE: Do you recall in that exit
15 interview, do you recall any concerns Peter expressed?

16 MR. BEU: He had some things on his list but
17 he indicated that they were -- how can I phrase this.
18 They weren't all that bad. It went well, but there's
19 some things to work on. That sort of thing.

20 MR. BESHORE: Did any of those involve your
21 area of responsibility?

22 MR. BEU: I can't remember that they did.

23 MR. BESHORE: So you don't recall leaving that
24 meeting with a lot of work to do?

25 MR. BEU: That's right.

1 MR. BESHORE: Okay. Do you recall any
2 meetings prior to Peter's arrival, prior to the OPS
3 inspection, in preparation for the inspection?

4 MR. BEU: I think in a staff meeting we were
5 told that he was coming. I don't really know that we
6 had a meeting to try to get ready, so to speak, for his
7 meeting.

8 MR. BESHORE: Do you recall any concerns being
9 raised about the inspection and what might be found?

10 MR. BEU: I really don't recall anything, any
11 concerns.

12 MR. BESHORE: In terms of the operations and
13 maintenance manuals at Olympic, did you have any
14 responsibility for maintaining those manuals and
15 keeping them up to date?

16 MR. BEU: Those were really never assigned to
17 me. I really don't recall doing anything with them.

18 MR. BESHORE: In your role as operations
19 manager, would you be asked to review proposed changes
20 to the O&M manual, provide your input?

21 MR. BEU: Since that never happened, I guess I
22 would think that if there were going to be proposed
23 changes to it, that I would be advised of that and
24 asked for input.

25 MR. BESHORE: So you don't recall any changes

1 to the manual being made prior to --

2 MR. BEU: Not prior to the incident, no.

3 MR. BESHORE: So when you say you don't -- I
4 guess what I'm trying to understand is when you say you
5 don't remember that happening and you don't remember
6 being asked for your input, you don't remember any
7 changes occurring to the manual?

8 MR. BEU: I don't remember having been asked
9 for any input.

10 MR. BESHORE: Do you remember any changes
11 being made to the manual, an annual update, anything
12 like that?

13 MR. BEU: No.

14 MR. BESHORE: Do you recall what different
15 manuals were in place? I'm assuming there's an
16 operations and maintenance manual. Is that correct?

17 MR. BEU: We had a lot of manuals. It seemed
18 to me to be pretty difficult to figure out which one
19 was supposed to be the one in effect when I got there.

20 MR. BESHORE: Was there a Texaco manual that
21 was used? Was it an Olympic manual? Was there a Shell
22 manual? I mean, I've seen a lot of different manuals,
23 too. I'm trying to find out what you recall was in
24 place at the time.

25 MR. BEU: I guess I really didn't know what

1 was in place at the time. There were some Shell
2 manuals and then there were some Olympic manuals. I
3 don't recall there being any Texaco manuals. But I
4 think there were at least two Olympic manuals and there
5 were a bunch of Shell manuals. Maybe not operations
6 and maintenance, though.

7 MR. BESHORE: Well, there was a controller's
8 manual. There's lot of different manuals, as you say.
9 But I'm trying specifically to talk about the
10 operations and maintenance, O&M manual, DOT compliance,
11 whatever it's called.

12 You don't recall specifically?

13 MR. BEU: I'm sorry. I really don't.

14 MR. BESHORE: Did Dan Yount report to you?

15 MR. BEU: No.

16 MR. BESHORE: So he was on the same line as
17 you, so to speak?

18 MR. BEU: Yes.

19 MR. BESHORE: How was your interactions with
20 Dan?

21 MR. BEU: I felt like they were good.

22 MR. BESHORE: Did you feel he was open with
23 you?

24 MR. BEU: Yes.

25 MR. BESHORE: Now had he been there the whole

1 time you were there or did he come later?

2 MR. BEU: He came later.

3 MR. BESHORE: Let's talk a little bit about
4 Bayview Station, Doug. I know you were asked a
5 considerable amount of questions in the deposition
6 about Bayview. My understanding is that you weren't
7 involved in the design of Bayview. Is that correct?

8 MR. BEU: That's correct.

9 MR. BESHORE: When did you become aware that
10 Bayview was going to be built?

11 MR. BEU: I don't know the date. It was
12 during one of the initial design meetings when they had
13 the contractor, Jacobs. He had come in and we had a
14 meeting and I went to that meeting, the first meeting.
15 That was the first one I went to. The only one I went
16 to.

17 But that's where I became aware of Bayview.

18 MR. BESHORE: And that question may not have
19 been fair because at that point the decision may not
20 have been made to actually build the station. But your
21 first involvement was at that -- at a pre-design
22 meeting? Would that be -- do you think it was the
23 initial meeting with Jacobs?

24 MR. BEU: Well, I guess there had been
25 previous meetings because they had some drawings that

1 they handed out at that time, building drawings and
2 things like that.

3 MR. BESHORE: Did they have the basic facility
4 laid out at that point in time or was that all in the
5 concept phase?

6 MR. BEU: I think it was all pretty much
7 concept at that time.

8 MR. BESHORE: So you didn't see any piping
9 plans, anything like that at that point?

10 MR. BEU: I don't recall any piping plans.
11 They may have had some rough sketches or some concept
12 drawings of piping.

13 MR. BESHORE: Do you recall what the purpose
14 behind building the facility was?

15 MR. BEU: Yes. In discussions, the purpose of
16 the facility was to overcome slack time in our lines
17 when a refinery would go down. We'd have product there
18 to keep our lines full and keep pumping. Because the
19 refineries could actually pump faster than we could
20 receive. And so we could receive it into Bayview and
21 essentially have product available there so if the
22 refinery went down or was unable to ship to us, we
23 could come out ^{of} and it and ship.

24 MR. BESHORE: Was a Cross Cascades line talked
25 about in this same meeting?

1 MR. BEU: I don't believe so. No.

2 MR. BESHORE: So you don't think there was
3 linkage between the two projects?

4 MR. BEU: It was discussed several times that
5 there was no linkage between the two projects. That
6 either one could stand on its own.

7 MR. BESHORE: So you recall discussions where
8 it was determined that Bayview would stand on its own
9 merits as its own project?

10 MR. BEU: Yes.

11 MR. BESHORE: Do you recall when that meeting
12 might have been in terms of -- was it a year before the
13 facility was built? Two years?

14 MR. BEU: No. I think that meeting, I
15 believe, was as it was being built.

16 MR. BESHORE: So it was being built at the
17 time? I thought you thought it was a conceptual
18 meeting.

19 MR. BEU: Oh. Which meeting are we talking
20 about?

21 MR. BESHORE: Okay. I guess I'm still on the
22 initial meeting. I'm sorry.

23 MR. BEU: The Cross Cascade was not discussed
24 at that meeting.

25 MR. BESHORE: But it was in subsequent

1 meetings?

2 MR. BEU: The Cross Cascades?

3 MR. BESHORE: You say there's additional
4 meetings after that first one.

5 MR. BEU: Additional Bayview meetings? I
6 didn't attend any of those.

7 MR. BESHORE: Okay. So, what meeting were you
8 thinking of when you said that the facility was already
9 being constructed?

10 MR. BEU: Well, various staff meetings.
11 Various staff meetings we discussed Bayview and Cross
12 Cascades.

13 MR. BESHORE: How they might relate to one
14 another?

15 MR. BEU: Or how they didn't relate to one
16 another.

17 MR. BESHORE: Was Cross Cascades going to
18 originate out of the Bayview facility?

19 MR. BEU: No.

20 MR. BESHORE: Where was it going to tie in?

21 MR. BEU: Just north of --

22 MR. BESHORE: Further south?

23 MR. BEU: Well, yes. Further south of
24 Bayview.

25 MR. BESHORE: Woodenville?

1 MR. BEU: Woodenville. That's it.

2 MR. BESHORE: How often did you have staff
3 meetings?

4 MR. BEU: There was no set time. It might
5 happen once a month. Might happen once a week.

6 MR. BESHORE: By staff meetings, was this
7 Frank Hopf and his staff or is this Doug, you and his
8 staff?

9 MR. BEU: It was Frank and his staff and my
10 staff.

11 MR. BESHORE: And who all would be generally
12 in those meetings?

13 MR. BEU: The people that would report to
14 Frank and to me.

15 MR. BESHORE: So your supervisors and
16 personnel under you, along with Hammett, Brentson?

17 MR. BEU: Right. Well, with the exception of
18 the management coordinator and quality assurance
19 advisor and the IT specialist. They didn't attend
20 either. It was just pretty much supervisors.

21 MR. BESHORE: Okay. They were pretty much on
22 there -- they had a specific role and they filled it
23 and reported directly to you?

24 MR. BEU: Yes.

25 MR. BESHORE: All right. So when did you

1 first actually go, do you recall, and actually saw the
2 Bayview facility? Do you recall?

3 MR. BEU: I don't recall the date.

4 MR. BESHORE: Well, do you recall what phase
5 of the construction it was in?

6 MR. BEU: Well, it was before the tanks were
7 built. I can't think whether they were doing -- at
8 that time whether they were doing just some work on the
9 tank ~~docks~~^{DIRTS} or trucking part, but it was fairly early on
10 in the project.

11 MR. BESHORE: So they were probably doing site
12 work?

13 MR. BEU: They may have been clearing. But I
14 think it was beyond just clearing.

15 MR. BESHORE: How frequently did you visit the
16 facility throughout the construction project process?

17 MR. BEU: Again, there was really no set
18 amount of time. When I was in the area, if I had a
19 stretch of time, I'd go down there and see how the
20 construction was going along just to see if there were
21 any problems.

22 Sometimes they would have some disagreements
23 and Cargo would be involved and he would ask me to go
24 there with him. That's about it.

25 MR. BESHORE: So what was Cargo's role in the

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1 construction of the Bayview terminal?

