

1 IN THE UNITED STATES DISTRICT COURT

2 NORTHERN DISTRICT OF OHIO

3 EASTERN DIVISION

4 -----x

5 IN RE: EAST PALESTINE : Case No.

6 TRAIN DERAILMENT : 4:23-cv-00242-BYP

7 -----x

8
9 HIGHLY CONFIDENTIAL

10
11 Videotaped Deposition of

12 KARENANNE STEGMANN

13 Dallas, Texas

14 Friday, January 5, 2024

15 9:01 a.m.

16
17
18
19
20
21
22
23 Job No.: 518453

24 Pages: 1 - 210

25 Reported By: Susan S. Klinger, RMR-CRR, CSR

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

2

1 Videotaped Deposition of KARENANNE STEGMANN,
2 held at the offices of:

3
4
5 JONES DAY
6 2727 North Harwood Street
7 Dallas, Texas 75201
8 214.220.3939
9
10
11
12

13 Pursuant to notice, before Susan S. Klinger
14 RMR-CRR, CSR in and for the states of Texas and
15 California.
16
17
18
19
20
21
22
23
24
25

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

3

A P P E A R A N C E S

ON BEHALF OF THE PLAINTIFF:

ADAM GOMEZ, ESQUIRE

GRANT & EISENHOFER

123 Justison Street, 6th Floor

Wilmington, Delaware 19801

302.622.7092

ON BEHALF OF THE DEFENDANT NORFOLK
SOUTHERN:

JONATHAN KNIGHT, PHD, ESQUIRE

SARAH MACIEL, ESQUIRE

WILMER CUTLER PICKERING HALE AND DORR LLP

2100 Pennsylvania Avenue NW

Washington, DC 20037

202.663.6000

ON BEHALF OF DEFENDANT OXY VINYLs:

ALYCIA N. BROZ, ESQUIRE

VORYS, SATER, SEYMOUR and PEASE LLP

200 Public Square, Suite 1400

Cleveland, Ohio 44114-2327

216.479.6150

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

4

1 A P P E A R A N C E S (cont.)

2 ON BEHALF OF DEFENDANT GATX CORPORATION and
3 GENERAL AMERICAN MARKS COMPANY:

4 SYDNE COLLIER, ESQUIRE

5 KIRKLAND & ELLIS, LLP

6 4550 Travis Street

7 Dallas, Texas 75205

8 214.432.4970

9
10 ON BEHALF OF DEFENDANT TRINITY INDUSTRIES
11 LEASING COMPANY:

12 BRIAN C. SWANSON, ESQUIRE

13 BARTLIT BECK HERMAN PALENCHAR & SCOTT LLP

14 54 West Hubbard Street

15 Chicago, Illinois 60654

16 312.494.4410

17
18 ALSO PRESENT:

19 Stacy Neal, Oxy Vinyls

20 Jesse Castro, Videographer

21
22
23
24
25
PLANET DEPOS

888.433.3767 | WWW.PLANETDEPOS.COM

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

5

I N D E X

WITNESS	PAGE
KARENANNE STEGMANN	
EXAMINATION BY MR. KNIGHT	8
EXAMINATION BY MR. GOMEZ	105
EXAMINATION BY MR. KNIGHT	188

E X H I B I T S

No.	Description	Page
Exhibit 1	K. Stegmann LinkedIn	20
Exhibit 2	Email, OXY-CA_00000774	60
Exhibit 3	Email, OXY-CA_00001144	63
Exhibit 4	Email, OXY-CA-00000927	66
Exhibit 5	Email, OXY-CA_00000266	67
Exhibit 6	Email, OXY-CA_00001133	70
Exhibit 7	Email, OXY-CA_00002016	73
Exhibit 8	Email, OXY-CA_00002005	87
Exhibit 9	Email, OXY-CA_00003341	91
Exhibit 10	Email, OXY-CA_00001118	117
Exhibit 11	Oxy Vinyls Letter to NTSB, 4/11/23	125
Exhibit 12	Email, NS-CA-000030248	142
Exhibit 13	Pipeline and Hazardous Materials 172.102	154

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

6

1	Exhibit 14	FRA-VCM Tank car approval	160
2		summary	
3	Exhibit 15	Oxy Vinyls Response to NTSB,	169
4		3/31/23	
5	Exhibit 16	Notes of NTSB Meeting with W.	176
6		Carroll, 4/5/23	
7	Exhibit 17	Pamphlet 171, July 2018	190
8	Exhibit 18	Product Stewardship Summary	198
9		Vinyl Chloride Monomer	
10	Exhibit 19	Transcript of Investigative	203
11		Hearing - Day 1	

12
13
14
15
16
17
18
19
20
21
22
23
24
25

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

7

P R O C E E D I N G S

VIDEOGRAPHER: Here begins Media Number 1 09:30:55
in the videotaped deposition of Karenanne Stegmann 09:31:00
in the matter of Norfolk Southern Railway 09:31:04
Derailment in East Palestine, Ohio, in the 09:31:07
Northern District of Ohio, Eastern Division, Case 09:31:10
Number 423-CV-00242-BYP. 09:31:13

Today's date is January 5th, 2024. The 09:31:22
time on the video monitor is 9:31 a.m. The 09:31:25
videographer today is Jesse Castro representing 09:31:30
Planet Depos. This video deposition is taking 09:31:32
place at 2727 North Harwood Street, Dallas, Texas 09:31:36
75201. 09:31:41

Would counsel please voice-identify 09:31:45
themselves and state whom they represent. 09:31:45

MR. KNIGHT: Jonathan Knight from Wilmer 09:31:47
Hale representing Norfolk Southern. 09:31:51

MS. MACIEL: Sarah Maciel from Wilmer 09:31:53
Hale -- Wilmer Hale representing Norfolk Southern. 09:31:55

MR. GOMEZ: Adam Gomez, Grant & 09:31:58
Eisenhofer, for the plaintiffs. 09:31:58

MR. SWANSON: Brian Swanson, Bartlit Beck, 09:31:59
for Trinity. 09:32:02

MS. COLLIER: Sydne Collier, Kirkland & 09:32:03
Ellis for GATX Corporation and General American 09:32:04

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

8

1	Marks Company.	09:32:08
2	MS. NEAL: Stacy Neal with Oxy Vinyls.	09:32:09
3	MS. BROZ: Alycia Broz from Vorys Sater	09:32:11
4	Seymour and Pease for Oxy Vinyls.	09:32:13
5	VIDEOGRAPHER: The court reporter today is	09:32:15
6	Susan Klinger, also representing Planet Depos.	09:32:17
7	The witness will now be sworn.	09:32:19
8	KARENANNE STEGMANN,	09:32:19
9	having been first duly sworn, testified as	09:32:19
10	follows:	09:32:19
11	EXAMINATION	09:32:19
12	BY MR. KNIGHT:	09:32:28
13	Q Good morning, Mrs. Stegmann.	09:32:28
14	A Good morning.	09:32:38
15	Q My name is Jonathan Knight, and I'm joined	09:32:38
16	by my co-counsel Sarah Maciel. We're attorneys	09:32:41
17	representing Norfolk Southern, and we just want to	09:32:44
18	ask you some questions about Oxy and the	09:32:47
19	derailment in East Palestine, Ohio.	09:32:50
20	We've been given four hours to ask	09:32:52
21	questions and we may not use all of that time, but	09:32:55
22	if there is unused time we may cede some of that	09:32:57
23	time to the other attorneys in case they have some	09:33:00
24	additional questions.	09:33:03
25	Does that make sense?	09:33:04

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

9

1	A Yes.	09:33:04
2	Q Okay. So with that, can you please state	09:33:05
3	and spell your name for the record?	09:33:09
4	A Yes, my name is Karenanne Stegmann.	09:33:10
5	K-a-r-e-n-a-n-n-e, and Stegmann is	09:33:16
6	S-t-e-g-m-a-n-n.	09:33:23
7	Q Ms. Stegmann, have you heard of the	09:33:23
8	company Norfolk Southern before?	09:33:30
9	A Yes.	09:33:32
10	Q And does Norfolk Southern have a business	09:33:33
11	relationship with Oxy Vinyls?	09:33:39
12	A Yes.	09:33:40
13	Q And what is that relationship?	09:33:41
14	A They are a shipper and we -- or, I'm	09:33:42
15	sorry, they are a rail carrier, and we are a	09:33:45
16	customer of Norfolk Southern.	09:33:48
17	Q And do you understand that we want to ask	09:33:50
18	you questions relating to the derailment of	09:33:52
19	Norfolk, Southern Train 32N in East Palestine,	09:33:55
20	Ohio, on February 3rd, 2023?	09:33:59
21	A Yes.	09:34:02
22	Q And unless I say otherwise, you understand	09:34:03
23	when I say "derailment," that I'm referring to	09:34:11
24	that derailment of the Norfolk Southern Train 32N?	09:34:14
25	A Yes.	09:34:17

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

10

1	Q Have you ever testified in a lawsuit	09:34:18
2	before?	09:34:21
3	A Yes.	09:34:21
4	Q Could you at a high level give me a	09:34:23
5	description of what the subject matter of the	09:34:29
6	lawsuit was?	09:34:31
7	A It was an employee termination about -- a	09:34:31
8	little over 20 years ago.	09:34:33
9	Q Thank you. And is this your first time	09:34:34
10	being deposed?	09:34:37
11	A No.	09:34:38
12	Q So as you know, I'm going to be asking you	09:34:40
13	a series of questions today, and after I finish my	09:34:47
14	question, I will stop and give you an opportunity	09:34:49
15	for your -- for your attorney to object and for	09:34:53
16	you to answer the question.	09:34:55
17	Does that make sense?	09:34:56
18	A Yes.	09:34:57
19	Q And in response to my questions, will you	09:34:58
20	give me a verbal answer, you know, rather than	09:35:04
21	just a nod or a gesture so it can be on the	09:35:07
22	written record?	09:35:12
23	A Yes, I will.	09:35:12
24	Q Great. And if at any time you don't hear	09:35:13
25	my question or don't understand my question,	09:35:17

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

11

1	please let me know, okay?	09:35:20
2	A Yes.	09:35:21
3	Q And if at any time you need a break,	09:35:22
4	please let me know. This is not a test in	09:35:27
5	endurance, happy to stop it, take a -- take a few	09:35:29
6	minutes at any time that -- that you would like	09:35:31
7	to.	09:35:34
8	A Okay, thank you.	09:35:34
9	Q And during the deposition today, there may	09:35:35
10	be objections from other attorneys in the room.	09:35:42
11	You still will need to answer the question. Those	09:35:46
12	objections are for a court to -- to take a look at	09:35:49
13	and decide about at a later time.	09:35:52
14	Does that make sense?	09:35:53
15	A I want to be clear. So if there is an	09:35:54
16	objection, I still answer the question?	09:35:58
17	Q Correct.	09:36:00
18	MS. BROZ: Unless I instruct her not to.	09:36:00
19	MR. KNIGHT: Yes, exactly.	09:36:03
20	Q Unless you're instructed not to answer the	09:36:04
21	question, you will agree to answer all of my	09:36:06
22	questions, correct?	09:36:08
23	A Okay, yes, I understand that process.	09:36:09
24	Q Did you do anything to prepare for your	09:36:11
25	deposition today?	09:36:16

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

12

1	A Yes.	09:36:20
2	Q And tell me what you did.	09:36:21
3	A I met with Stacy and Alycia yesterday at	09:36:22
4	our office building and just reviewed some emails.	09:36:25
5	Q And where was that office?	09:36:28
6	A It's on the Tollway. It's our Dallas	09:36:29
7	chemical office where I report to daily.	09:36:34
8	Q Understood. And in that meeting did you	09:36:37
9	meet with anyone other than the people you've	09:36:38
10	named?	09:36:41
11	A No.	09:36:46
12	Q Did you do anything else to prepare for	09:36:46
13	this deposition today?	09:36:48
14	A No.	09:36:53
15	Q And how long did that meeting with your	09:36:53
16	attorneys yesterday last?	09:36:58
17	A Approximately five hours including lunch.	09:36:59
18	Q Did you look at any documents while you	09:37:10
19	were meeting with your lawyers yesterday?	09:37:12
20	A Yes.	09:37:14
21	Q And about how many documents would you	09:37:16
22	say?	09:37:18
23	A Approximately 20, from my recollection.	09:37:23
24	Q And without identifying the specific	09:37:30
25	documents, could you describe generally what types	09:37:32

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

13

1	of documents you looked at?	09:37:34
2	A We -- they provided me my transcript from	09:37:36
3	the hearing in East Palestine in June of 2023. I	09:37:42
4	also reviewed some emails that I received the day	09:37:47
5	of the -- or the following day of the derailment,	09:37:50
6	and just some email correspondence that I was on.	09:37:55
7	So it was generally emails, my transcript,	09:37:58
8	and we may have reviewed or just referenced the	09:38:05
9	NTSB investigation. And I know that there was a	09:38:10
10	letter because I am a party representative on the	09:38:12
11	NTSB investigation.	09:38:16
12	Q And when you're referring to the	09:38:19
13	transcript, you're referring to the transcript of	09:38:23
14	the NTSB hearing?	09:38:26
15	A Yes, sir.	09:38:28
16	Q And that was the NTSB hearing conducted in	09:38:29
17	relation to the derailment of Train 32N, correct?	09:38:32
18	A Correct.	09:38:35
19	Q And you stated that you reviewed some	09:38:36
20	emails, correct?	09:38:49
21	A Yes.	09:38:50
22	Q And those were emails that you received	09:38:52
23	the day of or the day after the derailment?	09:38:55
24	A I don't remember all the date references,	09:38:57
25	so it may have been long -- different than just	09:39:02

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

14

1	those days.	09:39:05
2	Q Okay. And about how many emails would you	09:39:07
3	say that you reviewed?	09:39:09
4	A I think I said previously a total of	09:39:10
5	approximately 20 documents.	09:39:13
6	Q Okay. So less than 20?	09:39:16
7	Yes or no? I'm just -- if you could just	09:39:22
8	answer?	09:39:27
9	A Yes, one less -- again, I estimated 20	09:39:27
10	documents in total including the transcript.	09:39:33
11	Q Okay. And so you were sworn in by the	09:39:35
12	court reporter, and you understand that you are	09:39:41
13	under oath today, correct?	09:39:43
14	A Yes, I do.	09:39:43
15	Q And is there any reason that you can't	09:39:46
16	provide your most complete and accurate testimony	09:39:48
17	today?	09:39:50
18	A No, I can complete my complete and	09:39:53
19	accurate testimony. I just want to reiterate that	09:39:55
20	I am a party representative in the NTSB hearing,	09:39:58
21	and I signed an agreement stating that certain	09:40:02
22	facts that are part of the hearing that have not	09:40:06
23	been released, I cannot share.	09:40:08
24	Q And could you generally describe the types	09:40:11
25	of facts that you agreed not to share as part of	09:40:15

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

15

1	an agreement you signed with the NTSB?	09:40:18
2	A Facts that are learned through the	09:40:21
3	investigative process.	09:40:23
4	Q Understood. So we'll come to the -- the	09:40:25
5	discussion about and questions about the NTSB	09:40:46
6	hearing process, and I guess we'll cross that	09:40:49
7	bridge when we get to it.	09:40:51
8	Before we get to that, I want to just ask	09:40:56
9	you some -- some questions about your -- about	09:40:56
10	your background and your role at Oxy Vinyls.	09:40:57
11	So, Ms. Stegmann, by whom are you	09:41:02
12	currently employed?	09:41:06
13	A I'm currently employed by Occidental	09:41:07
14	Chemical Corporation.	09:41:11
15	Q And I'm glad that you -- you've stated	09:41:11
16	that you're employed by Occidental Chemical	09:41:20
17	Corporation, because I've actually heard several	09:41:23
18	entities that seem to -- seem to fall under the	09:41:26
19	name "Oxy." So I just want to make sure and I	09:41:28
20	hope you can help me understand how they relate to	09:41:31
21	each other.	09:41:34
22	So I've heard of OxyChem and I've heard of	09:41:35
23	Occidental Petroleum and I've heard of the entity	09:41:39
24	Oxy Vinyls. And I just -- I guess my first	09:41:42
25	question is, is the business of Oxy Vinyls	09:41:46

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

16

1	different than the business of Occidental	09:41:49
2	Petroleum?	09:41:52
3	MS. BROZ: Objection, form.	09:41:52
4	A I -- I'm not sure I understand what that	09:41:54
5	question is.	09:42:00
6	Q Okay. What's the relationship between	09:42:01
7	OxyChem and Occidental Petroleum?	09:42:06
8	A Occidental Petroleum is our parent company	09:42:10
9	and Oxy -- Occidental Chemical Corporation is a	09:42:13
10	wholly-owned subsidiary, in my understanding, of	09:42:16
11	Occidental Petroleum.	09:42:19
12	Q And how does OxyChem relate to the entity	09:42:20
13	Oxy Vinyls?	09:42:28
14	MS. BROZ: Objection, form. Calls for a	09:42:30
15	legal conclusion.	09:42:32
16	A Can you repeat the question or rephrase	09:42:37
17	it?	09:42:39
18	Q Does Oxy Vinyls have any relationship to	09:42:39
19	the company Oxy Chemicals -- OxyChem?	09:42:46
20	MS. BROZ: Objection, form, calls for a	09:42:50
21	legal conclusion.	09:42:51
22	A We're all affiliated companies.	09:42:53
23	Q So is Oxy Vinyls an affiliate of OxyChem?	09:42:57
24	MS. BROZ: Same objections.	09:43:02
25	A I'm not a corporate structure person. Oxy	09:43:03

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

17

1 Vinyls -- I'm not sure I can answer your question,
2 understanding what -- it sounds like you're trying
3 to ask a corporate structure question, and I'm not
4 sure that I'm able to answer what you are looking
5 for.