2 MR. BEU: Directly, he didn't really have any.
3 Some of his people were used for inspectors.

4 MR. BESHORE: Do you recall who those folks
5 were?

6 MR. BEU: Ron Grennich and -- I can't think of
7 the electrical guy's name.

8 MR. BESHORE: But Ron would have been a
9 mechanical guy?

10 MR. BEU: Mechanical inspector.

11 MR. BESHORE: And then there was an electrical
12 inspector. Would that have been it on Jim's staff that
13 were involved? Do you recall?

14 MR. BEU: As far as I can recall.

15 MR. BESHORE: Now you mentioned that Jim would
16 express some concern to you and ask you. Do you recall
17 any specifics?

18 MR. BEU: No, I don't.

19 (Pause.)

20 MR. BESHORE: Do you recall whether it was a
21 concern that Ron might have about something mechanical
22 or whether it was an electrical concern? Anything
23 there that you can recall?

24 MR. BEU: There were other inspectors. And
25 this was another inspector we may have hired that had

1 some concerns about something. I can't think what it
2 was. I can't think whether it was the time or -- I
3 just can't recall.

4 MR. BESHORE: By time, do you mean whether it
5 was the schedule or whether it was a design concern?

6 MR. BEU: I can't remember. I don't think it
7 was a design concern but I'm not for sure.

8 MR. BESHORE: But Jim asked you to go with him
9 and go out and talk to some folks there. Do you recall
10 who you talked to to resolve those?

11 MR. BEU: No.

12 MR. BESHORE: Would it have been somebody
13 within Olympic?

14 MR. BEU: No. It was the guy we had hired.
15 It's been a long time.

16 MR. BESHORE: Was he with Jacobs --

17 MR. BEU: No.

18 MR. BESHORE: -- with the contractor?

19 MR. BEU: He was a contract inspector.

20 MR. BESHORE: Okay. But you don't recall what
21 his role in the process was?

22 MR. BEU: I think he inspected welds.

23 MR. BESHORE: So would it have been a concern
24 that he had with the welding process being used or --

25 MR. BEU: I can't remember. I'm sorry.

1 MR. BESHORE: All right.

2 Then as Bayview progressed, do you recall any
3 other specifics of why you were there or what was going
4 on at that point in time as construction went on?

5 MR. BEU: I think I went by there periodically
6 just to see how the construction was progressing, to
7 see -- get an idea when it was going to be turned over
8 to operations and try to figure out what they were
9 doing with the facility.

10 There was really no clear understanding I
11 guess that I had or some of the people under me had of
12 exactly how it was going to be used.

13 MR. BESHORE: How it was going to be used?
14 Can you go into a little bit more -- one way versus
15 what way?

16 MR. BEU: Well, float the tanks versus bring
17 the product in and fill it and pump it all back out.
18 You know, certifies -- where you get fuel into a tank
19 and fill it and certify it and then pump it back out.

20 MR. BESHORE: Do you recall who was bringing
21 those kind of questions up?

22 MR. BEU: Primarily Rick ^{KIRNE} ~~Kenny~~ and Wally
23 ~~Stevens~~ ^{SEMPSON} were bringing these questions up to me.

24 MR. BESHORE: So that was a product quality
25 kind of an issue? Mixing some project? That kind of

1 thing?

2 MR. BEU: Right.

3 MR. BESHORE: But it wasn't an operational
4 concern in terms of pipelining versus floating versus
5 whatever?

6 MR. BEU: No. It was more a product quality
7 type issue.

8 MR. BESHORE: In the regular staff meetings,
9 were schedules discussed to where you knew when the
10 facility was going to be turned over to you?

11 MR. BEU: Not early on. And of course there
12 always seems to be project delays. So really, you
13 really never know.

14 MR. BESHORE: So whenever you were in the
15 area, you took advantage of that and stopped by to look
16 at it with your own eyes? Would that be fair?

17 MR. BEU: That's fair.

18 MR. BESHORE: Now, at what point did you
19 actually get involved then in the operation of the
20 facility?

21 MR. BEU: Probably after the incident. I got
22 more involved then. I guess You read the other -- at
23 least the deposition of Craig, and Dave Justice
24 directly. I was excluded from the operation initially.

25 MR. BESHORE: Yes. I did read that. You had

1 asked -- my understanding from that was that you had
2 asked for drawings?

3 MR. BEU: Yes.

4 MR. BESHORE: And you had not been given any?

5 MR. BEU: That's correct.

6 MR. BESHORE: Do you recall how long -- when
7 in the process you'd requested drawings? Do you
8 recall?

9 MR. BEU: I think it was probably -- no. I
10 really don't recall. Probably within a month of start-
11 up is what I would guess. Then we were getting pretty
12 close. And I wanted some drawings so I could study and
13 figure out how the thing was supposed to operate.

14 MR. BESHORE: Were you involved in the start-
15 up at all?

16 MR. BEU: No.

17 MR. BESHORE: Do you recall the day that they
18 commissioned the facility?

19 MR. BEU: I don't recall the date. It was
20 late in December, I think, but I don't really recall
21 the date.

22 MR. BESHORE: Do you recall what you were
23 doing that day?

24 MR. BEU: I was out there.

25 MR. BESHORE: Okay. So you were on scene when

1 they started up the line?

2 MR. BEU: Yes.

3 MR. BESHORE: Do you recall what happened at
4 that point in time as they were doing that?

5 MR. BEU: Well, Dave and Craig I guess had a
6 checklist and they were going over it together. Every
7 time I tried to get involved, seemed like they had to
8 go to the other side of the facility for something. So
9 they'd run over there and check something. And then
10 they split up and you didn't know which one to follow
11 and that sort of thing.

12 So I waited maybe thinking if they'd take a
13 break I could talk to them. Neither one seemed
14 interested in trying to clue me in on what was going
15 on. And then I recall they talked about the fact that
16 when the ~~truck~~ ^{LINE} starts to back up or starts product into
17 there, it was relieving into the tank. The relief
18 valves were ~~shut~~ ^{SET} too low. And ~~Rick~~ ^{RON} indicated he could
19 fix that. That's really all I recall.

20 MR. BESHORE: Okay. So you were out there
21 when they were having those conversations? You recall
22 that? Or do you recall learning about it later is what
23 I'm trying to --

24 MR. BEU: Yes. I think I was out there and
25 overheard that fact. They really didn't come to me and

1 tell me. They were in discussions with each other
2 about what to do and I overheard it at that time.

3 MR. BESHORE: And you don't recall any of the
4 specifics of that conversation?

5 MR. BEU: No.

6 MR. BESHORE: But they didn't ask you for your
7 input on whether their plan was appropriate or not or -

8 MR. BEU: No.

9 MR. BESHORE: You recall Ron just said I think
10 I can take care of this and went and did it?

11 MR. BEU: That's correct. Yes.

12 MR. BESHORE: And this was -- I mean, do you
13 recall what time of day?

14 MR. BEU: I think it was the middle of the
15 night when they were trying to get it started.

16 MR. BESHORE: And do you recall what the
17 outcome was of this endeavor?

18 MR. BEU: The next day I asked Ken Carlton
19 about the outcome because they didn't do it right away.
20 They said, we're going to go to the shop and get parts
21 and all that sort of thing. And Ken Carlton told me.
22 He said, yeah, he changed ^{SPRINGING} screens and reset it. Not a
23 big deal.

24 MR. BESHORE: Okay. So that satisfied you then
25 at that point in time that in your mind the problem had

1 been corrected?

2 MR. BEU: Yes. Because they tested it. It
3 popped off at the appropriate level that engineering
4 had come up with, or whoever come up with it. I assume
5 engineering.

6 MR. BESHORE: Did you have any discussions on
7 what the set points were going to be on any of the --
8 like the relief valve, for example?

9 MR. BEU: No.

10 MR. BESHORE: That would have been
11 engineering?

12 MR. BEU: Yes.

13 MR. BESHORE: I asked you about personalities
14 before and I intentionally skipped Craig Hammett.
15 Maybe we can talk a little bit about your interaction
16 with Craig.

17 Were you guys -- work closely together?

18 MR. BEU: No.

19 MR. BESHORE: He seem distant to you?

20 MR. BEU: I don't know if I would really say
21 distant. He, you know, didn't seem to share
22 information well. He had his own agenda and followed
23 it.

24 MR. BESHORE: Was he defensive if you would
25 ask him questions about his area?

1 MR. BEU: I don't recall him necessarily being
2 defensive but not just very informative, I guess. Not
3 really willing to tell me what was going on.

4 MR. BESHORE: When you asked him for drawings,
5 did he indicate yeah, yeah, I'll get them to you and
6 just never did?

7 MR. BEU: Yes.

8 MR. BESHORE: Or did he say no, you don't need
9 them?

10 MR. BEU: No. He said I don't have any ^{SPARC} share
11 ones right now. He said, you'll have to wait until I
12 get some copies made.

13 MR. BESHORE: Did you ask him again in the
14 course of several conversations?

15 MR. BEU: Yes. I asked him again and he
16 indicated he still didn't have them, so I went to
17 Frank, since he reported to Frank. Maybe Frank could
18 get them for me. Frank kind of laughed it off. You
19 know, well, that's kind of the way Craig is.

20 MR. BESHORE: Did you -- well, let me ask the
21 question, I guess.

22 Did Frank back you ?

23 MR. BEU: Very rarely. Actually, I don't
24 believe he ever backed me.

25 MR. BESHORE: So you had the feeling that he

1 didn't support your -- I mean, you've mentioned three
2 or four things today in just this interview and it
3 sounds like you didn't get much support. I'm wondering
4 if that was your impression, too?

5 MR. BEU: Yes, it is.

6 MR. BESHORE: Did you ever have that
7 conversation with Frank?

8 MR. BEU: Yes.

9 MR. BESHORE: What did he say?

10 MR. BEU: Well, I guess a few times he said
11 that he'd try to do better but it never happened. And
12 after a while, you just give up.

13 MR. BESHORE: Was it a case where he shunned
14 controversy or conflict? Is that what you would
15 characterize that?

16 MR. BEU: He probably shunned it by ignoring
17 it. That sort of thing.

18 MR. BESHORE: Tried to avoid conflict is what
19 I'm asking.

20 MR. BEU: Right.

21 MR. BESHORE: I think if I remember correctly,
22 Doug, after the accident when Olympic produced the
23 drawings to NTSB, if I recall you mentioned to me that
24 was the first time you'd seen the drawings. Is that
25 correct?

1 MR. BEU: That's correct.

2 MR. BESHORE: And I don't recall how long that
3 was after the accident, but a few weeks.

4 I think -- could we go off the record?

5 (Off the record.)

6 MR. BESHORE: Back on the record.

7 Okay, Doug. We were talking about Bayview
8 here a minute ago and let's just go back and talk about
9 that.

10 Now, after start-up, do you recall any other
11 conversations, discussions about Bayview?

12 MR. BEU: With whom? Anybody or everybody or
13 anyone in particular?

14 MR. BESHORE: Well, anything that comes to
15 your mind.

16 MR. BEU: There were a lot of discussions
17 about Bayview.

18 MR. BESHORE: All right. Did any of your
19 people raise any concerns with you about Bayview?

20 MR. BEU: The quality control people had a lot
21 of issues with Bayview because they didn't know exactly
22 how it was going to operate or how they intended to
23 operate. The sampling system was not designed and put
24 in appropriately for product control, it didn't appear.
25 Depends on how you want to operate it, though,

1 obviously, as to where you need to put the samplers.

2 That sort of thing may not be relevant here
3 but --

4 MR. BESHORE: How did it appear the sampler
5 were designed? I mean, were the samplers installed for
6 something different than the facility was operating?

7 MR. BEU: Well, they didn't have very many
8 samplers and so it looked like it was going to require
9 pretty much an increase in workload. So obviously the
10 operators were concerned that they were going to be out
11 there all the time taking, you know, running the
12 samplers out. Whereas, if you get more samplers, they
13 can wait until their day shift and come out there to
14 take the sample. Not take it, but get it out of the
15 sample device, sample assembly tank.

16 But in conversations with Frank, I figured
17 out how he wanted to operate this, how it would go. So
18 we really only needed to take samples coming out. We
19 didn't need to take samples going in. So we were in
20 the process of redesigning that part of the system.

21 MR. BESHORE: How would that -- I mean, was
22 that a change between how it was intended to be
23 operated and designed as opposed to how it ended up
24 being utilized?

25 MR. BEU: I don't think the sample system was

1 taken into consideration in the design phase of this.
2 They just stuck a sampler out there which took some
3 samples. Sample containers in it. But it didn't seem
4 like they really understood how it was going to be --
5 when they needed to take samples whenever they designed
6 it. They just stuck some samplers out there.

7 MR. BESHORE: So the placement of the
8 samplers, did that have anything to do with the manner
9 in which the facility was operated or the fungibility
10 of the streams or -- I mean, I'm not sure I understand
11 what factors would go into consideration there to
12 design that.

13 MR. BEU: Well, one of them was just -- I
14 think the only one they had was -- gosh, four sample
15 containers. And there was a pretty long run from the
16 pipe over to the building. Didn't allow for good
17 sampling.

18 MR. BESHORE: So the concern was not
19 necessarily the number of locations that were being
20 monitored but the amount of sample that could be
21 collected?

22 MR. BEU: I think. Yes. The main concern I
23 think was manpower. Are you going to call these
24 operators out every couple of hours to take some
25 samples or are you going to -- because if you're

1 changing product, after all there were two lines coming
2 in. So if you're drawing four sample bottle, you've
3 only got two sample bottles per line, and you change
4 product fairly quickly. Have them come out to empty
5 the container and get it retained, putting up sample
6 containers and start over again, it's manpower
7 intensive to do that.

8 MR. BESHORE: Okay. Do you remember any other
9 issues that people brought to you?

10 MR. BEU: There were a lot of little things.
11 -- wanted non-skid on top of the tanks so if they
12 worked there, nobody would slide up. Safety type
13 things. Around the bottom of the tanks where they
14 hadn't built up, they put some sort of stuff that got
15 soft in the heat and would melt. You'd walk on it and
16 get it all over your shoes and make a mess. That sort
17 of thing. Little things like that.

18 MR. BESHORE: Did anything stick out in your
19 mind as a -- I mean, did you have any other -- you're
20 describing these as relatively minor. Do you remember
21 any things that you would consider to have been a major
22 concern that anybody expressed?

23 MR. BEU: Well, one thing that was probably
24 major, they were wondering why we didn't take the
25 valves that would allow us to switch from one line to

1 the other, the cross-over valves from Allen, and put
2 them in Bayview during the design of Bayview. Because
3 after all, at the time -- during the discussions there
4 were some product contamination concerns. You couldn't
5 really check them to make sure they weren't leaking and
6 that sort of thing.

7 So that would have been a design
8 consideration that should have been taken into account
9 originally.

10 MR. BESHORE: Okay. So cross-over valves at
11 Bayview.

12 You mentioned a quality control concern but
13 was there any operational concerns that arose out of
14 that that you recall?

15 MR. BEU: I don't recall whether they felt
16 like it would be easier to operate out of Bayview or
17 not. I really don't know. I know most of it was
18 product quality I think for those.

19 MR. BESHORE: Do you recall any conversations
20 about control valves in Bayview and concerns about the
21 ability to operate the station?

22 MR. BEU: I guess obviously you're talking
23 about before the incident?

24 MR. BESHORE: Yes.

25 MR. BEU: I'm having some trouble because

1 there were some concerns but I can't place whether it
2 was before or after the incident because of the
3 closeness to Allen -- far enough away. It's hard to
4 have two booster stations too close together. Whereas
5 at Bayview they really operated as a booster station,
6 more of an originating station if you will, for
7 tankage.

8 There were some concerns that way. Control
9 valves are mile or so lines.

10 MR. BESHORE: Do you recall whose concerns
11 those were?

12 MR. BEU: No, I don't.

13 MR. BESHORE: Do you recall whether in your
14 management staff meetings other concerns were talked
15 about in terms of Bayview that surprised you?

16 MR. BEU: Yes. I think there were some
17 concerns about Bayview but it seemed as though at the
18 time -- this is before the facility started up. It
19 seems as though there was kind of a reluctance for the
20 people who had been there for a long time to change.
21 People really don't want to change. They know what the
22 operation is. We want to continue the operation the
23 same way it is. But here was have -- Frank's point of
24 view. Here we have a way to increase our bottom line
25 by putting this in. It's just another facility. Not

1 that big a deal.

2 MR. BESHORE: Do you recall whether those
3 concerns manifested themselves once operations actually
4 commenced? Did somebody come back and say I told you
5 so? That kind of thing?

6 MR. BEU: I don't think I ever heard that.

7 MR. BESHORE: When you took over the control
8 center operations in May of '99, did you have any
9 concerns? Did you have discussions with Ron Brentson
10 or any of the control room personnel about problems
11 they were having with Bayview operations or anything
12 else like that?

13 MR. BEU: Only -- I guess there were some
14 rumblings. Not necessarily Ron Brentson. There were
15 some rumblings from some of the controllers about how
16 it was really supposed to operate. Because I think
17 initially we just put some product in the tank and it
18 would just float through the lines. We really didn't
19 operate Bayview the way it was intended to operate.
20 You know, to take product in and out and that sort of
21 thing routinely.

22 So to my knowledge, it really never operated
23 like it was going to operate some day.

24 MR. BESHORE: So you weren't utilizing the
25 facility in terms of the storage to its full extent?

1 MR. BEU: That's right. We had a lot of
2 contaminated product in storage there as it turned out.

3 MR. BESHORE: So you couldn't get rid of it?

4 MR. BEU: Well, -- pumped it down to GATX
5 there over to Allen and back. Downgraded it and got
6 rid of it that way.

7 MR. BESHORE: But in terms of the controllers'
8 operation and their role in terms of operations of the
9 line and their ability to control what was going on, do
10 you recall any concerns that were raised there?

11 MR. BEU: Well, not really. And again, it may
12 be a little hard for me to interpret exactly where
13 you're coming from with that. But there were some
14 changes made I guess for like the re-circulation pump.
15 Initially they didn't have it where the control center
16 would shut it down, so -- I mean, as far as control.
17 control. And so that feature was added. They may have
18 to start it up manually at the station but the control
19 center can shut down the pump. That would be a
20 control.

21 MR. BESHORE: So adding to the controllers'
22 ability to do different functions. You remember some
23 of those types of issues.

24 MR. BEU: Correct.

25 MR. BESHORE: Do you remember any discussions

1 about relief valves at Bayview?

2 MR. BEU: None other than what we already
3 discussed about during the initial start-up.

4 MR. BESHORE: Okay. So after the initial
5 start-up, you don't recall -- do you recall any further
6 issues surrounding those relief valves?

7 MR. BEU: I don't recall any. No.

8 MR. BESHORE: Do you recall Ron Grennich or
9 any of the other mechanics working on those valves or
10 adjusting the valves? The relief valves. I'm sorry.

11 MR. BEU: No.

12 MR. BESHORE: Let me go through a couple of
13 emails here that I'm going to let you have here. Start
14 with this one. It's already been labeled Exhibit White
15 Number 4, but I'm going to also label it as Beu Exhibit
16 B.

17 (Document above referred to was
18 marked for identification as Beu
19 Exhibit B.)

20 MR. BESHORE: If you could just read that for
21 a little bit. Take a look at it. See if that jogs
22 your memory on anything.

23 That's the email that everybody's seen
24 already on the ^{file}~~mail~~ White to Frank and then Frank Hopf's
25 response.

1 (Pause.)