09:43:14
09:43:16
09:43:21
09:43:23
09:43:25

6 Q Well, do you have responsibility for
7 supply chain for Oxy Vinyls?

09:43:25
09:43:29

8 A Yes. I have supply chain responsibilities
9 for all of Oxy Vinyls and all of Occidental
10 Chemical Corporation.

09:43:32
09:43:35
09:43:40

11 Q So whatever the relationship is between
12 these entities, you are in charge of their supply
13 chains?

09:43:40
09:43:46
09:43:49

14 A Yes.

09:43:49

15 Q Okay. And do you have an understanding
16 that -- that Berkshire Hathaway is an investor in
17 Oxy Vinyls?

09:43:50
09:43:57
09:44:01

18 MS. BROZ: Objection, form.

09:44:02

19 A You stated Berkshire Hathaway is an
20 investor of Oxy Vinyls. I understand them to be
21 an investor in Occidental Petroleum Corporation
22 because --

09:44:03
09:44:09
09:44:13
09:44:17

23 Q Thank you.

09:44:17

24 A -- OxyChem and Oxy Vinyls don't have
25 stock. We're part of Occidental Petroleum.

09:44:17
09:44:21

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

18

1	Q So Oxy Vinyls is part of Occidental	09:44:23
2	Petroleum?	09:44:28
3	MS. BROZ: Objection, form.	09:44:28
4	A You are asking me corporate structure	09:44:29
5	questions that I'm not able to answer.	09:44:32
6	Q Okay. I was just -- bear with me one	09:44:34
7	second. Enough of that.	09:44:48
8	So with that understanding, when I refer	09:45:11
9	to Oxy, you will understand that I'm referring to	09:45:16
10	Oxy Vinyls, correct?	09:45:19
11	A Yes.	09:45:21
12	Q Okay. And what is your current job title	09:45:22
13	at OxyChem?	09:45:28
14	A I am the vice president of supply chain.	09:45:31
15	Q And are you the vice president of supply	09:45:34
16	chain at Oxy Vinyls?	09:45:42
17	A We don't designate that difference. It	09:45:45
18	is -- on a daily basis we manage the supply chain	09:45:50
19	for all of Oxy Chemicals.	09:45:55
20	Q And is your title as the VP supply chain	09:45:57
21	at OxyChem the same title you held at OxyChem on	09:46:04
22	or about February 3rd of 2023?	09:46:08
23	MS. BROZ: Objection, form.	09:46:11
24	A Can you repeat the question?	09:46:15
25	Q Well, you were VP of supply chain at	09:46:16

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

19

1	OxyChem on February 3rd, 2023, correct?	09:46:19
2	A Yes, I was.	09:46:22
3	Q Okay. And who do you report to at	09:46:24
4	OxyChem?	09:46:31
5	A I report to the president.	09:46:33
6	Q And who is the president?	09:46:36
7	A Wade Alleman.	09:46:37
8	Q How long have you reported to the	09:46:47
9	president of OxyChem?	09:46:53
10	MS. BROZ: Objection, form.	09:46:53
11	A Can you repeat the question?	09:46:54
12	Q How long have you reported to -- strike	09:47:05
13	that.	09:47:10
14	You work at Oxy's headquarters here in	09:47:10
15	Dallas; is that correct?	09:47:14
16	A Yes, I do. Well, OxyChem's headquarters,	09:47:16
17	yes.	09:47:20
18	Q And tell me briefly what your	09:47:20
19	responsibilities are as VP of supply chain at	09:47:28
20	OxyChem.	09:47:32
21	A So I have the overall responsibility to	09:47:34
22	lead the supply chain function, ensuring that we	09:47:37
23	deliver our products to our customers safely,	09:47:41
24	efficiently, and timely.	09:47:46
25	Q So I'm going to share with you what is	09:47:47

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

20

1 marked as Exhibit 1, and it is your LinkedIn

09:47:53

2 profile that we printed out just so we could ask

09:47:56

3 you some questions about some of the terminology

09:47:59

4 in your description of your LinkedIn.

09:48:01

5 (Exhibit 1 marked.)

09:48:51

6 MS. BROZ: Jonathan, there is no URL on

09:48:55

7 this printout, if you obtained it from LinkedIn.

09:48:57

8 MR. KNIGHT: Well, there is a URL. If you

09:49:02

9 look at the upper left, the URL, there is

09:49:03

10 LinkedIn.com.

09:49:09

11 MS. BROZ: Okay. And then what is the

09:49:09

12 date that you printed this out?

09:49:10

13 MR. KNIGHT: I'll tell you in just a

09:49:12

14 moment. Printed it out on January 3rd, 2024.

09:49:29

15 MS. BROZ: Thank you.

09:49:39

16 Q Ms. Stegmann, have you updated your

09:49:41

17 LinkedIn profile since January 3rd of 2024?

09:49:50

18 A No, I have not.

09:49:53

19 Q So if you look on the first page under

09:49:55

20 Director of Supply Chain, it says the

09:50:25

21 responsibilities are for demand chain planning and

09:50:30

22 some other things. I wanted to ask, what is

09:50:33

23 demand chain planning?

09:50:36

24 A Demand chain planning is setting the

09:50:39

25 production plans based on our business

09:50:45

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

21

1 requirements. So demand is the customer

09:50:49

2 requirements, and we plan for those and set the

09:50:53

3 production schedules of our facilities based on

09:50:56

4 those business requirements.

09:50:59

5 Q And what do you do in relation to demand
6 chain planning?

09:51:00

09:51:05

7 A When, what time frame? What do you mean,
8 what do I do?

09:51:08

09:51:10

9 Q I mean, do you have -- do you interface
10 with -- with people at the actual facilities that
11 are producing Oxy's products?

09:51:11

09:51:16

09:51:20

12 A I'm not sure I understand your question.

09:51:24

13 Q So are you in charge of actually producing
14 Oxy Vinyl's products?

09:51:25

09:51:31

15 A I supervise a team, and they're not
16 responsible -- they're responsible for taking the
17 sales forecast requirements and matching those to
18 our production capabilities. So they are
19 determining what we need to produce based on
20 customer forecasts and sales forecasts.

09:51:35

09:51:39

09:51:42

09:51:46

09:51:50

09:51:54

21 Q And what do you do with that information
22 of what needs to be produced?

09:51:57

09:52:02

23 MS. BROZ: Objection, form.

09:52:05

24 A Can you repeat the question?

09:52:10

25 Q Sure. So you testified that you supervise

09:52:16

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

22

1	a team, and they are determining what we need to	09:52:22
2	produce based on customer forecasts and sales	09:52:26
3	forecasts, correct? And once that determination	09:52:28
4	is made, what is done with that determination?	09:52:33
5	A I don't do anything with that information.	09:52:37
6	Q Does somebody do something with that	09:52:41
7	information?	09:52:43
8	MS. BROZ: Objection, form.	09:52:44
9	A I'm not sure I understand what you're	09:52:45
10	trying to ask.	09:52:54
11	Q Well, is that information passed along to	09:52:57
12	the production facilities of Oxy Vinyls?	09:52:59
13	A Yes. The demand chain planner develops	09:53:04
14	the schedule and passes that to the manufacturing	09:53:07
15	facilities.	09:53:11
16	Q Okay. And the description in LinkedIn	09:53:12
17	also says that you're responsible for commercial	09:53:18
18	logistics. And what is commercial logistics?	09:53:23
19	A Commercial logistics is setting the	09:53:27
20	relationship with our transportation providers.	09:53:33
21	Q And is Norfolk Southern one of your	09:53:38
22	transportation providers?	09:53:41
23	A Yes.	09:53:43
24	Q And one of the products that Norfolk	09:53:43
25	Southern transports for Oxy Vinyls is vinyl	09:53:53

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

23

1	chloride monomer, correct?	09:53:56
2	A Yes, that is correct.	09:53:58
3	Q And is it okay if I just refer to vinyl	09:53:59
4	chloride monomer as VCM?	09:54:03
5	A Yes.	09:54:06
6	Q And Oxy Vinyls transports some of its VCM	09:54:06
7	from one location to another location by railroad;	09:54:14
8	is that correct?	09:54:17
9	MS. BROZ: Objection, form.	09:54:17
10	A Can you repeat that question?	09:54:18
11	Q Well, Oxy Vinyl transports -- strike that.	09:54:21
12	Oxy Vinyls arranges to have vinyl chloride	09:54:26
13	monomer transported to its customers using the	09:54:41
14	railroads, correct?	09:54:44
15	MS. BROZ: Objection, form.	09:54:45
16	A You would have to repeat that question.	09:54:50
17	Q Is -- is VCM manufactured by Oxy Vinyls	09:54:55
18	transported to customers of Oxy Vinyls by	09:55:12
19	railroad?	09:55:15
20	MS. BROZ: Objection, form.	09:55:16
21	A Can you -- can you repeat that question?	09:55:21
22	Q Well, Oxy Vinyls manufactures VCM,	09:55:34
23	correct?	09:55:44
24	A Yes.	09:55:44
25	Q And Oxy Vinyls transports that VCM to its	09:55:45

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

24

1	customers, correct?	09:55:49
2	A Yes.	09:55:50
3	Q And that trans- --	09:55:53
4	A Well, yes, yes, yes.	09:55:56
5	Q And that transportation includes	09:55:58
6	transportation by railroad, correct?	09:56:01
7	A I'm trying to recall if we transport -- we	09:56:03
8	do transport small quantities of VCM to our	09:56:13
9	customers by rail.	09:56:18
10	Q By "small," can you quantify that more	09:56:19
11	precisely?	09:56:27
12	A We also have customers that receive by	09:56:27
13	vessels.	09:56:31
14	Q And some of the VCM manufactured by Oxy	09:56:33
15	Vinyls is also transported to polyvinyl chloride	09:56:39
16	manufacturing facilities owned by Oxy Vinyls,	09:56:44
17	correct?	09:56:46
18	A Yes. We ship VCM to the PVC facilities	09:56:47
19	owned by Oxy.	09:56:52
20	Q And to save time, is it okay if I refer to	09:56:53
21	polyvinyl chloride as PVC?	09:56:57
22	A Yes.	09:57:00
23	Q How would you break down the amount of VCM	09:57:00
24	that Oxy Vinyls manufactures for its own PVC	09:57:14
25	facilities compared to the amount that it	09:57:18

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

25

1	manufactures for customers besides Oxy Vinyls?	09:57:23
2	A I don't know those numbers off the top of	09:57:28
3	my --	09:57:29
4	Q Do you think that more than half of the	09:57:31
5	VCM that Oxy Vinyls manufactures is sent to PVC	09:57:34
6	plants owned by Oxy Vinyls?	09:57:39
7	A I don't know those numbers off the top of	09:57:41
8	my head.	09:57:44
9	Q Do you have -- can you provide an	09:57:45
10	estimate?	09:57:47
11	A I don't want to speculate. I would -- I	09:57:49
12	don't have those numbers.	09:57:52
13	Q So as head of -- strike that.	09:57:54
14	As VP of supply chain, you can't provide	09:58:02
15	an estimate of how much VCM is supplied to PVC	09:58:05
16	plants owned by Oxy Vinyls?	09:58:15
17	MS. BROZ: Objection, form, asked and	09:58:18
18	answered.	09:58:21
19	A Under oath, I don't want to speculate. I	09:58:21
20	just don't recall the number.	09:58:23
21	Q So just to summarize, you're responsible	09:58:24
22	for demand chain planning, rail transportation,	09:58:33
23	and commercial logistics of VCM for Oxy Vinyls,	09:58:36
24	correct?	09:58:40
25	A I was as director of supply chain, which	09:58:40

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

26

1	now reports to me as the VP of supply chain.	09:58:42
2	Q So you are ultimately responsible?	09:58:44
3	A Yes.	09:58:47
4	Q Okay. And you testified that vinyl	09:58:47
5	chloride monomer manufactured by Oxy Vinyls is	09:59:00
6	also shipped by means other than rail; is that	09:59:06
7	correct?	09:59:11
8	A Yes.	09:59:11
9	Q And what are those other means?	09:59:12
10	A We ship it to -- by pipeline to our	09:59:16
11	facilities in Houston and we ship -- we have a	09:59:21
12	customer pickup by vessel.	09:59:26
13	Q And sitting here today, can you tell me	09:59:32
14	whether shipment by pipeline and shipment by	09:59:43
15	customer pickup constitute a larger quantity of	09:59:49
16	vinyl chloride monomer compared to shipment by	09:59:54
17	rail?	09:59:58
18	MS. BROZ: Objection to form.	09:59:58
19	A Can you repeat the question?	09:59:59
20	Q Is rail transport -- strike that.	10:00:02
21	Do you transport more VCM by rail than by	10:00:15
22	pipeline?	10:00:22
23	A No, I would not think so based on -- I'm	10:00:22
24	thinking of the facilities where we're shipping	10:00:31
25	from.	10:00:34

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

27

1	Q So your understanding is that Oxy Vinyls	10:00:34
2	ships more VCM by pipeline than by rail?	10:00:41
3	A For sure by pipeline and marine movements	10:00:44
4	is greater than rail combined.	10:00:54
5	Q Thank you.	10:00:55
6	And I think we previously touched on Oxy	10:01:14
7	Vinyls' PVC plants before, and my question is, how	10:01:21
8	is VCM used at Oxy Vinyls' PVC plants?	10:01:25
9	MS. BROZ: Objection, form.	10:01:31
10	A What do you mean by the term "used"?	10:01:31
11	Q Well, is VCM used in polymerization at Oxy	10:01:37
12	Vinyls' PVC plants?	10:01:44
13	MS. BROZ: Objection, form.	10:01:45
14	A Can you rephrase the question for my	10:01:45
15	understanding?	10:01:55
16	Q Well, how is VCM used at Oxy Vinyls' PVC	10:01:56
17	plants?	10:02:07
18	MS. BROZ: Objection, form.	10:02:07
19	A I'm not sure what you mean by the word	10:02:08
20	"used," so I'm trying to understand what you're	10:02:14
21	asking so I can --	10:02:18
22	Q Do you have an understanding of what the	10:02:19
23	word "used" means?	10:02:21
24	A I don't understand it in the context of	10:02:23
25	your question.	10:02:26

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

28

1	Q Okay. And -- well, is -- is VCM a raw	10:02:27
2	material used in the synthesis of PVC?	10:02:40
3	MS. BROZ: Objection, form.	10:02:43
4	A P -- VCM is used as a raw material in the	10:02:43
5	PVC polymerization process.	10:02:49
6	Q And the PVC plants owned by Oxy Vinyls	10:02:52
7	include PVC processes that you referred to,	10:03:00
8	correct?	10:03:03
9	MS. BROZ: Objection, form.	10:03:05
10	A Can you repeat the question as asked?	10:03:06
11	Q So Oxy Vinyls has PVC plants, correct?	10:03:14
12	A Oxy Vinyls owns PVC plants, correct.	10:03:37
13	Q And those PVC plants are engaged in the	10:03:43
14	synthesis of PVC, correct?	10:03:49
15	A The PVC plants manufacture polymerized VCM	10:03:51
16	to make polyvinyl chloride resins.	10:04:00
17	Q Thank you. How many PVC plants does Oxy	10:04:04
18	have -- Oxy Vinyls have?	10:04:13
19	A We have three -- I'm sorry, four. I	10:04:15
20	counted Houston as one.	10:04:26
21	Q And where are Oxy Vinyls' facilities?	10:04:28
22	A Niagara, Ontario, there's a PVC facility.	10:04:31
23	You said -- you said Oxy Vinyls facilities. I'll	10:04:36
24	give you the PVC facilities: Niagara, Ontario;	10:04:38
25	Pedricktown, New Jersey; and in Houston we have	10:04:44

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

29

1	Pasadena, Texas, and Deer Park, Texas.	10:04:47
2	Q So was one of the facilities that you	10:04:49
3	mentioned in Pedricktown, New Jersey?	10:05:01
4	A Yes.	10:05:05
5	Q And can you describe your level of	10:05:06
6	familiarity with the polymerization process	10:05:14
7	currently employed at the Oxy Vinyls Pedricktown	10:05:16
8	facility?	10:05:20
9	A I was the plant manager of the Pedricktown	10:05:21
10	facility for approximately five years. However, I	10:05:26
11	have not been onsite since 2004.	10:05:32
12	Q Well, at the time that you were the plant	10:05:34
13	manager and that you were onsite, can you describe	10:05:39
14	the polymerization process that was implemented at	10:05:48
15	the Pedricktown facility?	10:05:52
16	A Can I describe it, yes, but it's been many	10:05:55
17	years.	10:06:09
18	Q Well, was the process a batch process?	10:06:10
19	A The reaction process in the reactor area	10:06:15
20	is a batch process.	10:06:19
21	Q And have you heard the term "suspension	10:06:20
22	polymerization"?	10:06:25
23	A Yes.	10:06:26
24	Q And was the Pedricktown process a	10:06:27
25	suspension polymerization?	10:06:31