2 Do you recall receiving those email, Doug?

3 MR. BEU: Yes.

4 MR. BESHORE: Does that jog your memory in
5 terms of anything you can remember that might have been
6 going on at that point in time?

7 MR. BEU: Yes. Well, there were some
8 discussions about how Bayview was supposed to operate
9 and Al came to me. I believe the original of this was
10 right after Frank put out the letter saying the control
11 center was under me. So Al fired this off to me. I
12 think this is the one anyway. Asked me if I would put
13 this out and recommend a meeting to discuss the control
14 center people's issues with Bayview.

15 And I told him I would entertain the meeting
16 but I would like to have him to give me in writing what
17 their concerns are first. We can discuss them in there
18 but I didn't want to go in there blind-sided because I
19 was new to the control center. I wanted to find out
20 what it was.

21 And then Frank put this out where he's
22 concerned over seeming inability to take charge of
23 Bayview. And that seemed to put a hiatus on everything
24 and that meeting was never held.

25 MR. BESHORE: Hiatus --

1 MR. BEU: It stopped it. You know, any
2 further discussions about a need for a meeting.

3 MR. BESHORE: Okay. So his response indicated
4 to people that he didn't think it was necessary to have
5 --

6 MR. BEU: That's the way it was taken. He
7 didn't think it was necessary to have that meeting.

8 MR. BESHORE: He didn't think it was necessary
9 to discuss the problems or to solve them? I guess I'm
10 curious about how that was received, his email there.

11 MR. BEU: That they ought to know how to
12 operate that station, the controllers. That's the way
13 I interpreted it.

14 MR. BESHORE: That's what you got from it when
15 you saw it?

16 MR. BEU: What I got from it I guess was the
17 fact that Frank was still in charge and he was calling
18 the shots.

19 MR. BESHORE: So that meeting never took
20 place?

21 MR. BEU: That meeting never took place.

22 MR. BESHORE: And you never received any
23 write-up of concerns that you had asked for?

24 MR. BEU: I never received anything.

25 MR. BESHORE: Let me go ahead and give you

1 another email here. It was labeled as Exhibit White 3
2 and it's actually an earlier date on there so I
3 probably should have gone in order. If you could just
4 take a look at that one.

5 (Document above referred to was
6 marked for identification as Beu
7 Exhibit C.)

8 MR. BEU: Okay.

9 MR. BESHORE: Does that jog any memories you
10 have about any of the issues that were involved in
11 actually the previous email, those similar topics?

12 MR. BEU: They're similar. They're both about
13 Bayview. This one I guess bringing in the accounting
14 really. The other one really didn't talk about
15 accounting issues.

16 MR. BESHORE: Would that have been one of the
17 items similar to what you anticipated the meeting would
18 involve?

19 MR. BEU: I don't know that I really
20 anticipated anything to know exactly what questions
21 would be involved.

22 MR. BESHORE: So you weren't sure what to
23 anticipate. That's why you asked for some of these
24 things in writing?

25 MR. BEU: Right.

1 MR. BESHORE: Who's John Smith?

2 MR. BEU: He's one of the controllers.

3 MR. BESHORE: After the controller supervisor
4 or after Ron Brentson started reporting to you, you
5 kind of indicated that you guys started to get a little
6 better information exchange.

7 How about the rest of the controllers? How
8 did they respond to that change?

9 MR. BEU: I don't know that there was really
10 any noticeable difference one way or the other.

11 MR. BESHORE: Did you have much interaction
12 with them prior to May when you took over that part of
13 the operation?

14 MR. BEU: No, not much. I'd go in there once
15 in a while and speak to them. Something like that.
16 But not very often.

17 MR. BESHORE: You don't recall them bringing
18 up problems to you? Some folks are more vocal than
19 others.

20 MR. BEU: That's exactly it. Some people
21 probably just have a negative outlook on life.
22 Everything is a crisis. And other people look at it
23 and go -- that's not a problem.

24 So, --

25 MR. BESHORE: Let's talk about training a

1 little bit. I think John brings that up and mentions
2 it in his email.

3 While you were operations manager, did you
4 specifically provide training classes to any of your
5 people?

6 MR. BEU: No. I talked about it but -- you
7 mean the controllers?

8 MR. BESHORE: Let's go back to your tenure
9 there at Olympic, the time you were there as operations
10 manager. Let's talk more general and then we'll talk
11 specifically about the controllers.

12 MR. BEU: Okay.

13 MR. BESHORE: Do you recall providing training
14 courses, seminars? Did you put any one? That kind of
15 thing.

16 MR. BEU: I don't recall putting any on.

17 MR. BESHORE: Did Olympic periodically review
18 the O&M or go through it with people and give them some
19 training on that?

20 MR. MAHLER: Excuse me for a minute. You said
21 the O&M. You mean the manual?

22 MR. BESHORE: Yes. The operations and
23 maintenance manual. Sorry.

24 MR. BEU: I can't really recall anything
25 specifically if we did that.

1 MR. BESHORE: When Bayview was coming on line,
2 did you guys have a walk-through with your people, with
3 you, or somebody showed you around Bayview? This is
4 this; this is that?

5 MR. BEU: Not with me. Ron Brentson took the
6 control center people up there and walked them through
7 so they could see the facility.

8 MR. BESHORE: Is that something Ron did on his
9 own or was that something that somebody else set up for
10 the controllers to come and see? Do you recall?

11 MR. BEU: I don't really recall. I thought it
12 was something that Ron set up on his own.

13 MR. BESHORE: But your people didn't get a
14 similar walk-through or have that same opportunity?

15 MR. BEU: When you say my people, a lot of
16 them in that area were involved in construction, so
17 they were there while it was being built.

18 MR. BESHORE: So you didn't feel there was a
19 need to necessarily take your people or have somebody
20 take them through the facility and show them what's
21 what?

22 MR. BEU: Seemed to me that they knew more
23 about it than I did.

24 MR. BESHORE: Now let's talk about the
25 controllers and maybe on the procedures.

1 Was there any training provided or additional
2 training provided to them when Bayview was on line
3 other than this walk-through by Brentson?

4 MR. BEU: I don't recall any.

5 MR. BESHORE: Do you recall any procedural
6 changes or O&M updates, operations and maintenance
7 manual updates, that came about because of Bayview
8 being no line all of a sudden? Not all of a sudden.

9 MR. BEU: I don't remember the timing. Frank
10 had put together an operations guide or whatever sheet
11 -- no, it was several pieces of paper, I guess, for
12 Bayview, and sent it to various people for review and
13 comment. I reviewed it, made several corrections and
14 sent it back to him.

15 I actually printed it out and made the
16 corrections ~~and~~ⁱⁿ red and put it on his desk.

17 I asked him later if he'd had a chance to
18 look at it and he indicated no, not yet. Some time
19 later, I don't know exactly when, he sent it out again.
20 There were some things changed and some of them were
21 the same. Some of the things I tried to correct were
22 the same as what he had before. Like valve positions
23 that he had. But this may have been after the incident
24 though.

25 I asked him about it and he seemed to be

1 pretty upset. He said, you were wrong. So I went and
2 got the drawing. Tacked it on the board. And went
3 through with him and showed him that I was right.

4 So, okay. He turned and walked off. No
5 further discussion. And that's I guess the
6 relationship I had with him.

7 MR. BESHORE: But you think that might have
8 been after the accident?

9 MR. BEU: It may have been. It may have been.

10 MR. BESHORE: Now in your deposition you
11 talked about an operator qualification manual that was
12 under development. Is that the same thing you're
13 talking about just now?

14 MR. BEU: No.

15 MR. BESHORE: So you were talking about an
16 operations and maintenance manual update is what you
17 were talking about reviewing with Frank?

18 MR. BEU: Just now?

19 MR. BESHORE: Yes.

20 MR. BEU: I was talking operations for
21 Bayview, operations manual for Bayview.

22 MR. BESHORE: So it would have been added to
23 the operations and maintenance manual for this
24 additional station?

25 MR. BEU: Yes. That was his intent.

1 MR. BESHORE: And it was finalized finally
2 after the accident at some point?

3 MR. BEU: Yes. I believe that's correct.

4 MR. BESHORE: Let's go to after the accident.
5 I've got a couple of questions.

6 Now were you involved -- Olympic did some
7 testing of the relief valves on the system. Not just
8 at Bayview but relief valves in general. Were you
9 involved in that?

10 MR. BEU: In a couple of them at Renton I was.

11 MR. BESHORE: Do you recall in general what
12 Olympic found as a result of that testing?

13 MR. BEU: Those were said okay. They worked.

14 MR. BESHORE: The ones at Renton?

15 MR. BEU: The ones at Renton.

16 MR. BESHORE: I'm talking about testing that
17 was done by Milborne, the flow testing.

18 MR. BEU: I think those were the ones that
19 were -- and I may be wrong. The only ones that I had
20 anything to do with were the ^{CANES} bunch at Renton. They
21 had already tested some at Bayview where they -- I
22 think put some piping in the tank farm and circulated
23 ^{WATER} ~~the valve~~ in it. That's what I understood.

24 MR. BESHORE: Okay. So you weren't involved
25 in that?

1 MR. BEU: I was not involved with that.

2 MR. BESHORE: All right. I thought you were.

3 Okay.

4 When you went out after -- you did go out
5 after the accident? Went to the specific relief valve
6 with Johnny and some other folks to test this relief
7 valve. Is that correct? After the accident?

8 MR. BEU: I believe, yes. Tested it as far as
9 checked the set point.

10 MR. BESHORE: And do you recall going out
11 there and doing that?

12 MR. BEU: Yes.

13 MR. BESHORE: Do you recall what was found
14 then?

15 MR. BEU: The set point was lower than what
16 Ron Grennich said he set it at.

17 MR. BESHORE: Do you recall anything unusual
18 about the conditions of the valve or anything when you
19 went out there?