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

30

1	A Yes.	10:06:33
2	Q And in the suspension polymerization, was	10:06:34
3	vinyl chloride monomer added to water in the	10:06:42
4	polymerization reactor?	10:06:44
5	A Can you repeat that question?	10:06:46
6	Q In the suspension polymerization process	10:06:49
7	at the Pedricktown, New Jersey facility, while you	10:06:57
8	were plant manager there, was the reaction	10:07:01
9	conducted in a batch reactor involving adding	10:07:06
10	vinyl chloride monomer to water?	10:07:12
11	MS. BROZ: Objection, form.	10:07:14
12	A The batch process includes reacting or	10:07:15
13	having water and vinyl chloride monomer added to	10:07:24
14	the reactor.	10:07:32
15	Q And do you recall the ratio of vinyl	10:07:33
16	chloride monomer to water in the process?	10:07:36
17	A I wouldn't recall that level of detail	10:07:38
18	today.	10:07:40
19	Q And then I think another facility you	10:07:40
20	mentioned that produces PVC for Oxy Vinyls is the	10:07:45
21	Deer Park, Texas facility?	10:07:52
22	A Yes.	10:07:55
23	Q And I had the same questions above, is it	10:07:55
24	a batch process?	10:07:58
25	A Yes, it is a batch process, in the reactor	10:08:00

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

31

1	area.	10:08:05
2	Q And is the reaction a suspension	10:08:05
3	polymerization process?	10:08:09
4	A Yes, it is a suspension polymerization	10:08:10
5	process.	10:08:15
6	Q And so for all of Oxy Vinyls' PVC plants,	10:08:16
7	do they all employ batch reactors for their	10:08:27
8	polymerization reaction process?	10:08:32
9	A Yes.	10:08:34
10	Q And do they all employ suspension	10:08:34
11	polymerization?	10:08:38
12	A Yes.	10:08:39
13	Q So let's -- if we go down your work	10:08:41
14	history, I just wanted to ask some -- a few more	10:09:01
15	background questions.	10:09:03
16	In what city and state did you attend high	10:09:05
17	school?	10:09:07
18	A Richland, Washington.	10:09:07
19	Q And tell me your education after high	10:09:11
20	school.	10:09:16
21	A What is the question?	10:09:16
22	Q What was your education after high school?	10:09:24
23	A I have a bachelor's degree and a master's	10:09:28
24	degree.	10:09:34
25	Q And what was your bachelor's degree in?	10:09:34

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

32

1	A	Chemical engineering.	10:09:36
2	Q	And you graduated in 1989, correct?	10:09:41
3	A	That's correct.	10:09:44
4	Q	During your undergraduate education, did	10:09:46
5		you have any internships or unemployment or -- or	10:09:51
6		employment during college?	10:09:54
7	A	Can you repeat that? Any --	10:09:57
8	Q	Sure. During your time at the University	10:10:01
9		of Delaware pursuing your degree in chemical	10:10:07
10		engineering, did you have any internships?	10:10:10
11	A	I did not have an internship, but I did	10:10:14
12		have summer -- well, I guess summer roles, not	10:10:16
13		during the semester, but in the summers.	10:10:22
14	Q	And what were your summer roles?	10:10:25
15	A	One summer I worked at the University of	10:10:30
16		Delaware in the chemical engineering and biology	10:10:34
17		labs, so I was a research assistant. I don't	10:10:38
18		remember the exact title. And then the following	10:10:42
19		year, I worked at Dupont.	10:10:45
20	Q	And where was -- was it that you worked at	10:10:49
21		Dupont?	10:10:52
22	A	At the experimental station outside of	10:10:52
23		Wilmington, Delaware.	10:10:56
24	Q	And when did you first become aware of	10:10:58
25		Oxy?	10:11:05

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

33

1	MS. BROZ: Objection, form.	10:11:07
2	A At first during the college hiring	10:11:08
3	process.	10:11:23
4	Q So you interviewed with Oxy and eventually	10:11:27
5	took a job at Oxy, correct?	10:11:31
6	A Yes, I interviewed at Oxy and accepted a	10:11:33
7	position with Oxy.	10:11:36
8	Q And that was your first job after	10:11:38
9	graduating from the University of Delaware in	10:11:41
10	1989, correct?	10:11:44
11	A That is correct.	10:11:44
12	Q And you have been employed continuously at	10:11:45
13	Oxy ever since, correct?	10:11:51
14	A Correct.	10:11:52
15	Q So I just wanted to walk through briefly	10:11:56
16	the different positions you had before you became	10:12:02
17	vice president of supply chain at OxyChem.	10:12:05
18	And if you look at what you're doing, page	10:12:11
19	2 of Exhibit 1, you worked for a number of years	10:12:15
20	at Oxy's Pasadena PVC facility; is that correct?	10:12:21
21	A Yes, that is correct.	10:12:25
22	Q And the Pasadena PVC facility produced PVC	10:12:26
23	from polymerization of vinyl chloride, correct?	10:12:32
24	A Pasadena produces PVC resin from the	10:12:35
25	polymerization -- by the polymerization of vinyl	10:12:39

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

34

1	chloride monomer.	10:12:46
2	Q I want to ask you just a few more	10:12:46
3	questions about the polymerization process	10:12:48
4	employed by Oxy Vinyls.	10:12:55
5	You mentioned that the polymerization is	10:13:03
6	conducted in a polymerization reactor; is that	10:13:07
7	right?	10:13:10
8	MS. BROZ: Just to be clear, Jonathan,	10:13:10
9	before, your questions were about when she was at	10:13:12
10	Pedricktown. Are you asking about then or now?	10:13:15
11	MR. KNIGHT: I'm asking about then. I'm	10:13:17
12	asking about when she was employed at -- at the	10:13:18
13	Pasadena PVC facility.	10:13:23
14	MS. BROZ: Okay. Just want to make sure	10:13:25
15	that the record is clear.	10:13:27
16	A Okay. I'm sorry, can you refresh me on	10:13:32
17	the question?	10:13:34
18	Q For sure. I just wanted to ask a few more	10:13:34
19	questions about the -- strike that.	10:13:39
20	I wanted to ask a few questions about the	10:13:41
21	polymerization process that was -- that was	10:13:43
22	occurring at the Pasadena facility, and you	10:13:49
23	mentioned earlier -- well, strike that.	10:13:55
24	The process was a batch process, correct?	10:13:56
25	A I stated the reactor area was a batch	10:13:58

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

35

1	process.	10:14:01
2	Q And what was the -- what material of	10:14:02
3	construction was the reactor made of?	10:14:07
4	A I believe it was 316 stainless, but I'm	10:14:12
5	not going to remember these details from 25 years.	10:14:15
6	Q Do you have -- are you aware of whether or	10:14:22
7	not any of the vessels or plumbing in that PVC	10:14:32
8	process contain aluminum?	10:14:35
9	MS. BROZ: Objection, form.	10:14:37
10	A I wouldn't recall that level of detail.	10:14:39
11	Q So you've been plant manager at a number	10:14:42
12	of Oxy Vinyls' PVC facilities, correct?	10:14:47
13	A Yes.	10:14:50
14	Q And in any of those facilities, are you	10:14:51
15	aware of whether or not any vessels or plumbing in	10:14:56
16	those PVC processes contain aluminum?	10:14:59
17	MS. BROZ: Objection, form.	10:15:01
18	A I'm not sure I understand what you	10:15:03
19	referred to as plumbing or containing of aluminum.	10:15:05
20	Q Okay. So first of all, does the reactor	10:15:11
21	vessels in any of those facilities include	10:15:13
22	aluminum as a material of construction?	10:15:17
23	MS. BROZ: Objection, form.	10:15:20
24	A Again, I am not the expert knowledge, and	10:15:22
25	this is over 20-some years ago, so...	10:15:28

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

36

1 Q Well, in any of the facility -- I'm
2 asking -- now I'm asking about any of the
3 facilities where you have been the plant manager.

4 A I haven't been a plant manager for over 10
5 years.

6 Q Thank you. Okay. And so you don't have
7 any recollection about the materials of
8 construction of the polymerization reactor?

9 A I didn't say that. Because I told you
10 that I believed I answered that the reactor was
11 made of 316 stainless, if I remember correctly.

12 Q Okay. And let me clarify what I meant by
13 "plumbing."

14 What I'm asking is, is do you have
15 knowledge of whether the piping that connects the
16 reactor with other process components contains
17 aluminum?

18 MS. BROZ: Objection, form.

19 A I don't recall aluminum being used. That
20 is not -- I just don't recall it being used in the
21 process other than aluminum tubing for
22 transmitters and instrumentation.

23 Q Okay. And with respect to the Pasadena
24 PVC plant, do you have a recollection of what
25 temperature the vinyl chloride was introduced to

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

37

1	the polymerization reactor at?	10:17:04
2	MS. BROZ: Objection, form.	10:17:07
3	A No. I would not recall that level of	10:17:08
4	detail today.	10:17:11
5	Q And with respect to any of the PVC	10:17:11
6	facilities where you were plant manager, do you	10:17:15
7	have a recollection of what temperature the vinyl	10:17:17
8	chloride monomer was introduced to the	10:17:22
9	polymerization reactor at?	10:17:25
10	MS. BROZ: Objection, form.	10:17:26
11	A I don't recall a specific temperature.	10:17:27
12	Q Do you recall a range of temperature?	10:17:29
13	A Not a range, but I do know that it's an	10:17:32
14	ambient temperature. You have a storage tank, and	10:17:38
15	you are charging it to your reactor, but...	10:17:43
16	Q So the vinyl chloride monomer wasn't	10:17:45
17	heated before it was introduced to the	10:17:47
18	polymerization reactor; is that fair?	10:17:50
19	A Correct.	10:17:53
20	Q And the vinyl chloride monomer would have	10:17:56
21	been introduced to the polymerization reactor say	10:18:02
22	at a temperature of less than 110 degrees	10:18:04
23	Fahrenheit; is that fair?	10:18:09
24	MS. BROZ: Objection to form.	10:18:10
25	A Can you repeat that question?	10:18:11

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

38

1	Q Strike that.	10:18:18
2	I want to ask, do you have a recollection	10:18:21
3	of the temperature at which polymerization was	10:18:24
4	conducted at any of the PVC facilities where you	10:18:29
5	were plant manager?	10:18:31
6	MS. BROZ: Objection, form, foundation.	10:18:32
7	A Can you repeat that question?	10:18:35
8	Q So now I'm asking with respect to -- to	10:18:46
9	the PVC facilities by Oxy Vinyls where you were	10:19:08
10	plant manager. And my question is -- well, have	10:19:11
11	you ever had an understanding of what temperature	10:19:17
12	polymerization of VCM to form PVC would have been	10:19:19
13	conducted at at any of those facilities?	10:19:25
14	MS. BROZ: Objection, form.	10:19:27
15	A Yes. I would have understood the	10:19:27
16	temperature and the batch process in my early	10:19:29
17	years when I was a process engineer in Pasadena.	10:19:35
18	Q And you have a current recollection of	10:19:40
19	what temperature that was?	10:19:42
20	A The -- I mean, temperature is very	10:19:46
21	specific for setting your product viscosity of	10:19:49
22	PVC, and so that temperature is dependent on what	10:19:51
23	product you're making. PVC is a generic product.	10:19:58
24	There's grades of PVC, and each grade of PVC may	10:20:02
25	have a different reaction temperature.	10:20:06

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

39

1	Q And generally a higher temperature is	10:20:08
2	going to yield a lower molecular weight PVC,	10:20:13
3	correct?	10:20:18
4	A I believe you have -- you are asking	10:20:18
5	questions that are beyond my recollection.	10:20:23
6	Q Well, how many grades of PVC does Oxy	10:20:26
7	Vinyls make?	10:20:30
8	A I don't know that number anymore off the	10:20:30
9	top of my head to that level of degree.	10:20:32
10	Q Would it have been more than five?	10:20:35
11	A I can think of more than five, but I can't	10:20:36
12	be more specific than that. I'm not at that level	10:20:42
13	of detail today.	10:20:46
14	Q And were there any PVC polymerization	10:20:47
15	temperatures for the processes conducted by Oxy	10:20:53
16	Vinyls in excess of 100 degrees Fahrenheit?	10:20:59
17	A Can you repeat that question?	10:21:03
18	Q So you testified that Oxy Vinyls	10:21:04
19	manufactures multiple grades of PVC, correct?	10:21:14
20	A Yes.	10:21:16
21	Q And you testified that the temperature	10:21:17
22	used to make those different grades could be	10:21:23
23	different for different grades, correct?	10:21:27
24	A The reaction temperature would be	10:21:29
25	different potentially for different grades.	10:21:32

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

40

1	Q And so my question is, do you recall if	10:21:35
2	any of the reaction temperatures were in excess of	10:21:38
3	100 degrees Fahrenheit?	10:21:40
4	A Yes.	10:21:42
5	Q And were any of the reaction temperatures	10:21:43
6	in excess of 150 degrees Fahrenheit?	10:21:46
7	A Not at the reaction process, no.	10:21:49
8	Q So the reaction temperatures were less	10:21:57
9	than 150 degrees Fahrenheit?	10:22:07
10	A That's my recollection.	10:22:08
11	Q Thank you.	10:22:10
12	How long does it take to make PVC in Oxy	10:22:20
13	Vinyls' batch reactor?	10:22:27
14	MS. BROZ: Objection, form.	10:22:28
15	A At what time period?	10:22:28
16	Q Well, I'm asking how long the	10:22:30
17	polymerization reaction takes.	10:22:39
18	MS. BROZ: Same objection.	10:22:41
19	A I would not know that value today. I've	10:22:42
20	been out of the plants for more than 10 years.	10:22:45
21	Q And do you have a recollection of how long	10:22:48
22	it took when you were involved in plant management	10:22:53
23	10 years ago?	10:22:56
24	A How long what took?	10:22:59
25	Q The polymerization reaction that occurred	10:23:01

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

41

1	in the PVC plants.	10:23:03
2	MS. BROZ: Objection, form.	10:23:06
3	A I don't recall that level of detail.	10:23:07
4	Q Would it have been more than an hour?	10:23:13
5	A Yes, I can say that.	10:23:18
6	Q And more than two hours?	10:23:20
7	A I can say I know it is greater than four	10:23:21
8	hours, but beyond that, I don't want to give a	10:23:26
9	number that is incorrect.	10:23:29
10	Q Thank you. And do you have a recollection	10:23:30
11	10 years ago -- from 10 years ago when you were	10:23:35
12	still a PVC plant manager what pressure the	10:23:38
13	process was conducted at?	10:23:41
14	A No. And I want to be clear, 10 years ago	10:23:43
15	I was over five facilities in Houston, so it has	10:23:47
16	been quite some time since I've had direct	10:23:50
17	responsibility for just the PVC plant at this	10:23:52
18	level of detail.	10:23:55
19	Q Understood, and I was just trying to get a	10:23:56
20	sense if you have personal knowledge of, you know,	10:23:58
21	the pressure the polymerization at Oxy Vinyls'	10:24:01
22	facilities is conducted at.	10:24:05
23	MS. BROZ: Is there a question?	10:24:07
24	Q Well, that is my question. Do you have	10:24:09
25	knowledge of the pressure?	10:24:11

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

42

1	A I don't recall the pressure setting and	10:24:14
2	the pressure reaction of the reaction.	10:24:17
3	Q Do you recall whether it was more than one	10:24:21
4	atmosphere?	10:24:23
5	A One atmosphere of pressure?	10:24:25
6	Q Yes.	10:24:28
7	A One psi?	10:24:29
8	Q That is 14, right?	10:24:32
9	A Right.	10:24:33
10	Q Atmosphere is 14 psi.	10:24:33
11	A Okay. So please rephrase your question.	10:24:36
12	Q Well, my question is just whether you	10:24:39
13	recall the pressure at which the polymerization	10:24:45
14	reaction was carried out in Oxy Vinyls'	10:24:49
15	facilities?	10:24:52
16	A I don't recall the pressures.	10:24:53
17	Q So I want to jump ahead a little bit to	10:24:53
18	when you became director of supply chain in	10:25:21
19	September of 2012.	10:25:25
20	Am I correct that you were director of	10:25:32
21	supply chain during a derailment of the train	10:25:33
22	carrying VCM tank cars in November of 2012?	10:25:38
23	A Yes, that is correct.	10:25:42
24	Q And is it okay if I refer to that as the	10:25:42
25	Paulsboro derailment?	10:25:46