20 MR. BEU: Well, not externally. Internally we
21 had a lot of scraper wires in the valve.

22 MR. BESHORE: And that was the following day
23 when you took it out of the pipeline?

24 MR. BEU: Following? I thought it was the
25 same day we tested it, I thought. I don't know.

1 MR. BESHORE: Whenever you took it apart.

2 MR. BEU: -- got the part and took it out of
3 the system.

4 MR. BESHORE: Okay.

5 How did you guys go about doing it, checking
6 the test point or the set point on the valve? Do you
7 recall?

8 MR. BEU: Well, if memory holds, they have a
9 little instrument where you can hook up that section
10 from the solenoid. There's a gauge that tells you when
11 the solenoid pops off.

12 MR. BESHORE: Was that a hydraulic fluid
13 inside there?

14 MR. BEU: Yes. If memory serves, that's what
15 we did.

16 MR. BESHORE: Okay. And what's your current
17 role at Equilon now?

18 MR. BEU: Staff engineer.

19 MR. BESHORE: Are you back in the electrical
20 engineering part of it or are you more involved in
21 other things?

22 MR. BEU: Standards, the standards group.

23 MR. BESHORE: And you were involved in the
24 examination of the pipe when you came out here;
25 correct?

1 MR. BEU: Yes.

2 MR. BESHORE: Now, if the pipe had been --
3 what would have happened had that pipe been inspected?
4 I don't know. Maybe that's not good.

5 Had you seen the pipe the way it was prior to
6 the accident, what actions do you think would have been
7 taken?

8 MR. BEU: Shut down the line. Remove the
9 section of pipe. Put in a new one.

10 MR. BESHORE: And that's based on your
11 experience? Do you think that the other people at
12 Olympic would have made the same call?

13 MR. BEU: Yes.

14 MR. BESHORE: I think I'm about out of
15 questions so I'm going to go ahead and let others.
16 I'll go around the room.

17 Linda, did you have any questions for Doug?
18 Do we need another break?

19 MR. MAHLER: Just let me catch up for a
20 second.

21 MS. PILKEY-JARVIS: Hi, Doug. Let me just ask
22 you a few questions to follow up on this idea that
23 you've expressed, the feeling of frustration about the
24 isolation that you felt within the company. And I'm
25 just curious if you can help us understand a little bit

1 better what that might have been attributed to.

2 So you were an Equilon employee working for
3 Olympic. Do you think that some of the isolation that
4 you experienced was attributable to friction between
5 Olympic and Equilon employees, for example?

6 MR. BEU: No. Some of the problems I think
7 that Olympic people had was the fact that they had
8 changed the employees periodically. You'd start out
9 with Mobile and then went to Shell. Shell was there
10 for I think a year and a half and it went to Texaco.

11 Seemed like every time somebody new would
12 come in they'd want to change a lot of the forms and
13 things like that.

14 So they felt like they had a system that they
15 knew how to operate and just because somebody else came
16 in, they were going to change it. And I think people
17 were a little resentful for that, but I don't think it
18 was because we were there. It was the fact that you
19 change people. That was the problem.

20 MS. PILKEY-JARVIS: So, people did tend to
21 feel some resentment because every time there was a
22 change then it meant that they had to change forms and
23 procedures and things that they'd been used to doing.
24 So there may have been resentment between new employees
25 and some of the older long-term employees that may have

1 contributed.

2 How about -- do you think that any of it
3 could have been attributed to somebody wanting to sort
4 of rock the boat with things versus maintaining status
5 quos?

6 MR. BEU: Somebody meaning -- who would want
7 to rock the boat?

8 MS. PILKEY-JARVIS: You.

9 MR. BEU: Me wanting to rock the boat? I
10 don't believe so. In order to I guess get a feel for
11 what goes on at Olympic when I got there, I asked the
12 supervisors or actually everybody under me to provide
13 me with a weekly status update of what went on that
14 week, what they did. And I got a lot of complaints
15 about that.

16 I said, well, you don't have to do it
17 yourself. Get your people to do it and pass it through
18 you to me. That way you could break it down and have
19 very little work done by any particular one person.

20 There were still a lot of complaints from the
21 field. And people were saying, well, Doug wants to try
22 to overdo it. Maybe he can come out and ride with us.
23 Well, you can't ride with everybody all week.

24 So, I let that go on for a year and got
25 mostly just worthless pieces of paper, and so I put out

1 another memo scrapping the idea because people weren't
2 going to do it. So, I was sort of upset and threw it in
3 the trash. I wish I would have held onto it now so you
4 could see what kind of stuff they put in that was their
5 workload.

6 They thought I was going to try to either
7 reduce manpower or make some changes. I was just
8 trying to find out what was going on at Olympic. That
9 was my intent but I didn't feel like I could get
10 anybody to really tell me a whole lot about what really
11 goes on there. I was stonewalled.

12 MS. PILKEY-JARVIS: Weren't there developed
13 work plans on an annual basis or quarterly basis or
14 anything like that to help you understand what people
15 were supposed to be working on?

16 MR. BEU: No. We have obviously a budget, a
17 budget that tells you what's supposed to be going on
18 but that's not a daily thing as far as how many one
19 calls did you go out on. That sort of things. How
20 many batch changes did you do? When was your batch
21 change? That's what you'd like to know.

22 What do people do every day. Let's talk a
23 little bit.

24 MS. PILKEY-JARVIS: Did people have job
25 descriptions to help you understand what they were

1 supposed to be working on?

2 MR. BEU: I can't really recall necessarily
3 any job descriptions. There are probably job
4 descriptions of what an operator does but that doesn't
5 necessarily say that he's going to be doing that every
6 day or every week. It's just part of their
7 responsibilities.

8 MS. PILKEY-JARVIS: So there weren't
9 individualized job descriptions?

10 MR. BEU: As far as I can remember. I don't
11 recall. There may have been but I don't really recall.

12 MS. PILKEY-JARVIS: How would you know what to
13 evaluate people on?

14 MR. BEU: Well, there again, the evaluation
15 process was different than any I had ever experienced
16 before, so it really wasn't necessarily up to just the
17 supervisor to evaluate somebody because other people
18 had a lot of input on that. A lot of their input was
19 based on past experience. This person really performs
20 well or is really a go-getter, has a lot of a new good
21 ideas or it's hard to find them when the work needs to
22 be done. That sort of thing.

23 So that's basically ^{WHAT} ~~was~~ it was based on, I
24 believe.

25 MS. PILKEY-JARVIS: So they weren't

1 necessarily evaluated against a specific work plan or
2 specific work goals. It was more a general performance
3 evaluation?

4 MR. BEU: I think I would agree with that.
5 Yes.

6 MS. PILKEY-JARVIS: I'm curious about -- I
7 want to go back to some questions Allan was asking you
8 about management team meetings. You talked about
9 meetings that occurred between you and Frank and then
10 people who were under you who were also managers, and
11 you said that there was no set time for those meetings.
12 Sometimes they would be on a monthly basis, sometimes
13 less frequently.

14 So who would call for those meetings?

15 MR. BEU: Frank.

16 MS. PILKEY-JARVIS: Would Frank establish
17 agendas for those meetings?

18 MR. BEU: Yes. Yes.

19 MS. PILKEY-JARVIS: So were they usually
20 called when there was a sufficient number of issues to
21 talk about or why would those meetings be called? What
22 would be the purpose of them?

23 MR. BEU: Well, it may have been because he
24 had time on ^{his} schedule. I really don't know exactly.
25 I never could figure out exactly what the motivation

1 was as far as when he called them.

2 A lot of it was he'd come back from meetings
3 in Houston and have a new process he wanted to run by
4 everybody or something like that, or a new scheme of
5 doing something.

6 MS. PILKEY-JARVIS: Was there a formal way
7 that decisions made at those meetings would be
8 documented and told to others?

9 MR. BEU: No. No, there wasn't.

10 MS. PILKEY-JARVIS: If you had issues, did you
11 have the ability to call for a management meeting?

12 MR. BEU: Yes. I had the ability to. Mostly
13 though if there's an issue with a particular person,
14 I'd describe where we were, have him come in, rather
15 than do it in a meeting.

16 MS. PILKEY-JARVIS: I'm curious about the way
17 that you may have prepared yourself to take on the new
18 duties the month before the incident happened when
19 Frank assigned you more responsibilities for managing
20 the company.

21 Can you tell us a little bit about how you
22 prepared for that?

23 MR. BEU: I didn't know it was coming at that
24 particular time so there wasn't a lot of preparation.
25 I had discussed with Frank the fact that we were having

1 some difficulties in getting the control center and the
2 field operators to see eye to eye on some things and I
3 felt like it would be better if they were under one
4 person and I was willing to take on that responsibility
5 only if I had Richard Klasen under me as well so I
6 could direct his activities and be a coordinator
7 between the groups.

8 And I didn't know it was going to happen but
9 all of a sudden the email was out. And it wasn't
10 exactly as we had discussed. So, it came as a surprise
11 to me.

12 MS. PILKEY-JARVIS: What do you mean it wasn't
13 exactly as you had discussed?

14 MR. BEU: Well, I think the email talked about
15 that he was going to go to Cross Cascades and do that
16 and I was going to take on all that. That part wasn't
17 discussed. I was hoping to kind of go into this a
18 little bit at a time and try to get a feel for the
19 control center and try to smooth out a lot of feelings
20 between the control center and the field operators and
21 get things -- try to run a little bit smoother.

22 MS. PILKEY-JARVIS: So you're saying it both
23 happened more quickly than you anticipated and it was
24 more far-reaching than you had anticipated?

25 MR. BEU: Yes.

1 MS. PILKEY-JARVIS: So is it fair to say that
2 you weren't quite prepared for the extent of the
3 responsibility and the timing?

4 MR. BEU: Well, that might be a fair
5 assumption because there's a lot of things that Frank
6 did I guess as part of his job that I didn't know
7 exactly what to do. Administrative type things.