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

43

1	A Yes.	10:25:48
2	Q And can you describe your level of	10:25:48
3	familiarity with the Paulsboro derailment?	10:25:54
4	A I am aware of the derailment. At that	10:25:58
5	time I was director of supply chain. I was	10:26:04
6	transitioning, so I was moving from Houston to	10:26:10
7	Dallas at that time, and actually the day of the	10:26:13
8	derailment, I was closing on my house here in	10:26:16
9	Dallas. So I was not as involved as I would have	10:26:19
10	been had I not been closing on my house.	10:26:24
11	Q Well, do you have an understanding of what	10:26:26
12	caused the derailment?	10:26:30
13	MS. BROZ: Objection, form.	10:26:33
14	A I -- go ahead, ask the question.	10:26:33
15	Q I want to ask the question again, so	10:26:40
16	strike that.	10:26:42
17	A Okay.	10:26:42
18	Q Do you have -- do you have an	10:26:42
19	understanding of what caused the Paulsboro	10:26:44
20	derailment?	10:26:48
21	MS. BROZ: Objection, form.	10:26:51
22	A I don't know that I have the level of	10:26:51
23	detail understanding of what caused it. We	10:26:55
24	weren't part of the investigation.	10:26:58
25	Q So you say that you were not part of the	10:27:00

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

44

1	investigation. Was there an investigation?	10:27:09
2	A The NTSB conducted an investigation.	10:27:12
3	Q And is your testimony that Oxy was not	10:27:19
4	party to the investigation?	10:27:22
5	A I don't recall us being party to the	10:27:24
6	investigation.	10:27:26
7	Q Did Oxy have any participation at all in	10:27:27
8	the NTSB investigation?	10:27:34
9	A Not I that know of or recall. There may	10:27:39
10	have been, but I may not have been knowledgeable	10:27:41
11	of it, but I don't recall.	10:27:44
12	Q Okay. Did the Paulsboro derailment	10:27:52
13	involve railcars carrying Oxy's vinyl chloride	10:27:57
14	monomer?	10:28:01
15	A Yes.	10:28:01
16	Q And do you recall how many railcars?	10:28:01
17	A I know there was Oxy railcars. I can't	10:28:08
18	remember the exact number. I know there was more	10:28:13
19	than one.	10:28:16
20	Q And do you know what happened to the vinyl	10:28:17
21	chloride monomer during the Paulsboro derailment?	10:28:22
22	MS. BROZ: Objection, form.	10:28:24
23	A What do you mean, what happened?	10:28:25
24	Q Well, let me back up.	10:28:26
25	Do you have an understanding of what	10:28:32

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

45

1	happened to the railcars carrying Oxy's VCM when	10:28:33
2	the derailment occurred?	10:28:39
3	A I have some recollection.	10:28:40
4	Q Could you please describe that?	10:28:44
5	A I recall that Conrail railroad was moving	10:28:46
6	the cars over a bridge in the Paulsboro area, and	10:28:54
7	there was a failure mechanism and the train	10:29:00
8	derailed, and one of our cars fell from the bridge	10:29:05
9	as part of the derailment and was punctured in the	10:29:11
10	waterway.	10:29:15
11	Q And so the VCM train car was breached; is	10:29:15
12	that another way to say it?	10:29:23
13	A Correct. The one vinyl car was breached.	10:29:24
14	Q And the VCM in that railcar was released;	10:29:28
15	is that correct?	10:29:34
16	A Yes.	10:29:34
17	Q Okay. And do you know where the VCM tank	10:29:35
18	cars that derailed in the Paulsboro derailment	10:29:42
19	were headed as a final destination?	10:29:45
20	A Pedricktown facility, yes.	10:29:47
21	Q And was that Pedricktown facility an Oxy	10:29:52
22	Vinyls PVC plant?	10:29:59
23	A Yes.	10:30:01
24	Q And is that the same facility that the	10:30:04
25	Norfolk -- that the Oxy Vinyls tank cars on the	10:30:12

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

46

1	Norfolk Southern Train 32N were headed --	10:30:14
2	A Correct.	10:30:19
3	Q -- when -- okay, thank you.	10:30:20
4	MS. BROZ: We've been going about an hour.	10:30:36
5	Is this a good time to break?	10:30:38
6	MR. KNIGHT: That would be just fine.	10:30:39
7	Thank you. Take 10 minutes. Is that good?	10:30:40
8	MS. BROZ: Sure.	10:30:42
9	VIDEOGRAPHER: We are going off the	10:30:43
10	record. The time is 10:30 a.m.	10:30:47
11	(Recess 10:30 a.m. to 10:46 a.m.)	10:30:50
12	VIDEOGRAPHER: We are going back on the	10:45:53
13	record. The time is 10:46 a.m.	10:46:37
14	Q I just want to ask one other question	10:46:39
15	about the Paulsboro derailment. You stated that	10:46:48
16	you were not involved in any investigation	10:46:52
17	conducted by the NTSB in that derailment, correct?	10:46:55
18	A I stated that, meaning I don't think we	10:46:58
19	were a party to the investigation.	10:47:05
20	VIDEOGRAPHER: Excuse me, Counsel, do you	10:47:09
21	have your mic connected?	10:47:12
22	MR. KNIGHT: I don't, I apologize.	10:47:13
23	VIDEOGRAPHER: Thank you.	10:47:14
24	MR. KNIGHT: I will put that on.	10:47:15
25	Q Well, did you have any involvement in some	10:47:17

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

47

1	capacity other than as a party to the NTSB	10:47:22
2	investigation?	10:47:27
3	A I don't know for sure, but if they were	10:47:29
4	investigating, they may have requested documents	10:47:34
5	from us but I don't know.	10:47:36
6	Q Okay. Do you know whether there were any	10:47:39
7	changes to the manner in which Oxy Vinyls prepared	10:47:48
8	railcars of VCM for shipping in response to the	10:47:55
9	Paulsboro derailment?	10:48:02
10	A I know that we did implement changes as a	10:48:03
11	result of our review.	10:48:10
12	Q And could you describe the review to me,	10:48:14
13	please?	10:48:16
14	A I don't know what you mean by "describing	10:48:16
15	the review."	10:48:20
16	Q Well, were you involved in the review?	10:48:22
17	A I don't know what you mean by "review."	10:48:26
18	Q Okay. So you testified that, "I know we	10:48:31
19	did implement changes as a result of our review,"	10:48:41
20	so that's the review I'm referring to. And my	10:48:43
21	question is, did you have a role in "our review"?	10:48:46
22	A Not a specific role.	10:48:53
23	Q So did you have any role whatsoever?	10:48:55
24	A Our role going forward was to make sure	10:48:58
25	that we had the systems in place to properly	10:49:09

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

48

1	secure our -- our railcar shipments.	10:49:13
2	Q Could you name for me some of the people	10:49:16
3	who were involved in the review?	10:49:29
4	A Not from that many years ago. I do know	10:49:30
5	Tom Woodka was the plant manager at Pedricktown at	10:49:38
6	the time.	10:49:43
7	Q So would he have been involved in the	10:49:43
8	review?	10:49:45
9	A I believe so.	10:49:45
10	Q And was the vinyl chloride monomer tank	10:49:49
11	car that derailed coming from the La Porte VCM	10:49:55
12	facility?	10:50:00
13	A Yes, that's my recollection.	10:50:02
14	Q And would somebody from the La Porte VCM	10:50:03
15	facility be involved in the review?	10:50:06
16	A Possibly and likely.	10:50:08
17	Q And do you have any idea who that might	10:50:10
18	have been?	10:50:12
19	A No.	10:50:12
20	Q Okay. So you testified there were some	10:50:13
21	changes that resulted from the review. Could you	10:50:32
22	describe those changes?	10:50:36
23	A In a general high sense, what we wanted to	10:50:37
24	do was make sure we had safeguards to ensure that	10:50:39
25	we maintained the volume and weight outage,	10:50:43

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

49

1 meaning there's different requirements to ensure
2 that you don't overload a railcar. And what we
3 wanted to do was make sure those calculations were
4 in place, and we implemented some safeguards
5 within our ERP system.

6 Q So what does it mean to, when you say,
7 "overload a railcar"?

8 A If you put more material in it and exceed
9 a weight limit, or there's also an outage volume
10 vapor space requirement that you need to maintain.

11 Q And did you have any indication that those
12 requirements were violated in the railcar that
13 derailed in the Paulsboro derailment?

14 MS. BROZ: Objection, form.

15 A I don't recall the -- the loading of the
16 specific car that derailed in the Paulsboro
17 incident, but I know we looked at that process as
18 a result of the Paulsboro incident.

19 Q And you -- when you looked at that
20 process, you found there was room for improvement?

21 A Yes. And what we did was implement layers
22 of protection to ensure that we could prevent a
23 shipment of a car that would have any concerns in
24 that area. So we put that in our enterprise
25 resource planning system, SAP, to prevent a

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

50

1 shipment of a car that would be considered 10:52:38
2 overloaded or not meeting the volume outage 10:52:40
3 requirements. 10:52:43

4 Q And so what did you add to your process 10:52:44
5 that reduced the risk that you would have an 10:52:47
6 overloaded tank car? 10:52:50

7 A I don't remember specifically the details 10:52:51
8 of what we added, but I think there were some 10:52:54
9 calculations and administrative processes and then 10:52:57
10 like a flag or a system identifier in our SAP 10:53:01
11 system. 10:53:08

12 Q And is a similar review occurring with 10:53:13
13 respect to the East Palestine derailment? 10:53:24

14 A Can you repeat the question? 10:53:28

15 Q Well, is a similar review of -- strike 10:53:30
16 that. 10:53:34

17 Is a review of Oxy Vinyls' procedures for 10:53:34
18 loading a tank car with vinyl chloride monomer for 10:53:41
19 shipment occurring in response to the 10:53:43
20 East Palestine, Ohio derailment? 10:53:48

21 MS. BROZ: Objection, form. 10:53:50

22 A The NTSB investigation drove a lot of 10:53:51
23 reviews of our procedures and processes. 10:53:56

24 Q And are those reviews ongoing? 10:53:58

25 A The investigation factual reports are 10:54:05

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

51

1	completed.	10:54:09
2	Q Are you referring -- strike that.	10:54:12
3	When you say "the investigation factual	10:54:21
4	reports are completed," are you referring to the	10:54:23
5	NTSB factual reports?	10:54:26
6	A Yes.	10:54:28
7	Q And so I'm not asking about what the NTSB	10:54:28
8	is doing. I'm asking about what Oxy is doing.	10:54:33
9	A Oxy, as a participant in the NTSB	10:54:36
10	investigation, had many elements of its loading	10:54:39
11	process reviewed. That process is complete, and	10:54:42
12	we're not -- I'm not aware of any ongoing	10:54:47
13	activities as a result of the derailment. My	10:54:51
14	point is that the NTSB investigation drove us. We	10:54:55
15	had to as part of the investigative --	10:54:59
16	investigation.	10:55:05
17	Q And now that those reviews are complete,	10:55:05
18	are -- has Oxy made any changes to the manner in	10:55:12
19	which it prepares tank cars of vinyl chloride	10:55:15
20	monomer for shipment?	10:55:19
21	A Not that I'm aware of.	10:55:19
22	Q Thank you.	10:55:21
23	So in your role as VP supply chain, are	10:55:43
24	you familiar with the destination of Oxy's vinyl	10:55:48
25	chloride monomer tank cars?	10:55:54

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

52

1	MS. BROZ: Objection, form.	10:55:55
2	A I'm not sure what you mean by	10:55:56
3	"designation."	10:55:58
4	Q I apologize, let me say it again.	10:55:58
5	In your role as VP of supply chain, are	10:56:01
6	you familiar with the destinations of Oxy's vinyl	10:56:03
7	chloride monomer tank cars?	10:56:10
8	MS. BROZ: Objection, form.	10:56:13
9	A I don't know what you mean by being	10:56:17
10	familiar with the destination. Do I know where	10:56:19
11	they're going? I don't know what you mean.	10:56:21
12	Q Do you know where they're going?	10:56:22
13	A I know where some of the shipments are	10:56:23
14	going.	10:56:26
15	Q Are there some shipments that you don't	10:56:26
16	know where they're going?	10:56:30
17	A I would -- obviously I know that the vinyl	10:56:32
18	chloride that we're shipping to Pedricktown and	10:56:38
19	Niagara, I know those locations. I don't know	10:56:42
20	that I would recall or be able to speak to all of	10:56:44
21	the destinations.	10:56:47
22	Q And you testified earlier that the VP of	10:56:50
23	supply chain engages in the analysis of the supply	10:56:59
24	chain; is that fair?	10:57:04
25	A I lead a team that has a responsibility	10:57:08

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

53

1	for various functions within supply chain.	10:57:11
2	Q And can you give me a description of what	10:57:16
3	goes into that analysis?	10:57:23
4	A What analysis?	10:57:29
5	Q Analysis of the supply chain.	10:57:29
6	MS. BROZ: Objection, form.	10:57:32
7	A I don't think I stated that we do an	10:57:32
8	analysis of supply chain.	10:57:36
9	Q Let me ask it this way. What does Oxy	10:57:38
10	consider in determining where vinyl chloride	10:57:41
11	monomer is shipped?	10:57:44
12	MS. BROZ: Objection, form.	10:57:50
13	A Can you rephrase the question? I'm not	10:57:51
14	sure what you're asking.	10:57:56
15	Q Well, does Oxy consider the risk of	10:57:57
16	derailment in determining where it ships its vinyl	10:58:01
17	chloride monomer by rail?	10:58:06
18	A No. We expect the railroad carriers to	10:58:08
19	safely transport our products to their	10:58:10
20	destination. We, as a shipper, have received --	10:58:23
21	or customer of the railroads, we receive ourselves	10:58:27
22	multiple awards from the rail carriers for our	10:58:30
23	safe securement of our cars.	10:58:34
24	We recently received a safe shipper award	10:58:36
25	for our 2022 shipping on the NS. We won the	10:58:39

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

54

1 Thoroughbred safety award and were recognized in 10:58:43
2 October of 2023 at the AAR tank car committee by 10:58:46
3 NS, as well as six of the seven Class I railroads. 10:58:51

4 Q So given that, what is your basis for your 10:58:57
5 statement that you expect safe shipment of vinyl 10:59:04
6 chloride monomer by rail carriers? 10:59:12

7 A Railroads have the operating 10:59:14
8 responsibility for transporting for trains. They 10:59:16
9 have the safety procedures and safety systems. We 10:59:21
10 have the responsibility for safely securing the 10:59:26
11 railcars prior to shipment and we have 10:59:29
12 demonstrated based on our safe shipping history. 10:59:33

13 We recently won an award from CSX for 10:59:36
14 shipping safely on their system for 15 years. I 10:59:39
15 recently met with Joe Hendricks, their CEO, to 10:59:47
16 recognize that accomplishment in November of this 10:59:51
17 year in Florida -- or Georgia. 10:59:54

18 Q Given that, you certainly wouldn't allow a 10:59:58
19 railcar of VCM to be shipped on a rail if you 11:00:05
20 thought there was a good chance of it derailing, 11:00:09
21 would you? 11:00:14

22 A I'm surprised that a railroad is asking me 11:00:14
23 about a big chance of having a derailment. 11:00:18

24 Q Why not? Do you want me to repeat the 11:00:26
25 question? 11:00:28

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

55

1	You wouldn't allow a railcar of VCM to be	11:00:35
2	shipped on a rail if you thought there was a risk	11:00:39
3	of derailment, would you?	11:00:41
4	A No.	11:00:42
5	Q So you think shipment by rail is a safe	11:00:42
6	way to transport vinyl chloride monomer, correct?	11:00:47
7	A Shipment by rail is a safe way to	11:00:50
8	transport all goods including vinyl chloride	11:00:53
9	monomer stabilized, and I believe the AAR industry	11:00:57
10	has many publications about the safe transport of	11:01:01
11	the rail industry and their capabilities,	11:01:07
12	abilities, and safeguards for safely transporting	11:01:09
13	goods by rail.	11:01:12
14	Q And you -- you continue to ship vinyl	11:01:13
15	chloride monomer -- strike that.	11:01:18
16	Oxy Vinyls continues to ship vinyl	11:01:18
17	chloride monomer by contracting with Norfolk	11:01:23
18	Southern, correct?	11:01:26
19	A We safely tran- -- or, yes, we today ship	11:01:27
20	stabilized vinyl chloride monomer with the NS.	11:01:32
21	Q And you today ship stabilized vinyl	11:01:35
22	chloride monomer with Norfolk Southern through	11:01:48
23	East Palestine, Ohio, correct?	11:01:49
24	A I believe that's the same -- the current	11:01:51
25	routing. I'm not aware of any rerouting.	11:01:53

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

56

1 Q Okay. So a concern that there would be a 11:01:55
2 derailment on a Norfolk Southern train involving 11:02:03
3 an Oxy Vinyls vinyl chloride monomer tank car 11:02:07
4 isn't a consideration in your supply chain 11:02:13
5 planning, correct? 11:02:15

6 MS. BROZ: Objection, form. Misstates 11:02:16
7 prior testimony. 11:02:18

8 A Can you restate the question? 11:02:24

9 MR. KNIGHT: Well, I didn't -- I didn't 11:02:25
10 read back to her prior testimony. I was just 11:02:26
11 asking a question. 11:02:29

12 Q My question is -- I'll restate it for you. 11:02:29
13 You, as VP of supply chain, don't have a 11:02:40
14 concern that a Norfolk Southern train carrying 11:02:42
15 vinyl chloride monomer is going to derail, 11:02:47
16 correct? 11:02:55

17 MS. BROZ: Objection, form. 11:02:55

18 A We expect the railroad carriers based on 11:02:56
19 regulations of our federal government, the FRA, 11:03:06
20 the Department of Transportation, to be able to 11:03:10
21 safely transport goods by rail, including -- 11:03:12

22 Q If you didn't -- I apologize. 11:03:18

23 A -- including stabilized vinyl chloride 11:03:19
24 monomer. 11:03:22

25 Q And if you didn't have that expectation, 11:03:22

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

57

1	you wouldn't ship by rail vinyl chloride monomer,	11:03:25
2	correct?	11:03:28
3	A The expectation is that we are able to	11:03:28
4	ship under the common carrier obligation our	11:03:40
5	products safely by the rail carriers, and they	11:03:43
6	have an obligation to provide safe transport of	11:03:48
7	goods by rail.	11:03:51
8	Q And what is the common carrier obligation?	11:03:59
9	A Railroads have an obligation to provide	11:04:06
10	rail service to customers.	11:04:08
11	Q And they don't -- Norfolk Southern doesn't	11:04:12
12	have the option of declining to ship vinyl	11:04:15
13	chloride monomer for Oxy Vinyls?	11:04:23
14	A Oh, yes, they do. They competitively	11:04:24
15	sought our business. They competitively sought	11:04:27
16	our business. We have shipped by the CSX and the	11:04:32
17	NS, and the NS has competitively sought our	11:04:37
18	business.	11:04:41
19	Q And they won your business, correct?	11:04:43
20	A Yes. And we were a safe shipper on their	11:04:46
21	rail line and won the award for 2022.	11:04:51
22	Q Do you have an understanding of who your	11:04:57
23	largest customer for vinyl chloride monomer is	11:05:13
24	besides Oxy Vinyls' PVC plants?	11:05:16
25	A Yes.	11:05:21

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

58

1	Q And who is that?	11:05:25
2	A I believe it is Orbia.	11:05:25
3	Q Do they happen to receive their shipments	11:05:35
4	by rail?	11:05:38
5	A Some.	11:05:40
6	Q Okay. From a supply chain perspective, if	11:05:42
7	the day came where you couldn't ship vinyl	11:05:52
8	chloride monomer by rail, how would you respond to	11:05:55
9	that?	11:05:59
10	A Can you repeat the question?	11:05:59
11	MS. BROZ: Objection, form.	11:06:00
12	Q So as VP of supply chain, if the day came	11:06:01
13	that -- where you couldn't ship vinyl chloride	11:06:13
14	monomer by rail, what would you do?	11:06:15
15	A Isn't that --	11:06:18
16	MS. BROZ: Objection, form.	11:06:18
17	A Isn't that speculation?	11:06:20
18	Q Isn't it your testimony that you haven't	11:06:24
19	considered that scenario?	11:06:28
20	A Yeah, I haven't considered that scenario.	11:06:31
21	Q Okay. Do you have an understanding	11:06:36
22	sitting here today of about how many tank cars of	11:06:56
23	VCM the La Porte facility has shipped in the last	11:07:00
24	year?	11:07:06
25	A Can you repeat that question?	11:07:09

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

59

1	Q Do you have an understanding of how many	11:07:12
2	tank cars of vinyl chloride monomer the La Porte	11:07:14
3	VCM facility has shipped by rail in the last 12	11:07:20
4	months?	11:07:23
5	A I don't recall the specific numbers at	11:07:24
6	this point.	11:07:26
7	Q Would it -- would it have been in the	11:07:27
8	thousands?	11:07:29
9	A I don't recall the number.	11:07:31
10	Q Would it have been more than 100 tank	11:07:32
11	cars?	11:07:37
12	A I can say it is more than 100, but I	11:07:38
13	haven't really sat to look at the numbers. I	11:07:43
14	mean, I know we would have that information, but I	11:07:45
15	don't know that, and again, I don't want to guess	11:07:47
16	under oath.	11:07:50
17	Q Do you have an understanding of the dollar	11:07:51
18	value of the vinyl chloride monomer in a VCM tank	11:07:57
19	car?	11:08:02
20	MS. BROZ: Objection, form.	11:08:02
21	A What do you mean by "dollar value"?	11:08:03
22	Q How much you sell it for.	11:08:12
23	MS. BROZ: Objection, form, foundation.	11:08:16
24	A Those are on our financials. I don't know	11:08:18
25	that number off the top of my head.	11:08:23

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

60

1	Q I'm going to show you what has been marked	11:08:25
2	as Exhibit 2.	11:08:31
3	(Exhibit 2 marked.)	11:08:33
4	Q Let me know when you are ready.	11:08:34
5	A (Reviewing document.) Okay.	11:09:22
6	Q Ms. Stegmann, what is this document?	11:09:55
7	A It appears to be a news article	11:10:00
8	forwarded -- or I don't know if a news article is	11:10:08
9	the correct -- or editorial, but obviously a	11:10:13
10	publication that was forwarded.	11:10:17
11	Q It was forwarded to you by Neil Ackerman,	11:10:20
12	correct?	11:10:25
13	A I believe it was forwarded by our	11:10:25
14	communication, Celina Cardenas.	11:10:36
15	Q That is right. Thank you. And you	11:10:39
16	received this email, correct?	11:10:48
17	A Yes.	11:10:49
18	Q Okay.	11:10:51
19	A According to this.	11:10:51
20	Q Go to page 2. There is a writing titled:	11:10:52
21	We shouldn't use body bags to learn from Ohio's	11:10:58
22	train disaster.	11:11:02
23	Do you see that?	11:11:03
24	A Yes, that appears to be the title.	11:11:04
25	Q And I want to ask you about the second	11:11:07

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

61

1 paragraph in this article. The third sentence

11:11:11

2 states that the only sure way to avoid future

11:11:20

3 accidents is to stop transporting dangerous

11:11:23

4 materials across vast distances, whether by train,

11:11:27

5 car, or pipeline, since they all present risks.

11:11:29

6 My question is, do you have an

11:11:33

7 understanding of how a ban on the transport of

11:11:41

8 vinyl chloride monomer would affect Oxy's

11:11:46

9 business?

11:11:49

10 MS. BROZ: Objection, form, foundation.

11:11:49

11 A Can you repeat the question?

11:11:56

12 Q Do you have an understanding of how a stop

11:11:57

13 to the transporting of vinyl chloride monomer by

11:12:06

14 train would affect Oxy's business?

11:12:09

15 MS. BROZ: Objection, form, foundation.

11:12:15

16 A I think the question is overly vague.

11:12:21

17 Q Well, would a ban on the transport of VCM

11:12:23

18 by rail have an effect on Oxy Vinyls' business?

11:12:29

19 A Yes.

11:12:34

20 Q Would Oxy Vinyls be able to meet its

11:12:35

21 supply chain commitments by shipping the VCM other

11:12:43

22 way -- some other way if they were unable to ship

11:12:48

23 it by rail?

11:12:50

24 MS. BROZ: Objection, form.

11:12:51

25 A If there was a ban by rail. I mean,

11:12:52

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

62

1	obviously we have rail destinations that we	11:12:59
2	wouldn't be able to serve.	11:13:02
3	Q Okay. And do you have an opinion about	11:13:03
4	whether you agree or disagree with this article?	11:13:09
5	MS. BROZ: Objection, form, foundation.	11:13:13
6	A Could you rephrase the question?	11:13:16
7	Q Well, do you think there should be a ban	11:13:24
8	on the transport of vinyl chloride monomer by	11:13:32
9	rail?	11:13:35
10	MS. BROZ: Objection, form, foundation.	11:13:36
11	A I think chemicals play a critical role	11:13:37
12	into public health and modern life as we	11:13:42
13	understand it today, and I think that we need to	11:13:44
14	expect and hold our railroads accountable to	11:13:50
15	safely transporting all materials that are shipped	11:13:54
16	by rail.	11:13:58
17	Q And you agree that we should also hold the	11:13:59
18	manufacturers of the hazardous materials that are	11:14:05
19	transported by rail accountable for the manner in	11:14:07
20	which they prepare hazardous materials for	11:14:09
21	transport, correct?	11:14:15
22	MS. BROZ: Objection, form, foundation,	11:14:16
23	calls for a legal conclusion.	11:14:17
24	A Could you rephrase your question?	11:14:18
25	Q Well, you agree that Oxy Vinyls should be	11:14:24

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

63

1	accountable to the manner in which it prepares its	11:14:32
2	vinyl chloride monomer for shipment by rail?	11:14:36
3	MS. BROZ: Objection, form, foundation.	11:14:39
4	A Oxy Vinyls safely secures its railcars for	11:14:44
5	transport.	11:14:48
6	Q And they should be held accountable to	11:14:49
7	achieve that, correct?	11:14:51
8	A I don't know --	11:14:53
9	MS. BROZ: Objection, form.	11:14:53
10	A -- what you mean by "held accountable."	11:14:54
11	Q Well, they should be liable if they don't	11:14:56
12	achieve that?	11:15:02
13	MS. BROZ: Objection, form, foundation,	11:15:03
14	calls for a legal conclusion.	11:15:05
15	What are you doing, Jonathan.	11:15:06
16	MR. KNIGHT: Well, you interrupted my	11:15:09
17	question.	11:15:10
18	MS. BROZ: You asked her, we should be	11:15:10
19	held liable. Of course I did.	11:15:12
20	Q So I want to show you what is marked as	11:15:22
21	Exhibit 3.	11:15:26
22	(Exhibit 3 marked.)	11:15:30
23	Q Ms. Stegmann, what is this document?	11:16:25
24	A I'm reviewing it right now. (Reviewing	11:16:39
25	document.) It seems to be a summary document.	11:17:39

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

64

1	Q And did you receive this document from	11:17:44
2	Celina Cardenas?	11:17:47
3	A Yes.	11:17:49
4	Q And who is Celina Cardenas?	11:17:51
5	A She is our communications representative	11:17:54
6	manager.	11:18:00
7	Q Does she report to you?	11:18:02
8	A No.	11:18:04
9	Q Does she work on the government affairs	11:18:05
10	part of Oxy Vinyls?	11:18:09
11	A Communications.	11:18:14
12	Q I wanted to ask you about a statement near	11:18:14
13	the end of the first page of this document. It	11:18:23
14	says: The speaker comments included generic	11:18:35
15	statements around the transport of such chemicals	11:18:37
16	is unsafe, disproportionately impacts underserved	11:18:40
17	communities as seen through East Palestine	11:18:43
18	derailment.	11:18:45
19	So my question is, do you agree or	11:18:46
20	disagree with that statement?	11:18:48
21	MS. BROZ: Objection, form.	11:18:51
22	A I didn't hear the speaker make the	11:18:51
23	comment. I don't know its context.	11:18:57
24	Q But do you agree with her statement that	11:19:00
25	the transport of vinyl chloride monomer is unsafe	11:19:04

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

65

1	and disproportionately impacts underserved	11:19:09
2	communities?	11:19:12
3	MS. BROZ: Objection, form.	11:19:15
4	A Can you repeat the question?	11:19:16
5	Q Do you agree with the statement that the	11:19:19
6	transport of VCM is unsafe and disproportionately	11:19:26
7	impacts underserved communities?	11:19:30
8	A I can't say how it impacts underserved	11:19:32
9	communities. I don't know what communities	11:19:35
10	they're referencing, and I don't know what they	11:19:37
11	mean by disproportionately impacting those	11:19:40
12	underserved communities.	11:19:42
13	Q So you think there are -- strike that.	11:19:44
14	So as VP's supply chain, you plan to	11:19:53
15	continue shipping VCM by rail, correct?	11:20:03
16	A Continue with the shipments that are by	11:20:06
17	rail today, correct.	11:20:08
18	Q And you plan to continue shipping VCM by	11:20:09
19	rail through East Palestine, Ohio, correct?	11:20:16
20	A We continue to ship VCM on the Norfolk	11:20:19
21	Southern. They determine the routing. We also	11:20:25
22	ship VCM on the UP. It leaves our facility on the	11:20:41
23	Union Pacific and is interchanged to the Norfolk	11:20:47
24	Southern.	11:20:59
25	Q I will show you what is going to be marked	11:20:59

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

66

1	as Exhibit 4.	11:21:04
2	(Exhibit 4 marked.)	11:21:05
3	Q So this email is -- has a subject of the	11:21:58
4	Vinyl Institute monthly board report. I want to	11:22:00
5	ask you, do you have an understanding of who is	11:22:06
6	the Vinyl Institute?	11:22:11
7	A I don't recall ever seeing this document.	11:22:14
8	Q That is okay. I was -- my question wasn't	11:22:18
9	about the document. It was just generally, do you	11:22:21
10	know who is the Vinyl Institute?	11:22:24
11	A I understand the Vinyl Institute is a	11:22:26
12	trade association that we belong to.	11:22:29
13	Q And so Oxy is a member of the Vinyl	11:22:33
14	Institute; is that correct?	11:22:42
15	A That's my understanding, correct.	11:22:43
16	Q Okay. Do you have any interaction in your	11:22:44
17	capacity as VP of supply chain with the Vinyl	11:22:49
18	Institute?	11:22:54
19	A I do not.	11:22:54
20	Q If you go to the bottom of page 1, the	11:22:55
21	next-to-last bullet, second sentence says: The	11:23:16
22	U.S. Department of Justice has filed a suit	11:23:23
23	against Norfolk Southern just last week. While	11:23:25
24	this continues, the VI is working with the	11:23:27
25	American Chemistry Council and the Chlorine	11:23:31

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

67

1	Institute and congressional allies to monitor	11:23:35
2	potential legislation and regulatory impacts.	11:23:39
3	My question is, do you have an	11:23:42
4	understanding of who is the American Chemistry	11:23:43
5	Council?	11:23:46
6	A Yes.	11:23:46
7	Q And do you know whether Oxy has a	11:23:48
8	relationship with the American Chemical Council?	11:23:53
9	A Yes.	11:23:56
10	Q I apologize, I meant to say American	11:23:57
11	Chemistry Council?	11:24:01
12	A Yes.	11:24:03
13	Q And you are a member of the American	11:24:04
14	Chemistry Council; is that correct?	11:24:10
15	A "Me" being me? Or you be --	11:24:11
16	Q You in your capacity at Oxy?	11:24:16
17	A Yes.	11:24:20
18	Q And what is your role?	11:24:21
19	A At Oxy?	11:24:23
20	Q At the American Chemistry Council?	11:24:25
21	A I am a member participant.	11:24:27
22	Q So I want to show you what's going to be	11:24:32
23	marked as Exhibit 5.	11:24:40
24	(Exhibit 5 marked.)	11:25:09
25	Q Ms. Stegmann, what is this document?	11:25:10

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

68

1	A	It looks like it's a document from the ACC	11:25:24
2		to set up a call.	11:25:41
3	Q	If you go to the second page, the email is	11:25:43
4		from a Jeffrey Sloan to you and somebody named	11:25:58
5		John Heater. My question is, who is Jeffrey	11:26:04
6		Sloan?	11:26:07
7	A	Jeffrey Sloan is a director within the	11:26:07
8		American Chemistry Council, but my relationship	11:26:14
9		with Jeffrey Sloan is that he is the leader of the	11:26:18
10		distribution committee at the American Chemistry	11:26:22
11		Council which I'm a member of.	11:26:28
12	Q	And in the email dated February 22nd,	11:26:30
13		2023, that he sent to you and John Heater, he	11:26:36
14		states: I want to discuss the path forward for	11:26:40
15		ACC to engage with members on our response to the	11:26:43
16		range of rail and hazmat policy proposals that are	11:26:48
17		being discussed.	11:26:52
18		Do you understand ACC to refer to the	11:26:52
19		American Chemistry Council?	11:26:54
20	A	Yes.	11:26:55
21	Q	And do you recall whether that discussion	11:26:56
22		ever occurred?	11:27:07
23	A	I don't specifically recall this	11:27:07
24		discussion, but we've had many discussions.	11:27:12
25	Q	And those discussions happened after	11:27:15

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

69

1	February 22nd of 2023?	11:27:21
2	MS. BROZ: Objection, form.	11:27:24
3	A Can you rephrase the question?	11:27:24
4	Q Well, have you had discussions with other	11:27:32
5	people at the ACC to -- regarding the response to	11:27:48
6	the range of rail and hazmat policy proposals	11:27:55
7	after February 22nd of 2023?	11:27:58
8	MS. BROZ: Objection, form.	11:28:00
9	A I know there were discussions in trying to	11:28:02
10	develop rail hazmat advocacy points for the	11:28:07
11	American Chemistry Council and its members.	11:28:14
12	Q Okay. And Oxy Vinyls provided input to	11:28:16
13	those?	11:28:21
14	A Yes.	11:28:23
15	Q Thank you. And did Oxy provide that input	11:28:23
16	at the same time that it was a party to the NTSB	11:28:30
17	investigation?	11:28:38
18	A As of February we had not joined the NTSB	11:28:38
19	investigation.	11:28:46
20	Q Right. And so my question is, were there	11:28:46
21	discussions involving the ACC to develop rail	11:28:50
22	hazmat policy advocacy points during the time that	11:28:56
23	Oxy Vinyls was a party to the NTSB investigation?	11:29:02
24	MS. BROZ: Objection, form, foundation.	11:29:06
25	A I recall discussions prior to joining the	11:29:07

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

70

1 NTSB investigation, but I can tell you today, we 11:29:12
2 continue to advocate for rail policies within the 11:29:15
3 ACC. We -- we meet and discuss initiatives with 11:29:20
4 the STB. I testified in 2022 in front of the STB. 11:29:25

5 So there are numerous rail initiative and 11:29:30
6 hazardous material discussions that occur, but 11:29:35
7 they in no way conflict with my role or Oxy's role 11:29:38
8 on the NTSB investigation. 11:29:42

9 Q So in those -- strike that. 11:29:42

10 So in Oxy Vinyls' advocacy for rail 11:29:57
11 policies within the ACC, Oxy takes steps to make 11:30:07
12 sure that it doesn't conflict with its role in the 11:30:10
13 NTSB investigation? 11:30:15

14 MS. BROZ: Objection, form. Misstates 11:30:16
15 testimony. 11:30:17

16 A Yeah, I mean, I'm not sure how they would 11:30:18
17 conflict. I'm not sure I understand what -- what 11:30:27
18 you're asking. 11:30:30

19 Q Okay. So I want to show you what's going 11:30:30
20 to be marked as Exhibit 6. 11:30:44

21 (Exhibit 6 marked.) 11:30:47

22 Q Ms. Stegmann, what is this document? 11:30:48

23 A I'm reviewing it to understand. It looks 11:31:36
24 like a meeting inquiry but... 11:31:43

25 (Reviewing document.) 11:31:44

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

71

1 Is this similar to one of the other

11:31:50

2 exhibits? I believe it was similar to Exhibit 3,

11:31:52

3 7/27, or related to in some capacity. It looks

11:32:00

4 like communications from a communications group

11:32:32

5 regarding a media inquiry.