8 MS. PILKEY-JARVIS: So you were an Equilon
9 employee who was working on loan, your word, for
10 Olympic Pipeline. How were you paid? Who paid you?
11 Who signed your checks? You were they issued through?

12 MR. BEU: Equilon signed them.

13 MS. PILKEY-JARVIS: Did you have a retirement
14 program at that time?

15 MR. BEU: Yes.

16 MS. PILKEY-JARVIS: Who contributed to your
17 retirement program?

18 MR. BEU: Equilon.

19 MS. PILKEY-JARVIS: Do you know if that was
20 the same for the other folks on the org chart who are
21 indicated as Equilon employees?

22 MR. BEU: As far as knowing it, I guess I have
23 no reason to really -- no basis for knowing it other
24 than the fact they were the same as I was. So, I would
25 say that it was the same. But I never really saw their

1 check or really got involved in their retirement
2 program. I really don't know.

3 MS. PILKEY-JARVIS: Was that the same
4 situation prior to you becoming an Equilon employee?
5 You worked for Texaco. Were your checks issued the
6 same way? Not from Olympic but from your employer?

7 MR. BEU: That's correct. Yes.

8 MS. PILKEY-JARVIS: Do you know if Olympic
9 Pipeline conducted their own investigation into the
10 causes of the incident?

11 MR. MAHLER: Excuse me. I'm going to
12 interrupt for a second and we might want to explore
13 this just for a minute.

14 Allan knows and you all know after the
15 incident Doug was assigned as the company
16 representative to this body and was involved in
17 meetings with the company attorneys that I think would
18 be protected by the company's work product privilege.

19 And if the investigation was done for the
20 purpose of litigation, that would be covered by the
21 pipeline's work product privilege, which I don't think
22 we're at liberty to waive.

23 So I think -- what I would propose we do is
24 before Doug answers that question -- and maybe he and I
25 can step out in the hall and I can hear a little bit

1 more about how he would answer it and kind of decide,
2 figure out whether it simply would be implicating
3 Olympic's privilege. And if it does, I think the only
4 response I can give you at the moment is that we
5 shouldn't answer that for the moment. And we'll have
6 to probably get Olympic's lawyers involved somewhat.
7 Maybe you could get them on the phone if you could
8 reserve those questions. We may have to come back and
9 do it on a conference call to follow up on those if
10 they are areas where they waive privilege.

11 But I just don't feel -- I mean, I'm sorry to
12 talk all this legalese, but it's really not my
13 privilege or Doug's privilege to waive. It's the
14 company's.

15 MS. PILKEY-JARVIS: And can I just respond by
16 saying, where I'm coming from is just wondering if
17 there are things that are important for this group to
18 know that contributed to the cause. So it isn't a
19 litigation thing in any way.

20 MR. MAHLER: No. I understand you're not
21 trying to do anything. I didn't mean to suggest that.
22 But there are privileges that if you ask him a question
23 that is a privileged, legally privileged question and
24 he answers it. It's a waiver and it's waived for all
25 purposes. You can't put the toothpaste back in the

1 tube.

2 The legal rule is once there's a waiver, it's
3 gone. And we don't get to make that decision. It's
4 Olympic's lawyers' decision, if it's in fact a work
5 product.

6 So, if we could take about two minutes. The
7 question again was did Olympic conduct its own
8 investigation into the cause of the pipeline.

9 Let me just go outside and I'll come back in
10 and --

11 MR. BESHORE: Sure. I'm assuming she would
12 have some follow-up.

13 MR. MAHLER: And I assume so, too. And we may
14 have to -- let me just find out where we're at.

15 (Off the record.)

16 MR. BESHORE: Back on the record now.

17 MR. MAHLER: Linda, you want to repeat the
18 question or do you want me to do it for you? Why don't
19 you repeat it.

20 MS. PILKEY-JARVIS: Did Olympic conduct their
21 own investigation into the causes of the incident?

22 MR. BEU: Yes.

23 MS. PILKEY-JARVIS: Did you participate in
24 that investigation prior to leaving the company?

25 MR. BEU: No.

1 MS. PILKEY-JARVIS: Were you ever questioned
2 by the folks within the company who were conducting
3 that investigation?

4 MR. MAHLER: That would be privileged.

5 MS. PILKEY-JARVIS: Let me ask a different --
6 a question on a different issue then.

7 I want to ask you some questions about some
8 types of equipment at Olympic. Specifically, some of
9 the valves.

10 I'm curious about where -- who was
11 responsible at Olympic for keeping and maintaining the
12 manuals that are associated with the different pieces
13 of equipment? Specifically, for example, the
14 manufacturers' manuals that would give you information
15 about upkeep and repair, maintenance, purchasing parts.

16 MR. BEU: The mechanics.

17 MS. PILKEY-JARVIS: Were they centralized or
18 were they located at the different facilities depending
19 on where the equipment was?

20 MR. BEU: It may not have been the same for
21 all mechanics. And probably -- rather than say
22 probably, let me just say I wouldn't really know for
23 sure where they kept them.

24 MS. PILKEY-JARVIS: I think that's all the
25 questions I have for now.

1 Thank you, Doug.

2 MR. BESHORE: Jerry?

3 MR. SCHAU: Just a couple of things.

4 There was some discussion around the
5 development or use of a Texaco O&M manual, operations
6 and maintenance manual. And in your deposition you
7 talked about developing a procedures manual. I was
8 wondering if those were one and the same?

9 MR. BEU: No. What I was asked to develop
10 shortly after I got to Olympic was a manual to satisfy
11 the upcoming DOT rule on ^{operating} ~~operating~~ qualification for
12 maintenance operations to try to come up with -- and we
13 didn't know what that rule was at that time. But I
14 guess Frank knew it was coming and I had never seen
15 anything on that before. He tried to explain to me how
16 and what it was and he wanted us covered. A simple
17 checkoff sheet with some tests to show competence in
18 certain areas. That sort of thing.

19 So, I started working on that and didn't get
20 very far. And I guess when I went to do that, at the
21 time Al White had ^{GREGORY'S} ~~Don Draper's~~ job and so I tried to
22 work with Al and Dave. And I went to them and
23 explained what was assigned to me and that I was going
24 to need their help. And they both kind of laughed and
25 said that they'd already tried to do that with Lonnie.

1 And they were through. When Frank saw the product that
2 they had put together, he said it's not what he had
3 envisioned. Try it again.

4 And shortly after that, of course, Lonnie
5 left and I came in. And so they were unwilling to help
6 because they had already done what they thought was
7 necessary.

8 MR. SCHAU: So those were the procedures you
9 were referring to?

10 MR. BEU: Yes. That was a manual, the
11 operations and maintenance qualification.

12 MR. SCHAU: We also heard that in preparation
13 for the DOT review, the inspection, the review that
14 came up, Olympic had changed their procedure manual to
15 comply or to ensure compliance with the regulations.
16 Were you involved in any of that at all?

17 MR. BEU: No. I don't recall any of that.

18 MR. SCHAU: As I remember, it was immediately
19 before the -- just before the inspection place when
20 that manual came out. We were wondering about the
21 procedures and how much training went on and all of
22 that since you implemented the manual.

23 Maybe it wasn't that different. You don't
24 remember or you weren't involved in any of that?

25 MR. BEU: I don't remember it so I don't

1 believe I was involved in it. I just can't remember.

2 MR. SCHAU: Another thing that you said was
3 that Olympic folks kind of resented the change in the
4 management team, if you will, because all the
5 procedures changed or the paperwork changed.

6 Was that true of your specs, like your
7 engineering specs? Did they shift from company to
8 company or did Olympic have -- I mean, some of our
9 joint ventures, they have their own set of
10 specifications and others just adopt our
11 specifications. Depends on the structure of the
12 organization.

13 I'm just curious what Olympic was operating
14 under at the time.

15 MR. BEU: Back before Texaco bought Getty, we
16 had some very specific specifications. Getty took over
17 pipeline operations even though it was under TTTI,
18 under Texaco. But Getty management ran it. And we
19 really at that point started having a division of
20 standards.

21 The old ex-Texaco people -- well, they're
22 still Texaco. But the ones that used to work for
23 Texaco pre-Getty would go by those specs and the Getty
24 people really wouldn't. And at the time ^{that} ~~that~~ Texaco
25 people went to Olympic, I think it hadn't been long

1 enough. Those specs didn't go up there. So I don't
2 believe that the Texaco specs were in. And I don't
3 believe that Getty really had any developed like that
4 either.

5 So I believe from what I saw is that Olympic
6 pretty much went by their own specifications or they
7 had I think some old Mobil and Shell stuff. And I
8 can't think of anything sort of specific, but I don't
9 recall any Texaco specifications being up there.

10 MR. SCHAU: I was asking that in reference to
11 Bayview. What kind of standards did you use for
12 Bayview as a base document?

13 Obviously they'd draw up specifications
14 specifically for Bayview but if they needed a
15 reference, where would they go for a reference if the
16 engineers needed a reference?

17 MR. BEU: I don't know. I guess that question
18 would best be directed to Craig Hammett. I wasn't
19 involved with that so I really don't know.

20 MR. SCHAU: What about like maintenance
21 practices? Were those all Olympics?

22 MR. BEU: To the best of my recollection they
23 were.

24 MR. SCHAU: They wouldn't have changed with
25 the operatorship?

1 MR. BEU: Since I didn't come up there at the
2 change of the operatorship -- using your word, I guess
3 -- that's kind of a tough thing. The loaned employee
4 is really what I was called.

5 Olympic operated Olympic, is what I was told.
6 So there wasn't Mobil, Shell, Texaco or BP that
7 operates. BP maybe. I don't know. I don't know what
8 the agreements set out for now. But I really don't
9 know what was there. I just know what I was told.