11:32:34

6 Q I want -- I want to direct -- on that

11:32:37

7 first page, I want to direct your attention to

11:32:39

8 the -- kind of the third paragraph of the email

11:32:42

9 from Celina Cardenas and it states: Regarding the

11:32:51

10 Vinyl Institute, Susan Wade, VP of communications,

11:32:56

11 has posted their statement, and through our work

11:33:00

12 together, has targeted specific news outlets

11:33:02

13 listed below.

11:33:05

14 Do you have -- my question is, do you have

11:33:13

15 an understanding of what is meant by "our work

11:33:14

16 together"?

11:33:16

17 A No, I do not.

11:33:16

18 Q And do you have an understanding of how

11:33:19

19 the media outlets were targeted?

11:33:21

20 A No, I do not.

11:33:23

21 MR. KNIGHT: So by the way, now would be a

11:33:33

22 convenient time to take a break, but I'm happy to

11:33:43

23 continue. I'm just offering that up.

11:33:45

24 MS. BROZ: What would you like?

11:33:49

25 THE WITNESS: I'm fine breaking.

11:33:49

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

72

1	MS. BROZ: Okay. Go ahead and take a	11:33:50
2	break.	11:33:53
3	MR. KNIGHT: Thank you.	11:33:53
4	VIDEOGRAPHER: We're going off the record.	11:33:54
5	The time is 11:33 a.m.	11:33:58
6	(Recess 11:33 a.m. to 11:49 a.m.)	11:34:00
7	VIDEOGRAPHER: We are going back on the	11:48:39
8	record. The time is 11:49 a.m.	11:49:26
9	Q Ms. Stegmann, I believe earlier you	11:49:30
10	testified that your understanding is that	11:49:35
11	polymerizations of vinyl chloride monomer	11:49:41
12	conducted by the Oxy PVC plants are suspension	11:49:46
13	polymerizations; is that correct?	11:49:53
14	A Yes.	11:49:54
15	Q Are you familiar with the term "bulk	11:49:55
16	polymerization"?	11:49:57
17	MS. BROZ: Say that again.	11:49:57
18	MR. KNIGHT: Bulk polymerization.	11:49:59
19	MS. BROZ: Thank you.	11:50:00
20	A I don't know if that means dispersion.	11:50:00
21	I'm not sure that I understand what you're	11:50:02
22	referencing.	11:50:05
23	Q Okay. So we're going to -- I'm going to	11:50:05
24	start asking you some questions about the actual	11:50:10
25	East Palestine derailment.	11:50:17

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

73

1	I'm going to show you what's marked --	11:50:20
2	what's going to be marked as Exhibit 7.	11:50:22
3	(Exhibit 7 marked.)	11:50:26
4	Q Just let me know when you're ready.	11:50:51
5	A (Reviewing document.)	11:51:04
6	I'm ready.	11:51:17
7	Q And if you go to the second page, there is	11:51:17
8	an email sent on Saturday, February 4th, 2023, at	11:51:22
9	8:41 a.m. from Meghan Achimasi to yourself and	11:51:29
10	several other people at Oxy. And I want to ask,	11:51:38
11	what is this email?	11:51:46
12	A It was notification that we had cars	11:51:48
13	involved on a train that derailed in East	11:51:51
14	Palestine the night before.	11:51:56
15	Q And it says the derailment occurred the	11:52:02
16	previous evening around 8:00 p.m., correct?	11:52:05
17	A Yes.	11:52:07
18	Q And that would have -- so that would have	11:52:07
19	been Friday evening, February 3rd?	11:52:10
20	A Correct.	11:52:11
21	Q Was this the first notification that you	11:52:14
22	received regarding the derailment?	11:52:18
23	A Yes, it was the first one I received.	11:52:20
24	Q Okay. And if you would go to page 3 and	11:52:22
25	look at the column Car ID, and it lists the Car	11:52:30

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

74

1	IDs TILX 402025, OCPX 80235, OCPX 80179, GATX	11:52:34
2	95098, and OCPX 80370.	11:52:48
3	And sitting here today, do you have an	11:52:53
4	understanding that these car IDs refer to the five	11:52:54
5	tank cars carrying Oxy's VCM that were involved in	11:52:58
6	the East Palestine derailment?	11:53:03
7	A Yes, that's my understanding.	11:53:05
8	Q And do you have an understanding of who is	11:53:06
9	Meghan Achimasi?	11:53:18
10	A Yes.	11:53:21
11	Q And who is that?	11:53:21
12	A Meghan Achimasi is a vice president with	11:53:23
13	Norfolk Southern in the sales and marketing group.	11:53:27
14	Q And have you spoken with Ms. Achimasi	11:53:30
15	before?	11:53:34
16	A Yes, I have.	11:53:34
17	Q Can you give me a general description of	11:53:35
18	the types of communications that you've had with	11:53:46
19	her?	11:53:47
20	A I've met her at a trade association, a	11:53:48
21	national freight trade association. So it's	11:53:51
22	generally on the commercial and contractual-type	11:53:53
23	discussions.	11:54:03
24	Q And do you have an understanding of why	11:54:05
25	you were sent this email?	11:54:08

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

75

1 A Yes. As a sales and marketing
2 representative, she was communicating to her
3 customer that we had cars involved, and -- and
4 that's customary on quite a significant incident.

5 Q And after receiving this email, were you
6 involved in any internal discussion at Oxy about
7 the derailment between February 4th and February
8 6th of 2023?

9 A Yes.

10 Q And did this discussion include how
11 shipments of vinyl chloride monomer would be
12 impacted by the derailment from a logistics
13 perspective?

14 MS. BROZ: Objection, form.

15 A Can you ask the question again?

16 Q Well, my question is that, did Oxy's
17 internal discussions include discussions of how
18 railcar shipments of vinyl chloride monomer would
19 be impacted by the derailment?

20 MS. BROZ: Objection, form.

21 A I know there were discussions, but we were
22 more focused on the incident in East Palestine,
23 the response efforts, and the status of our five
24 derailed cars.

25 Q Between February 4th and February 6th, did

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

76

1	you participate in discussions about what advice	11:55:46
2	to give parties on the scene in East Palestine?	11:55:48
3	MS. BROZ: Objection, form.	11:55:53
4	A Can you rephrase the question, please?	11:55:56
5	Q Sure.	11:55:58
6	So you -- you testified that you were	11:56:01
7	involved in Oxy Vinyls' internal discussions about	11:56:04
8	the derailment, and my question is whether some of	11:56:07
9	those discussions included a discussion about what	11:56:10
10	advice to provide people who were on the scene in	11:56:16
11	East Palestine?	11:56:23
12	A Initially those --	11:56:23
13	MS. BROZ: Objection, form.	11:56:23
14	A Initially those discussions were more	11:56:24
15	centered around about us getting an update and	11:56:27
16	understanding of the situation in East Palestine.	11:56:29
17	It was based on some of the content shared from NS	11:56:31
18	and its contractors that then we began providing	11:56:33
19	some technical insights on the VCM properties.	11:56:38
20	Q So I've heard discussions about Oxy	11:56:50
21	Vinyls' special situations team in Dallas. My	11:56:59
22	question is, were you a member of the Oxy Vinyls	11:57:02
23	special situations team in response to this	11:57:05
24	derailment?	11:57:08
25	A Not formally, and initially, at some point	11:57:09

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

77

1 at the end of Saturday night, I was in that room 11:57:13
2 for a brief period of time because I went to work 11:57:17
3 to pick up -- I was traveling the following 11:57:19
4 workday, so I went into the office to pick up some 11:57:23
5 papers that I needed for my travel, and they were 11:57:27
6 still meeting, and I just stopped, by but through 11:57:31
7 all of Saturday, I was participating remotely like 11:57:35
8 my peers. I was not a designated member of the 11:57:39
9 SSP. 11:57:43

10 Q So you were not a designated member of the 11:57:44
11 SSP, but you participated in some of the 11:57:53
12 discussions? 11:57:56

13 A What I mean "designated members," there's 11:57:57
14 folks that report to the office and they're 11:58:00
15 collecting the information, but as an executive of 11:58:02
16 OxyChem, I was calling in as a participant and 11:58:06
17 helping. 11:58:09

18 Q When was the first, if you can recall, 11:58:10
19 discussion that you participated in? 11:58:15

20 A On the incident or as part of the SSP? 11:58:19

21 Q In the incident. 11:58:25

22 A I vividly remember because when I received 11:58:27
23 Meghan's email, I was at a gym parking lot ready 11:58:32
24 for a fitness class, and I went to check in and 11:58:36
25 get my electronic signature, and that's when I saw 11:58:40

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

78

1 the email. So I immediately read it, knew that 11:58:43
2 the likelihood it was a significant incident, and 11:58:48
3 I called Mr. Paul Thomas, our vice president of 11:58:50
4 health, environmental, safety, security. 11:58:53

5 I told him I hadn't looked at my emails to 11:58:56
6 see where CHEMTREC was in reporting this, but that 11:58:58
7 we were involved -- we had cars involved in a 11:59:02
8 derailment involving vinyl chloride monomer in 11:59:04
9 Ohio, and that I was headed back home and I would 11:59:08
10 notify our president and send something out to our 11:59:13
11 executive team. 11:59:17

12 And so I proceeded home and called our 11:59:18
13 president, and then I put out an email to the 11:59:23
14 executive team informing them of the 11:59:30
15 East Palestine derailment of the Norfolk Southern 11:59:36
16 32N train, and that we had five cars involved in 11:59:39
17 the derailment. 11:59:43

18 Q When was the first -- strike that. 11:59:44

19 After you sent out that communication, did 11:59:51
20 you participate in any meetings on Saturday in 11:59:58
21 connection with the derailment? 12:00:03

22 A Yes. There was a Saturday evening 12:00:05
23 conference call and -- on Teams was the media 12:00:10
24 format, and that was a formal call. 12:00:16

25 Throughout the day I was talking to people 12:00:20

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

79

1 and making phone calls and receiving phone calls, 12:00:22
2 but the actual meeting occurred the early evening, 12:00:25
3 or the evening of Saturday, February 4th. 12:00:31

4 Q And after that meeting, did you 12:00:36
5 participate in any other meetings in connection 12:00:37
6 with the derailment on Sunday, February 5th? 12:00:40

7 A Yes. There was a morning meeting Sunday, 12:00:47
8 February 5th, and then there was an evening 12:00:52
9 meeting on the evening of February 5th, and I 12:00:57
10 believe there was one Monday morning, February 6th 12:01:02
11 that I participated in. 12:01:08

12 Q During any of these meetings, do you 12:01:09
13 recall whether you heard any information that 12:01:24
14 responders in East Palestine were concerned about 12:01:34
15 the risk of polymerization? 12:01:38

16 A Yes. That was expressed by the NS 12:01:41
17 contractor Drew McCarty Saturday evening, February 12:01:47
18 4th, was the first we heard of that, or that I 12:01:58
19 heard of it. 12:02:05

20 Q During the Monday morning meeting on 12:02:05
21 February 5th -- 12:02:07

22 A What was -- I'm sorry. 12:02:09

23 Q Strike that. 12:02:10

24 On the Sunday morning meeting on February 12:02:11
25 5th or the Sunday evening meeting on February 5th 12:02:16

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

80

1	or the Monday morning meeting on February 6th, did	12:02:19
2	you learn of any other concerns that the on-scene	12:02:23
3	responders had about the risk of polymerization?	12:02:29
4	MS. BROZ: Objection, form.	12:02:31
5	A Can you repeat the question?	12:02:32
6	Q Well, after the Saturday evening call, you	12:02:40
7	participated in three other meetings through	12:02:43
8	Monday morning of February 6th, correct?	12:02:48
9	A Yes, three large internal meetings, yes,	12:02:50
10	or actually NS was on one of them and its	12:02:56
11	contractors, I think, Sunday morning.	12:02:59
12	Q So NS or its contractors were present on	12:03:02
13	the Saturday evening meeting and on the Monday	12:03:08
14	morning meeting?	12:03:12
15	A Sunday morning.	12:03:12
16	Q Sunday morning meeting, okay. And they	12:03:13
17	were not present on the Sunday evening meeting or	12:03:16
18	the Monday morning meeting; is that correct?	12:03:20
19	A Not the meetings I was on, correct.	12:03:21
20	Q Okay. And so my question is, on the	12:03:28
21	Sunday evening meeting on February 5th, do you	12:03:32
22	recall hearing about any concern that the Norfolk	12:03:39
23	Southern or its contractors had about	12:03:49
24	polymerization?	12:03:54
25	A That is the Sunday evening meeting.	12:03:54

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

81

1	Q Yes.	12:03:56
2	A I believe, if I remember the timeline	12:03:57
3	correctly, Steve Smith, our La Porte technical	12:04:00
4	manager, was on scene, and he was -- I believe	12:04:07
5	that is when he was providing an update, so we	12:04:09
6	knew that they -- there was a discussion, but NS	12:04:12
7	and its contractors themselves expressed those	12:04:16
8	concerns in the prior two meetings.	12:04:18
9	Q And did Steve Smith or anyone else relay	12:04:25
10	additional concerns on the Sunday evening meeting?	12:04:29
11	MS. BROZ: Objection, form.	12:04:33
12	A I don't remember the content of what he	12:04:33
13	expressed. I know he was describing his arrival,	12:04:42
14	who he was meeting with, and discussions, and I	12:04:47
15	know he was getting an update from Drew McCarty	12:04:53
16	and met with members of the NTSB when he first	12:04:58
17	arrived. So I believe that they were voicing	12:05:03
18	their observations and concerns.	12:05:06
19	I think Steve was spending time that	12:05:12
20	Sunday evening trying to get -- communicate what	12:05:14
21	his view of the scene was and situation.	12:05:19
22	Q Same question for the Monday morning	12:05:29
23	meeting.	12:05:30
24	A Monday morning was more, you know, we	12:05:30
25	were -- if I remember the timeline correctly, that	12:05:34

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

82

1 is when we started hearing about the temperature
2 rise and the governor was -- you know, the whole
3 process.

4 I -- I remember specifically on that call
5 he describing what the explosive vent-and-burn
6 process was going to entail because that was very
7 unusual for us, not something us as Oxy were any
8 what -- familiar with.

9 And what I vividly remember listening
10 intently to, hearing how they were going to
11 prepare the site, put the two explosives on each
12 railcar, and direct the flow out of the railcar as
13 it was burning, each of the railcars.

14 There were other discussion points, but I
15 probably most vividly remember that discussion.

16 Q So in the four meetings that we've
17 discussed, the Saturday evening call, the Sunday
18 morning call, the Sunday evening call on February
19 5th, or the Monday morning call on February 6th,
20 do you recall any discussion of Oxy Vinyls' safety
21 data sheet?

22 A I don't remember that specifically. I
23 think there were larger topics Drew may have
24 brought up as a reference or somebody may have
25 brought up as a reference, but I don't remember

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

83

1 that specifically. I guess there is other
2 elements of the conversation I recall.

3 Q Same question, but instead of the safety
4 issue, was there any discussion of the emergency
5 response guide?

6 A I do remember that on the Saturday evening
7 call. There may have been follow-up on Sunday
8 morning, but I -- I remember the emergency
9 response guide being a term used discussing
10 Saturday evening.

11 Q And you recall what was discussed in
12 relation to the emergency response guide?

13 A Yes. Drew McCarty explained to us that
14 they were concerned about a potential BLEVE as a
15 result of polymerization in the railcar, and
16 that -- that is why they had the hot zone,
17 evacuation zone of a mile radius, and I just
18 remember myself and I would say the tone of our
19 leadership team were stunned at the information
20 being presented to us.

21 And so the questions evolved around, how
22 do you know a mile is enough. If you really think
23 there is a BLEVE -- and again, this was a shock to
24 us, those of us hearing it for the first time.
25 And so the question really was centered around

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

84

1	making sure there is modeling, and if you really	12:08:51
2	think that is going to occur, how confident are we	12:08:53
3	in a mile radius.	12:08:55
4	And then subsequently in that discussion,	12:09:00
5	and it may have been on the call or a subsequent	12:09:02
6	discussion afterwards is when I heard the	12:09:04
7	emergency response guide referenced, and that is	12:09:06
8	why there is a mile evacuation zone.	12:09:09
9	Q And what was it that was shocking? Was it	12:09:15
10	the mile or some other aspect of what was being	12:09:17
11	communicated to you?	12:09:19
12	A Polymerization, and that there was a	12:09:20
13	potential for a BLEVE of these railcars.	12:09:21
14	Q So you were really surprised by the	12:09:24
15	discussion of the potential for a BLEVE?	12:09:35
16	A Yes. When we got on the call, that is not	12:09:38
17	what we were ex- -- I mean, yes.	12:09:40
18	Q What were you expecting?	12:09:41
19	A An update hearing that the status of the	12:09:43
20	pressure relief devices venting. You know, we	12:09:47
21	heard discussions that the protective housing --	12:09:51
22	you could see the flame, called it a lazy flame,	12:09:54
23	you know, where it is just flaming when there is	12:09:58
24	release of materials of PRDs.	12:10:00
25	I'm not aware of Oxy having any railcars	12:10:02

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

85

1 or tanks involved in a BLEVE, so it is the first 12:10:07
2 time we were, in my recollection, dealing with 12:10:10
3 this potential of an incident. And I hadn't heard 12:10:13
4 of a BLEVE in any other vinyl chloride monomer 12:10:20
5 tank car situation in my 34-year career. 12:10:23

6 Q So if you go back to Exhibit 7, if you go 12:10:26
7 back to the first page -- 12:10:51

8 A On Exhibit 7? 12:10:52

9 Q Yes. 12:10:57

10 A Okay. 12:10:57

11 Q That is right. So in the middle of this 12:10:58
12 page there is a response sent Saturday, February 12:11:03
13 4th, at 4:36 p.m. from a Leigh Glass. 12:11:11

14 Can you tell me who is Leigh Glass? 12:11:18

15 A Yes. Leigh Glass is our rail operations 12:11:22
16 manager. 12:11:25

17 Q I apologize. So it is Leigh Glass? 12:11:25

18 A Leigh, yes. 12:11:27

19 Q And does Leigh Glass report to you? 12:11:28

20 A No. 12:11:35

21 Q Who does Leigh Glass report to, if you 12:11:35
22 know? 12:11:38

23 A She reports to Chuck Tate. 12:11:38

24 Q And what is Chuck Tate responsible for? 12:11:46

25 A He is manager of transportation, 12:11:54

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

86

1 operations and regulatory compliance, so he leads 12:11:54
2 a group of the operations -- truck operations and 12:11:57
3 rail operations group as well as regulatory 12:12:00
4 manager. 12:12:04

5 Q So Leigh Glass was writing Meghan Achimasi 12:12:05
6 and he writes: Meghan, can you advise if NS plans 12:12:16
7 to re-route traffic headed to Pedricktown? It 12:12:20
8 says: We're already tight on inventory and we're 12:12:22
9 trying to evaluate production impact. 12:12:23

10 So my question is, were you aware that -- 12:12:29
11 strike that. 12:12:33

12 Did you have an understanding that Oxy was 12:12:34
13 already tight on inventory and trying to evaluate 12:12:39
14 a production impact? 12:12:45

15 A I was aware that the inventory shipments 12:12:46
16 were tight, that we were lean on shipments. Was I 12:12:50
17 aware of this email at this time? No. But it 12:12:56
18 was -- I think it may have been forwarded to me, 12:13:08
19 maybe not, I don't know. 12:13:09

20 Q And then Meghan Achimasi responds: Hi, 12:13:11
21 Leigh, I'm looking into this and should have an 12:13:21
22 answer for you soon. Our first priority has been 12:13:24
23 safety, allowing the fire to go out and then 12:13:26
24 cleaning up the derailment when it's safe to do 12:13:28
25 so. 12:13:30

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

87

1 Do you recall receiving that particular
2 part of the email chain at some point?

3 A I may have, or it may have been forwarded
4 to me as part of the investigation preparation.

5 Q I apologize, let's look at Exhibit 7 just
6 for one more minute. It says, the last sentence,
7 Meghan Achimasi's email she sends says: I would
8 say trucking some material in, if that's at all
9 possible, is the right thing to do because there
10 are likely to be delays.

11 My question is, did -- do you know if Oxy
12 Vinyls has ever trucked any vinyl chloride monomer
13 in response to the East Palestine derailment?

14 A No, we did not.

15 Q I want to show you what has been marked as
16 Exhibit 8.

17 (Exhibit 8 marked.)

18 Q So this is an email -- this is an email
19 from Leigh Glass forwarded over to some other
20 folks at Oxy. The subject of it is CERP Level III
21 reported.

22 And I just have some terminology questions
23 I was hoping you could help me with. In this
24 email, if you go down to the second email in the
25 chain, the one sent on Saturday, February 4th, at

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

88

1 10:44 a.m. It says: A CERP Level III incident
2 has been reported for the following HSE off-site
3 transport sub-incident within Intelelex.

4 And my first question is, what is Intelex?

5 A It's our -- it's like a database software
6 system. So we use it for collecting, documenting
7 incidents and follow-up to incidents. It's an
8 HESS software system that we utilize.

9 Q And the email also refers to CERP, and can
10 you explain what CERP refers to?

11 A I'm trying to remember what the incident
12 is -- we call all of our transportation incidents
13 CERP incidents and whether it's -- whatever mode.

14 Q It just means there was an incident?

15 A Yes, it's -- and not even -- an incident
16 and it can be very minor or obviously -- and
17 that's what the Level III is.

18 Q That was my next question, what does Level
19 III mean?

20 A It's the highest level of the incidents.
21 So lower level incidents, I wouldn't be copied on.
22 It might just be a minor issue, a sideswipe of two
23 railcars, no product release.

24 Q With respect to a Level III incident, did
25 you have particular responsibilities on February

12:16:09

12:16:15

12:16:18

12:16:22

12:16:25

12:16:30

12:16:33

12:16:36

12:16:40

12:16:44

12:16:46

12:16:48

12:16:51

12:16:56

12:16:57

12:17:01

12:17:03

12:17:06

12:17:08

12:17:09

12:17:10

12:17:14

12:17:18

12:17:23

12:17:28

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

89

1	3rd of 2023?	12:17:30
2	MS. BROZ: Objection, form.	12:17:36
3	A I think you said -- I'm sorry, can you say	12:17:36
4	that again? You referenced a date and	12:17:40
5	responsibilities. Can you rephrase that?	12:17:42
6	Q Sure. So I'm asking about the time of the	12:17:43
7	derailment on February 3rd, 2023, and at that	12:17:48
8	time, did you have particular responsibilities at	12:17:52
9	Oxy Vinyls, should a Level III incident occur?	12:17:55
10	A My responsibility's to make sure that the	12:17:58
11	supply team is responding to whatever the CERP	12:18:01
12	incident is, and at this point, if you recall in	12:18:05
13	an earlier exhibit, I had already received an	12:18:09
14	email from Meghan Achimasi. So I was aware of it	12:18:11
15	and had already taken action in notifying others,	12:18:15
16	which is really just a parallel communication to	12:18:26
17	this process that we have, automated process.	12:18:28
18	Q Okay. And I wanted to get your	12:18:34
19	understanding of the various parts of Oxy's	12:18:39
20	response to the derailment. One aspect, if I	12:18:43
21	understand, was to form a special response team in	12:18:49
22	Dallas.	12:18:51
23	And you described the existence and said	12:18:52
24	you weren't a formal part of it, but participated	12:18:55
25	in some of the discussions; is that fair?	12:18:57

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

90

1 A I think I'm a formal part, in that I'm
2 going to be updated from the SSP. When I say "not
3 formal," I didn't respond to the corporate office.
4 My old position and my direct report, Christi
5 Young, did to represent supply chain.

6 My formal obligation was then to be
7 calling in and checking in and asking questions of
8 the supply chain to assist in making sure we had
9 resources available.

10 Q And I've also heard there was a strike
11 team in Houston. Did such a thing exist?

12 A We -- we referenced an emergency response
13 team as a strike team in the past. I don't know
14 that it exists today, but again, we -- we did
15 dispatch representatives, so I -- I think the
16 strike team may be there's an emergency response
17 team in Houston.

18 Q And are they the ones -- is there a
19 connection between those folks and the people that
20 were sent from Oxy Vinyls to East Palestine, Ohio?

21 MS. BROZ: Objection, form.

22 A I believe Justin Cox was dispatched, and I
23 believe he's part of the Houston emergency
24 response team.

25 Q Okay.

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

91

1	A I believe they call the group Emergency	12:20:25
2	Services.	12:20:27
3	Q And you mentioned that Oxy Vinyls sent	12:20:32
4	like a team to East Palestine, Ohio, correct?	12:20:39
5	A Yes.	12:20:42
6	Q And between February 4th and February 6th,	12:20:43
7	did you yourself have any -- participate in any	12:20:48
8	communications with the team in East Palestine?	12:20:52
9	A Not directly, only on the conference calls	12:20:58
10	where they were providing updates.	12:21:01
11	Q And that was like the Sunday evening call	12:21:03
12	and the Monday morning call?	12:21:08
13	A The Sunday evening and the Monday morning,	12:21:12
14	correct.	12:21:14
15	Q So I'm going to show you what's now going	12:21:14
16	to be marked as I guess Exhibit 9. It's Tab 78.	12:21:40
17	(Exhibit 9 marked.)	12:21:46
18	Q And when you're ready, tell me what it is.	12:22:17
19	A It is an email from Robyn Kinsley from the	12:22:41
20	Chlorine Institute.	12:22:47
21	Q And who is Robyn Kinsley?	12:22:53
22	A She's the vice president of transportation	12:22:57
23	and emergency response. I know she's a leader in	12:22:58
24	the Chlorine Institute.	12:23:02
25	Q And this email is sent on Saturday,	12:23:09

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

92

1	February 4th, 2023, at 10:38 a.m., correct?	12:23:12
2	A I'm assuming the date and time are	12:23:18
3	correct, yes.	12:23:21
4	Q Okay. So it looks like Drew McCarty of	12:23:21
5	SPSI had been communicating with Robyn Kinsley, is	12:23:46
6	what I would take from this email. And the	12:23:52
7	question I have is, is the Chlorine Institute a	12:24:00
8	good resource for information about vinyl chloride	12:24:03
9	monomer?	12:24:10
10	MR. GOMEZ: Objection.	12:24:10
11	MS. BROZ: You can go ahead and answer.	12:24:14
12	MR. GOMEZ: You can answer.	12:24:15
13	A Okay. I don't know that I'm supposed to	12:24:16
14	judge the Chlorine Institute, but they are a	12:24:25
15	technical organization and they had a -- helped	12:24:29
16	develop a pamphlet since a wide use of chlorine is	12:24:32
17	used in vinyl chloride. So we use them as a --	12:24:35
18	the membership uses them as a technical	12:24:41
19	organization.	12:24:43
20	Q So Oxy Vinyls is a member of the Chlorine	12:24:43
21	Institute?	12:24:57
22	A Oxy is.	12:24:57
23	Q Oxy?	12:24:58
24	A Yes.	12:24:59
25	Q And do you yourself have a role at Oxy	12:24:59

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

93

1 with the Chlorine Institute? 12:25:15

2 A Not a strong role. I have reached out and 12:25:16
3 talked to Robyn Kinsley in the past and so I will 12:25:18
4 interact on transportation-related questions or 12:25:25
5 advocacy or concerns. 12:25:30

6 Q In the -- and do you recall whether 12:25:32
7 yourself or anyone else ever reached out to -- 12:25:50
8 strike that. 12:25:57

9 The bottom of the email, the last sentence 12:25:57
10 from Robyn Kinsley states that: Drew said feel 12:26:02
11 free to give him a call to find out more details. 12:26:07

12 And my question is, do you know whether 12:26:08
13 someone from Oxy reached out to find out more 12:26:11
14 details? 12:26:15

15 A I'm surprised this Drew went to -- from 12:26:17
16 SPSI went directly to Robyn. That may be a great 12:26:24
17 resource, but I know that he knows Oxy folks such 12:26:27
18 as Tim Kelly. And I know that Tim Kelly and Drew 12:26:33
19 McCarty were in communication as of Saturday 12:26:37
20 evening and before, because I heard from Tim Kelly 12:26:41
21 and others that they were in communications with 12:26:45
22 Drew McCarty. 12:26:47

23 So I can't say who reached out to who, but 12:26:49
24 I know that I was aware of the company SPSI. I 12:26:52
25 don't know a lot about them, but I've heard the 12:26:59

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

94

1	name before and I know that they were in	12:27:02
2	communication Saturday.	12:27:06
3	Q It looks like they were -- looks like Drew	12:27:08
4	McCarty was in communication with the Chlorine	12:27:13
5	Institute on Saturday morning, correct?	12:27:19
6	A That is what this appears.	12:27:20
7	Q Within a few hours plus or minus of when	12:27:21
8	you first received a notification that there had	12:27:27
9	been a derailment?	12:27:30
10	A Right. So at 8:40 was our first	12:27:31
11	notification, and I don't know what our Eastern	12:27:33
12	Standard or times or -- I know there's been	12:27:35
13	various time zones used in some emails but -- but	12:27:40
14	I think to be clear, Drew McCarty was, my	12:27:48
15	understanding, an NS contractor in this role.	12:27:50
16	Q So I wanted to kind of move past the	12:27:54
17	vent-and-burn event in East Palestine and just ask	12:28:00
18	you some questions about what happened after the	12:28:03
19	vent-and-burn.	12:28:06
20	So can you describe your responsibilities	12:28:13
21	in relation to the derailment following the	12:28:18
22	vent-and-burn on February 6th?	12:28:21
23	MS. BROZ: Objection, form.	12:28:25
24	A Can you be more specific? I mean, I	12:28:30
25	have --	12:28:31

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

95

1	Q	Sure. You had a responsibility at some	12:28:31
2		point as a party representative to the NTSB,	12:28:35
3		correct?	12:28:40
4	A	We didn't join the NTSB investigation	12:28:40
5		until March 17th.	12:28:44
6	Q	Okay. And you had -- did you have	12:28:51
7		responsibility in connection with -- with	12:29:06
8		government affairs at Oxy Vinyls?	12:29:12
9	MS. BROZ:	Objection, form.	12:29:15
10	A	I wasn't working on any of the advocacy	12:29:16
11		initiatives for a period of time. I know I wasn't	12:29:19
12		initially for the first couple of weeks, no.	12:29:24
13	Q	But later you were involved, correct?	12:29:26
14	MS. BROZ:	Objection, form.	12:29:31
15	A	I was copied on some emails and if --	12:29:32
16		maybe asked to review a document, but that wasn't	12:29:41
17		my primary role. Communications and government	12:29:45
18		affairs rolled under Paul Thomas at the time.	12:29:48
19	Q	So other than being a party that were on	12:29:51
20		the NTSB hazardous materials group and the role	12:29:55
21		you've -- limited role you've described with	12:30:00
22		respect to --	12:30:03
23	MS. BROZ:	Can you read that back?	12:30:03
24		I can't hear what you're saying.	12:30:15
25		(Record read.)	12:30:15

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

96

1	MS. BROZ: Okay. You want to start again?	12:30:16
2	I apologize for interrupting you. I just can't	12:30:17
3	hear you.	12:30:19
4	Q I'll speak up.	12:30:19
5	MS. BROZ: Thank you.	12:30:21
6	MR. KNIGHT: Certainly, and I apologize	12:30:23
7	for that.	12:30:25
8	Q Other than your NTSB role and the limited	12:30:25
9	media role that you described, did you have any	12:30:29
10	other role in relation to the derailment after	12:30:31
11	February 6th?	12:30:35
12	MS. BROZ: Objection, form, misstates	12:30:36
13	testimony.	12:30:38
14	A Can you be more specific?	12:30:38
15	Q Well, I really can't, because I'm trying	12:30:44
16	to discover what your various roles were, and I	12:30:48
17	don't know what all they may have been.	12:30:51
18	A Related to?	12:30:53
19	Q The derailment.	12:30:55
20	A Initially our response was ensuring that	12:30:56
21	we were responsive to my organization, or my team	12:31:05
22	was responsive to the FRA request, the NTSB	12:31:09
23	request, PHMSA request, and providing any	12:31:13
24	technical information that was requested from the	12:31:20
25	various organizations.	12:31:22

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

97

1 So that was a major effort to make sure
2 that we had the teams and the folks aligned, so
3 that was really a focus. Obviously I had other
4 responsibilities outside the derailment.

12:31:26
12:31:31
12:31:35
12:31:38

5 Then as -- at some point late probably in
6 March -- early March, maybe late February, as
7 there were media updates regarding this incident,
8 it became clear to Oxy that we needed to consider
9 being part of the NTSB investigation to correct
10 the narrative that was being played out in the
11 media. That misinformation was being
12 communicated, or information that was not clear to
13 us as being technically correct.