10 But anyway, since I didn't go at the
11 beginning of '91 when Texaco began, I don't know what
12 changes were made at that point. When I went up there,
13 it was kind of status quo. So I don't know that I can
14 really -- if I understand what your question was.

15 MR. SCHAU: Well, you came from an operation
16 down in West Texas; right?

17 MR. BEU: Yes.

18 MR. SCHAU: For Olympic?

19 MR. BEU: Yes.

20 MR. SCHAU: Were the procedures the same?

21 MR. BEU: No.

22 MR. SCHAU: So they were Olympic procedures?

23 MR. BEU: Well, you've got a non-DOT gathering
24 system that I came from. We did have some DOT. Most
25 of it non-DOT gathering to a very strict DOT ^{procedures} ~~province~~

1 mainline. So you really can't compare apples to apples
2 in this instance.

3 MR. SCHAU: I don't think I have any other
4 questions. Thanks.

5 MR. BESHORE: Tony, do you have any questions?

6 MR. BARBER: I do.

7 Hi, Doug.

8 MR. BEU: Hi.

9 MR. BARBER: When you first came to Olympic, I
10 understand it was a job swap with the former operations
11 manager?

12 MR. BEU: That was the way that it was put to
13 me but they also indicated that he would probably
14 really never go to take my job, so it was really a job
15 swap with an interim job for him and then ^{he} it may go off
16 somewhere.

17 MR. BARBER: So did you pursue that more or
18 were you precluded more in your estimation? Did they
19 try to recruit you and talk you into taking the
20 position or were you looking for that opportunity and
21 trying to pursue it and make it happen?

22 MR. BEU: They came to me to see if I might be
23 interested in doing it.

24 MR. BARBER: I've read that civil deposition
25 transcript. And at that point it seemed that you

1 weren't sure whether you worked for Equilon Pipeline or
2 Equilon Enterprises during the time of the rupture.
3 Since then have you recalled which on?

4 MR. BEU: No. And to me I don't know that it
5 really makes a lot of difference. I get the check and
6 it cashed, so --

7 MR. BARBER: Speaking of your check, if you
8 had a pay problem, if your check wasn't right, who
9 would you talk to?

10 MR. BEU: I would talk to -- her name was
11 ~~Amber Titus~~ ^{ANN BATAITUS} at the time. She was Equilon HR.

12 MR. BARBER: And where was she located?

13 MR. BEU: I think at the time she was down in
14 Bakersfield, California. Somewhere down in California.

15 MR. BARBER: Was she otherwise associated with
16 -- Pipeline?

17 MR. BEU: I really don't know. I mean that's
18 our I guess HR person for those of us that were there
19 at Renton. And she did come up and make a couple of
20 visits, but I don't know what involvement with Olympic
21 she had.

22 MR. BARBER: So she serviced, supported the
23 Equilon employees working for Olympic Pipeline?

24 MR. BEU: Yes.

25 MR. BARBER: What was your involvement with

1 Equilon's Board of Directors -- excuse me -- the
2 Olympic Board of Directors? Did you provide reports to
3 them or interact with them at any time?

4 MR. BEU: Not routinely. I think one time
5 Frank asked me to put together an email and send it out
6 to the Board of Directors. Kind of a status of what
7 we'd been doing. That sort of thing.

8 I went around to the various people, had them
9 put something together and I compiled it and sent it.

10 MR. BARBER: Did you ever attend the Board
11 meetings

12 MR. BEU: No. I never did.

13 MR. BARBER: If you needed outside support --
14 Jerry talked a little bit about it, but if you needed
15 outside technical support or operational support of
16 some sort, were you free to go to Equilon resources and
17 request those support people or resources?

18 MR. BEU: I don't know why I wouldn't have
19 been free to do that. I don't know that I ever did it.
20 Others did.

21 MR. BARBER: Do you ever recall anybody from
22 Equilon that wasn't one of the loaned employees coming
23 into Renton or to one of the field location and helping
24 out with any problems or issues?

25 MR. BEU: Yes, but not at my request. Other

1 people requested it.

2 MR. BARBER: How often or how many people
3 would you say or do you remember any names of people
4 who came in to do that?

5 MR. BEU: Well, Dave Abrahams helped with a
6 lot of the control systems. Bill ~~Waltreth~~^{WALTERMANN} helped with
7 a lot of the directional drills. ~~Amber Titus~~^{AMBER TITUS} of HR.
8 To name a few, I guess. Maybe that's all. There may
9 be four.

10 MR. BARBER: Do you ever recall anyone from
11 ARCO or GATX during your time as operations manager
12 that came in to provide technical support or advice to
13 Olympic Pipeline?

14 MR. BEU: No. Not before the incident. And
15 then after the incident we had an ARCO guy come in at
16 one time to help out on some -- I guess work with Rick
17 Kiene on some product quality things. That --

18 MR. BARBER: Sorry to interrupt. Go ahead.

19 MR. BEU: That's okay. I don't know that I
20 had anything else to add.

21 MR. BARBER: On a different line, how did you
22 feel the spill response preparations during your time
23 there as operations manager were being handled in terms
24 of exercises or contingency planning?

25 MR. BEU: Well, I ~~don't~~ think it went pretty

1 well myself.

2 MR. BARBER: Doug, at your time there as
3 operations manager then but not since the rupture, what
4 was your understanding of the incident command system?

5 MR. BEU: Can you be more specific? I mean, I
6 can't really recall what everybody's time or position
7 was. We had a set of books probably two feet thick.

8 MR. BARBER: Doug, really what I'm trying to
9 get to here was whether or not the response management
10 structure during the rupture, was it an appropriate or
11 well managed entity? And if it was or it wasn't, what
12 led up to it being a well managed response or not well
13 managed response?

14 The foundation I guess I'm grasping in that
15 question was my participation in a couple of exercises
16 with Olympic Pipeline and ARCO and other entities. And
17 I think you participated in one of them at the Cherry
18 Point Refinery.

19 MR. BEU: Correct.

20 MR. BARBER: And saw a lot of training.

21 The reason that I'm asking that is because on
22 a national scale, I'm involved in response management
23 structures and trying to improve those. And so I'm
24 trying to evaluate your experience, if any, in that
25 area.

1 MR. BEU: I feel like the exercises that we
2 did before the incident helped a great deal when we had
3 the problem. Of course, I think probably less than 12
4 hours after that we had the Equilon Incident Management
5 Group up there to take over obviously for our side, for
6 Olympic or Equilon. Whoever. And they really didn't
7 participate in those drills.

8 So the drills that we had were really -- even
9 though some of them were supposed to be geared for the
10 first 24 hours or whatever. I guess if I were to do
11 that, I would say that's probably what we really need
12 to do is concentrate on the first 12 hours to minimize
13 damage and that sort of thing.

14 MR. BARBER: What were you doing at the time
15 of the rupture on June 10th, '99?

16 MR. BEU: I was in a van headed back to
17 Renton. We'd been showing the facilities to some
18 people who were interested in buying some Olympic
19 stock.

20 MR. BARBER: And what did you do upon -- how
21 did you learn about the rupture and then what did you
22 do then next?

23 MR. BEU: I don't remember exactly whether it
24 came on the ^{indicator} ~~indicator~~ we had or whether it came over a
25 pager. But Richard Klasen was driving and heard about

1 it about the same time. We went directly back to
2 Renton. We were not far from the Renton Office and
3 went directly back there. We had a ^{MET} meeting in the
4 control center.

5 I tried to contact Frank. He had go out to
6 the airport to drive one of the people to the airport
7 and so I finally got ahold of him and got him headed
8 that way.

9 MR. BARBER: I don't have any further
10 questions.

11 Thank you, Doug.

12 MR. BESHORE: Johnny, you got any questions?

13 MR. PARRISH: No questions.

14 MR. BESHORE: Patti, do you have any
15 questions?

16 MS. IMHOF: I have lots of questions.

17 I don't want to sound biased or whatever, but
18 did you like working for Olympic? You had come from
19 Equilon and Texaco and Shell and other experiences.

20 MR. BEU: Well, when you say did I like
21 working for Olympic, obviously I didn't really worked
22 for Olympic. I worked for Equilon and worked for
23 Frank.

24 MS. IMHOF: But you were working with Olympic.

25 MR. BEU: I didn't particularly care for

1 working with Frank. He's a nice guy and all that, but
2 we had -- to me, he was difficult to work with.

3 I had somewhat of an extensive military
4 background and believe in the chain of command, and
5 that was just not in effect at Olympic. And that's
6 very difficult for me to focus without some sort of
7 order.

8 MS. IMHOF: In my experience with not only my
9 company but others, I mean through studies or board
10 membership or whatever, what I'm always looking for is
11 making sure that everybody has what they need to do
12 their job. And it seems to me just listening to you,
13 Doug, that you didn't have what you needed to do your
14 job. Job descriptions, support, communication.

15 I mean, the system wasn't there for the
16 company to be -- someplace that would be good for a
17 manager to work for an owner, Doug.

18 MR. MAHLER: Is that a question?

19 MR. BESHORE: Do you have a question with
20 that, Patti?

21 MS. IMHOF: I mean, did it feel to you that
22 you had what you needed to do your job?

23 MR. BEU: No, I didn't feel as though I had
24 what I needed to do my job.

25 MS. IMHOF: I mean, it just seems like that

1 must have been really a difficult two and a half years
2 for you. And I guess that's a question.

3 MR. BEU: You can't imagine.

4 MS. IMHOF: I don't have any more questions.

5 MR. BESHORE: Does anybody else have any
6 follow-up questions?

7 Linda?

8 MS. PILKEY-JARVIS: I just have I think two.

9 I just want to follow-up on Tony's questions
10 about the spill response.

11 Who was responsible at Olympic for managing
12 the spill response issues such as the contingency plan
13 and the drills?

14 MR. BEU: I think Craig was. I know he put
15 together the -- a lot of the work was done when he had
16 the duty of ^{the}drilling on Lake Snohomish. I think that's
17 the right way to pronounce that. And then I think he
18 also was pretty closely involved with the one we put
19 together ^{at}the Cherry Point. A lot of coordination with
20 Ecology.

21 MS. PILKEY-JARVIS: When you participated in
22 drills, were you asked to participate after the fact in
23 any sort of self evaluation of the drills, performance
24 evaluations?

25 MR. BEU: I attended them. Yes. And I think

1 I attended them more to learn what other people said
2 rather than to put in my own two cents' worth because
3 it was all fairly new to me, the processes that they
4 went through, I guess because of Ecology, where we
5 didn't do that sort of thing at my prior ^{LOCATION} ~~experience~~.

6 MS. PILKEY-JARVIS: So you are aware that in
7 the state of Washington the Department of Ecology
8 provides an evaluation of the drill, in addition to
9 what the company themselves do to self evaluate or self
10 certify?

11 MR. BEU: Yes. I got that. I didn't know
12 that when I first went up there but I learned it.

13 MS. PILKEY-JARVIS: Were the Ecology drill
14 evaluations distributed to people for them to look at?

15 MR. BEU: I thought so. I mean, I think so.

16 MS. PILKEY-JARVIS: That's all my questions.
17 Thanks.

18 MR. BESHORE: I'm going to follow-up with a
19 couple on what Patti was trying to get to I think here
20 on -- she mentioned you didn't have the tools to do
21 your job and you tended to agree with that. But what
22 would you have needed, do you feel like, to have made
23 your stay there more successful in your own mind?

24 MR. BEU: I think I would have needed to have
25 a closer relationship with Frank, for one. It was very

1 hard to get an audience with him. Much of the time he
2 was busy with my direct reports' reports. I mean,
3 people would come -- the operators would come in and
4 talk to him about their problems and things like that
5 and he would completely leave us out of the loop.

6 He was always busy and so things like
7 delegation of authority -- I had more authority before
8 when I was at -- and I got a promotion to go out there.
9 And you'd think with a promotion coming it added
10 authority. It actually diminished.

11 There were some conflicts that I've had that
12 he never really resolved to my satisfaction. He just -
13 - well that's the way it is.

14 MR. BESHORE: So he was busy a lot of times
15 but he had a lot of interaction with people that worked
16 for you?

17 MR. BEU: People that worked for me. Yes.

18 MR. BESHORE: Did that include like Dave
19 Justice?

20 MR. BEU: Yes.

21 MR. BESHORE: Were they close or --

22 MR. BEU: No. I don't think they were
23 necessarily close but Frank certainly had an open door
24 policy.

25 MR. BEU: So you felt like maybe Dave didn't

1 need to come to you because he could just go around me?

2 MR. BEU: Yes. Even the people that worked for
3 Dave didn't feel like they needed to go to Dave.

4 MR. BESHORE: What about Craig and Frank?
5 Were they close in their working relationship?

6 MR. BEU: Probably closer than Frank and I
7 were. But there again, originally I was on the other
8 side of the building so I very seldom ever saw who
9 Frank was talking to or whatever kind of relationships.
10 When I finally got to move over there I guess a couple
11 of doors down from him, but still you don't necessarily
12 see who all goes in or out to know what's going on.

13 MR. BESHORE: What about Frank and Ron
14 Brentson?

15 MR. BEU: I think Ron kept him abreast of what
16 was going on but I don't know that they were
17 necessarily close. I don't think they were friends
18 outside of the office or like that.

19 MR. BESHORE: Who do you think had the closest
20 working relationship with Frank?

21 MR. BEU: I'd say probably Richard Klasen.

22 MR. BESHORE: And you mentioned that when
23 Craig got on board he had his own agenda. Did you get
24 some sense for what that might have been? Did you feel
25 a competition with him or --

1 MR. BEU: No, I didn't feel a competition with
2 him. Not really.

3 MR. BESHORE: So you didn't feel like he was
4 trying to take over your job, for example, or one-up
5 you?

6 MR. BEU: I've probably had those feelings
7 ^{since} ~~sense~~ then but not at the time.

8 MR. BESHORE: Did anybody else come up with
9 any other questions?

10 (No response.)

11 Then I'll just finish up and ask you, Doug,
12 if there's anything else that we haven't asked you
13 about that you feel like would be useful to help us
14 complete our investigation.

15 MR. BEU: I can't really think of anything
16 that would really help. I probably don't know the path
17 you're headed. A lot of the stuff, the same questions
18 I was asked in the civil, so I guess my feeling is the
19 NTSB is looking for something different than civil.
20 Maybe more physical rather than socially what went
21 wrong.

22 MR. BESHORE: Do you have anything to give us
23 on that side?

24 MR. BEU: No, I really don't. I think you
25 probably know more than I do about mechanically what

1 went wrong.

2 MR. BESHORE: I was just giving you an
3 opportunity to share if you had something else you
4 hadn't been asked about that you felt was important for
5 us to consider.

6 MR. BEU: I guess I really don't. I think you
7 probably know everything I know. Maybe not all the
8 details and I don't know that I recall necessarily all
9 the details. But you have a feeling for I think what
10 it was like there, at least for me, that maybe you can
11 note for other people. I'm sure about how I felt.

12 MR. BESHORE: Okay. Thank you.

13 (Whereupon, the proceedings were concluded.)

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REPORTER'S CERTIFICATE

This is to certify that the attached
proceedings before: NTSB

In the Matter of: Interview

were held as herein appears and that this is the
original transcript thereof for the file of the
Department, Commission, Administrative Law Judge
or the Agency.

EXECUTIVE COURT REPORTERS, INC.
1320 Fenwick Lane, Suite 702
Silver Spring, MD 20910
~~(301) 565-0064~~
Official Reporter

Dated: January 7, 2002

From: Frank Hopf
To: # Dispatchers; Berry, Jeff; Beu, Doug; Brentson, Ron; Cargo, Jim; Carlton, Ken; Connolly, Brian; Dalaba, Perry; Davidson, Tom; Greene, Ronald; Greenidge, Ron; Hammett, Craig; Huff, Ken; Johnson, Dave; Justice, David; Kiene, Rick; Klasen, Richard; Martir, RoseAnn; Oien, Deanna; Roberts, Ken; Stevenson, Wally; Traphofner, Jim; White, Al; Williamson, Holly; Wittmer, Kevin; Yocom-Zutant, Kerry; Yount, Dan
Date: 5/18/99 9:25AM
Subject: Re: Fwd: Bayview

I must say that I am increasingly concerned over our seeming inability to take charge of Bayview and make it work for us. If we can't operate Bayview after five months, then we have no hope of being able to operate Cross-Cascades. Bayview is now an essential part of Olympic Pipe Line and an essential part of each of our jobs.

>>> Rick Kiene 05/12/99 01:43PM >>>

Will attend, think it ought to be at Bayview for that reason. Is a time and date set? It would be advisable to do this ASAP, suggest 5/18 at 9:00 am, to be able to answer concerns coming out of the meeting. If not, please include me. Thanks Rick,

>>> Al White 05/11/99 05:12PM >>>

I propose that a meeting be held to discuss issues surrounding Bayview Products Terminal and Olympic's operations as a whole. While I recognize that work and day off schedules may prevent many of you from attending, it is my hope that all of you who have a passion for this issue will submit your concerns AND possible solutions to David, Doug, Jim, Ron, Richard, Craig, and myself PRIOR to the meeting for review. I am hoping that there will be representatives from many work groups with the goal of engaging in critical, but yet substantive dialouge.

The focus of the meeting is to identify and define problem area(s) and to discuss possible corrective actions in addition to assigning a sponsor(s) with hopes of expediting the corrective action process. Key issues may include, but not be limited to;

- a) BPT general operating practices.
- b) BPT measurement and accounting issues.
- c) BPT quality control concerns.
- d) BPT product scheduling issues.
- e) Control Center and Field Operations/Maintenance issues.
- f) Communications.
- g) Training.
- h) Other.

This meeting may take an hour, but please expect to be in attendance for at least three hours which will allow the many areas of concerns to be addressed and solutions recommended. It is my hope that we can come together and discuss these and other issues on or before 6-15-99.

Thanks
Al

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Exhibit to White #4

BOO EXH. "B"

ACB

From: John Smith
To: # Dispatchers; Beu, Doug; Davidson, Tom; Justice, David; Klasen, Richard; White, Al
Date: 5/10/99 8:49PM
Subject: Bayview

Does anyone, besides myself and Mike R, think that it's time to sit down and have a talk about issues concerning Bayview? It's getting frustrating to operate when you have 8-10 people doing the same thing (operations and accounting) but in a different manner.

The fact that this is a "learning experience" for everyone isn't quite cutting it anymore. There are some guidelines that need to be set so that everyone is on the same track.

First and foremost, accounting. How do we account for these barrels going into and out of Bayview? It sounds plain and simple, do the paperwork like you normally would. But, that's not the case. Just about every time we have a Bayview operation, there's some confusion as to how the paperwork should be done to make the numbers come out. Are we supposed to use the meters, or are we supposed to go by the tank gauges. The last note that I saw said use the tank gauges. Well, Sunday nite that scenario didn't work out because the tank gauge(s) weren't working. As far as I knew, they were supposed to be in working order.

That brings up operations. Should we have an operator get opening and closing gauges on the tanks that we are working? What about "floating" the tanks? Are we empowered to float the tanks when we want to (if it's the same product) or do we do things the way they are on the schedule?

Another thing. Are we ever gonna have any "classes" on Bayview? I just found out on my last shift that the Bayview screens have poke points that you can click on that are different than our other screens. Receiving email msgs about these things are nice, but showing us would be a lot better.

These are just a small amount of things that have been brought up in the control room on Bayview.

This msg isn't meant to be confrontational so please don't take it that way. I (and others in here) would just like to have some things cleared up.

John

BEU EXH. "C"

~~Exhibit White #3~~

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