12:31:45
12:31:49
12:31:57
12:32:03
12:32:06
12:32:10
12:32:12
12:32:22
12:32:24

14 And so I was asked to evaluate or
15 understand, learn more about the NTSB organization
16 because we had not been a party to their
17 investigation. We weren't very familiar with the
18 organization.

12:32:27
12:32:32
12:32:37
12:32:38
12:32:41

19 And so I eventually reached out or got
20 connected with Sarah Puro at the NTSB, and there
21 was an effort in figuring out and then
22 recommending a meeting and joining the NTSB
23 investigation.

12:32:43
12:32:48
12:32:53
12:32:56
12:32:59

24 Q So you mentioned one entity. I just
25 wanted to make sure I understood. You said FNSA?

12:33:03
12:33:06

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

98

1	A	PHMSA.	12:33:10
2	Q	What is that?	12:33:12
3	A	It is the Pipeline Hazardous Materials	12:33:12
4		Safety Association, so they're in the Department	12:33:18
5		of Transportation. So Bill Schoonover is the	12:33:22
6		associate director, I believe.	12:33:24
7	Q	And you stated that there was	12:33:29
8		misinformation in the media that caused Occidental	12:33:30
9		to become interested in becoming part of the NTSB	12:33:36
10		process; is that fair?	12:33:40
11	A	There was -- yes, yes.	12:33:41
12	Q	Okay. And could you just tell me a little	12:33:42
13		bit about what that misinformation was?	12:33:44
14	A	I specifically remember the video that	12:33:46
15		circulated on February 23rd, I believe that is the	12:33:50
16		correct date. I remember seeing Karl Alexy, Randy	12:33:53
17		Keltz of the FRA touring the East Palestine	12:33:58
18		derailment scene and Randy speaking about, well,	12:34:04
19		there was polymerization occurring. He's a	12:34:09
20		federal government employee with the FRA speaking	12:34:11
21		about polymerization.	12:34:14
22		If you look, Chair Homendy and Robert Hall	12:34:17
23		did a press conference, I believe it was that same	12:34:22
24		time period, and I remember Robert Hall stepping	12:34:24
25		up to the podium, talking about polymerization.	12:34:29

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

99

1 So we had very high-level government folks 12:34:33
2 making statements that we then realized that we 12:34:36
3 had to assess the technical ability to. 12:34:42

4 Q So in your -- what you view as information 12:34:50
5 about polymerization, did you have a view that 12:34:54
6 that was detrimental to Oxy Vinyls? 12:35:00

7 MS. BROZ: Objection, form. 12:35:04

8 A I think we wanted facts, and I expect the 12:35:04
9 media and if our government agencies are 12:35:10
10 conducting media statements that facts are 12:35:13
11 presented, and there were statements there that we 12:35:18
12 didn't understand. 12:35:20

13 Q So my question was, would that information 12:35:22
14 be detrimental to Oxy Vinyls? 12:35:29

15 MS. BROZ: Objection, form, asked and 12:35:32
16 answered. 12:35:33

17 A Again, I think our -- our concern was that 12:35:33
18 facts be presented in this investigation as we 12:35:42
19 understood the mission of the NTSB to be. And 12:35:45
20 there were a lot of -- I mean, you demonstrated 12:35:50
21 some exhibits to me, a lot of media outlets. And 12:35:53
22 so at this point we recognized that Oxy should be 12:35:57
23 a part of the NTSB investigation. 12:36:02

24 If you look, no other shipper was, no 12:36:05
25 other customer of the NS, and there were many 12:36:06

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

100

1 customers impacted by the NS derailment. There 12:36:10
2 were many shippers that had cars breached that 12:36:14
3 leaked chemicals into the environment, and they 12:36:17
4 were not part of the investigative hearing. 12:36:20

5 It has been a considerable resource 12:36:25
6 requirement of Oxy in considering my time. So we 12:36:30
7 didn't enter lightly, but it was obvious that it 12:36:34
8 was a necessity for us to join to make sure facts 12:36:39
9 are presented as facts regarding VCM chemical 12:36:42
10 properties. 12:36:47

11 Q So it was -- 12:36:48

12 A And the safe transportation of vinyl 12:36:49
13 chloride monomer. 12:36:54

14 Q So it was important to Oxy Vinyls to get 12:36:54
15 the facts about vinyl chloride monomer correct in 12:37:04
16 the NTSB process; is that correct? 12:37:06

17 A I think as we joined the investigation, it 12:37:10
18 has been important to make sure there are facts 12:37:13
19 presented accurately. 12:37:18

20 Q And why is that important to Oxy? 12:37:22

21 A Because we're a compliant, authentic, 12:37:25
22 genuine company that works off of data and facts. 12:37:30

23 Q And if incorrect facts were to be 12:37:35
24 perpetuated through the NTSB process, that could 12:37:38
25 be detrimental to Oxy Vinyls, correct? 12:37:44

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

101

1	MS. BROZ: Objection, form.	12:37:45
2	A I don't know why -- I mean, the NTSB	12:37:46
3	obviously wanted us to be part of the	12:37:48
4	investigation, and so, again, I think we're all	12:37:52
5	here to advance transportation safety based off of	12:37:55
6	facts.	12:37:59
7	Q Let me ask you about the derailed Oxy tank	12:38:03
8	cars after the vent-and-burn in East Palestine.	12:38:10
9	Do you have any familiarity with the	12:38:15
10	sampling -- strike that.	12:38:16
11	Do you have any familiarity with whether	12:38:18
12	samples were taken by Oxy Vinyls from those	12:38:20
13	derailed tank cars?	12:38:27
14	A I guess I would like to understand what I	12:38:29
15	can answer as being part of the NTSB	12:38:31
16	investigation.	12:38:35
17	MS. BROZ: Do you want to go off the	12:38:35
18	record and discuss --	12:38:36
19	THE WITNESS: Yes.	12:38:37
20	MS. BROZ: Okay. Go off the record.	12:38:37
21	VIDEOGRAPHER: We are going off the	12:38:40
22	record. The time is 12:38 p.m.	12:38:42
23	(Recess 12:38 p.m. to 12:41 p.m.)	12:38:44
24	VIDEOGRAPHER: We are going back on the	12:40:45
25	record. The time is 12:41 p.m.	12:41:19

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

102

1	MS. BROZ: If you could read back the last	12:41:21
2	question.	12:41:23
3	(Record read.)	12:41:32
4	A Yes, I am aware that we took samples.	12:41:33
5	Q And do you have knowledge of where those	12:41:35
6	samples were taken from?	12:41:42
7	A I know they were taken. I can't describe	12:41:43
8	each sample and the number of samples in the exact	12:41:47
9	location, but I know that they were taken from the	12:41:50
10	railcar.	12:41:53
11	Q Okay. And do you know where the railcars	12:41:53
12	were located when those samples were taken?	12:42:00
13	A I believe they were in the derailment	12:42:02
14	situation, but I didn't follow that portion that	12:42:06
15	closely.	12:42:09
16	Q So you think they were in the	12:42:09
17	East Palestine?	12:42:12
18	A Oh, yes, yes.	12:42:13
19	Q Okay.	12:42:14
20	A Yes.	12:42:14
21	Q Do you have an understanding of what	12:42:15
22	ultimately happened to the derailed tank cars	12:42:19
23	after the vent-and-burn?	12:42:22
24	A What -- I guess a little bit more clarity	12:42:26
25	in what you're asking as far as what happened.	12:42:33

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

103

1	Q	Sure. Well, at some point, were the tank	12:42:36
2		cars removed from East Palestine, Ohio?	12:42:37
3	A	I know they were removed from the tracks.	12:42:42
4		Where they are in exact location, yes, I know that	12:42:45
5		there is a -- they were cleaning up the sites and	12:42:49
6		they moved railcars off.	12:42:52
7	Q	And do you know where those railcars were	12:42:54
8		moved off to?	12:42:57
9	A	No.	12:42:58
10	Q	Do you know whether the railcars still	12:42:58
11		exist or not?	12:43:02
12	A	No. I don't know if they have been cut up	12:43:03
13		or -- yeah --	12:43:09
14	Q	And --	12:43:10
15	A	-- addressed.	12:43:11
16	Q	And do you know whether any samples of --	12:43:11
17		strike that.	12:43:18
18		Do you know whether -- do you know whether	12:43:19
19		any samples were taken by Oxy Vinyls after the	12:43:21
20		railcars were removed and taken off from	12:43:29
21		East Palestine, Ohio?	12:43:32
22	A	I think all the samples were taken at the	12:43:33
23		time, and retains were -- samples plus retains.	12:43:37
24	Q	So you have no knowledge if Oxy will	12:43:45
25		conduct any further sampling of the tank car,	12:43:47

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

104

1	correct?	12:43:50
2	A Correct.	12:43:50
3	MS. BROZ: Would this be a good time for	12:43:55
4	lunch?	12:43:56
5	MR. KNIGHT: It would, thank you.	12:43:57
6	THE WITNESS: Yes, thank you.	12:43:59
7	MR. KNIGHT: How much time do y'all want?	12:44:00
8	MS. BROZ: Half hour.	12:44:02
9	MR. KNIGHT: That would be great. Thank	12:44:03
10	you so much.	12:44:04
11	VIDEOGRAPHER: We are going off the	12:44:04
12	record. The time is 12:44 p.m.	12:44:05
13	(Recess 12:44 p.m. to 1:17 p.m.)	12:44:07
14	VIDEOGRAPHER: We are going back on the	13:17:23
15	record. The time is 1:17 p.m.	13:17:37
16	MR. GOMEZ: Good afternoon, Ms. Stegmann.	13:17:40
17	My name is Adam Gomez. We introduced --	13:17:41
18	MR. KNIGHT: Mr. Gomez, let me --	13:17:43
19	MR. GOMEZ: Oh, I'm sorry, yes.	13:17:43
20	MR. KNIGHT: I haven't turned over the	13:17:45
21	witness yet.	13:17:48
22	Thank you very much for your help,	13:17:48
23	Mrs. Stegmann. I'm going to reserve the balance	13:17:50
24	of my time. I might or might not have some more	13:17:54
25	questions for you a little bit later, but I'll	13:17:56

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

105

1 turn over the witness.

13:17:59

2 THE WITNESS: Thank you.

13:18:01

3 MR. GOMEZ: Sorry about that.

13:18:01

4 MR. KNIGHT: No worries.

13:18:02

5 EXAMINATION

13:18:02

6 BY MR. GOMEZ:

13:18:03

7 Q Again, Ms. Stegmann, Adam Gomez. I
8 represent the plaintiffs in this litigation. We
9 did not notice your deposition, but since you're
10 here and you're appearing and kind enough to
11 answer questions, I have a few for you today.

13:18:03

13:18:06

13:18:08

13:18:11

13:18:13

12 My allotment of time is limited to an
13 hour. I hope to be shorter than that, but if I'm
14 moving quickly, it's just out of respect of that
15 one hour allotment, okay?

13:18:17

13:18:19

13:18:22

13:18:24

16 A Okay, thank you.

13:18:26

17 Q Also, by virtue of kind of going second,
18 it will seem like I'm jumping around from topic to
19 topic. That is just by virtue of the way it is, I
20 think, going second, so I don't mean to confuse
21 you or kind of move off track.

13:18:26

13:18:30

13:18:33

13:18:35

13:18:38

22 If at any point in time, what I'm asking
23 doesn't make sense, you need to clarify it,
24 whatever the case might be, I want to make sure
25 you understand the question. Just let me know,

13:18:40

13:18:43

13:18:45

13:18:46

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

106

1	okay?	13:18:48
2	A Okay.	13:18:48
3	Q Before I get into some of the topics that	13:18:49
4	I have prepared to discuss with you today, I do	13:18:53
5	want to revisit some of the things you discussed	13:18:55
6	with counsel.	13:18:58
7	First, do you recall being asked a series	13:19:00
8	of questions about the expectations of Oxy Vinyls,	13:19:02
9	specifically expectations of rail carriers as	13:19:08
10	shipping Oxy Vinyls' products?	13:19:11
11	A I don't -- I think he asked, but I	13:19:18
12	don't -- I wouldn't be able to rephrase the	13:19:20
13	question.	13:19:20
14	Q Fair enough. But you remember generally a	13:19:20
15	discussion --	13:19:22
16	A Yes.	13:19:22
17	Q -- about what those expectations would be,	13:19:23
18	right?	13:19:25
19	A Yes.	13:19:25
20	Q And I think you testified that one of the	13:19:25
21	expectations is that rail carriers, Norfolk	13:19:27
22	Southern included, would safely ship Oxy Vinyls'	13:19:30
23	products throughout the country, right?	13:19:34
24	A Correct.	13:19:35
25	Q Would you agree that in terms of Class I	13:19:36

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

107

1	railroads that ship freight throughout the	13:19:42
2	country, there's limited competition?	13:19:45
3	A Correct, there is limited competition.	13:19:47
4	Q Another way of saying that is, there's not	13:19:49
5	very many choices for a shipper like Oxy, right?	13:19:53
6	A Not many rail shipping options, correct.	13:19:56
7	Q Yes, I'm just referring to rail shipment	13:19:58
8	right now.	13:20:01
9	A Yes.	13:20:01
10	Q And that's especially true as you go from	13:20:01
11	region to region throughout the United States,	13:20:04
12	right?	13:20:07
13	A It's really through all the United States.	13:20:07
14	You have two Eastern Coast carriers, Norfolk	13:20:09
15	Southern and CSX, and two West Coast shippers,	13:20:12
16	which is typically BNSF or Union Pacific.	13:20:15
17	Q So in the case of Oxy shipping from any of	13:20:19
18	its locations, let's say, in Texas to the East	13:20:23
19	Coast, there's really only two choices?	13:20:26
20	A At the destination on the East Coast,	13:20:28
21	that's correct, and obviously sometimes you have	13:20:32
22	short line railroads that are the delivering	13:20:34
23	carrier but the main haul is one of two eastern	13:20:38
24	carriers.	13:20:41
25	Q So just referring to those two main	13:20:41

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

108

1	eastern carriers, I think you said it's Norfolk	13:20:45
2	Southern and CSX?	13:20:47
3	A CSX.	13:20:49
4	Q So is it fair to say that Oxy expects that	13:20:50
5	in exchange for that kind of exclusivity, that	13:20:56
6	they're going to do a good job with shipping its	13:20:59
7	product?	13:21:02
8	A I think that's fair of what the shipping	13:21:02
9	industry expects, is that our customer -- shipping	13:21:05
10	industry, that you expect, whether there's	13:21:06
11	competition or not, that the carriers are going to	13:21:09
12	perform safely.	13:21:11
13	Q But certainly if you don't have much of a	13:21:12
14	choice, right, there's all the more reason for	13:21:14
15	them to exercise the utmost safety in what they're	13:21:17
16	doing, right?	13:21:21
17	A I think regardless of competition or not,	13:21:21
18	they need to exercise compliance with safety and	13:21:24
19	environmental regulations as well as performance.	13:21:29
20	Q Fair enough. But it's not like you have	13:21:31
21	much choice if in this case Norfolk Southern isn't	13:21:34
22	shipping your product via the rail in the safest	13:21:38
23	manner, right?	13:21:42
24	A Correct. The significant portion of our	13:21:42
25	line haul or origin destination points are closed,	13:21:44

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

109

1	meaning there's only one carrier that can perform	13:21:48
2	that transportation shipment.	13:21:52
3	Q And in this case, at least going from	13:21:55
4	La Porte to the facility in New Jersey, that's	13:21:58
5	Norfolk Southern, right?	13:22:02
6	A Actually, CSX can deliver to the	13:22:02
7	New Jersey area and then it's delivered by	13:22:07
8	Conrail.	13:22:10
9	Q Okay. Understood. But I think you said,	13:22:11
10	and maybe this plays into what you talked about	13:22:13
11	earlier, that at some point Norfolk Southern won	13:22:15
12	over Oxy's business over CSX in that respect,	13:22:17
13	right?	13:22:21
14	A Correct.	13:22:21
15	Q Fair to say that as part of winning that	13:22:21
16	business, there were representations made about	13:22:25
17	shipping the product safely?	13:22:29
18	A Yes. Until this incident, we've had a	13:22:30
19	good shipping history performance with the NS, and	13:22:32
20	so they have been a carrier that performed.	13:22:40
21	Q And as vice president of supply chain for	13:22:42
22	Oxy, has this incident changed your perspective on	13:22:45
23	the safety that Norfolk Southern employs in	13:22:48
24	shipping Oxy's products?	13:22:50
25	A Can you repeat that question?	13:22:54

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

110

1	Q Sure.	13:22:55
2	As vice president of supply chain for Oxy,	13:22:57
3	has this incident, the derailment in	13:22:59
4	East Palestine, changed what you understand to be	13:23:01
5	the way that Norfolk Southern supposedly safely	13:23:04
6	transports your product to the East Coast?	13:23:07
7	A I think we have learned a lot more through	13:23:10
8	the investigation process about what it takes to	13:23:13
9	safely transport product and the response to an	13:23:18
10	incident, and I'll be honest, I think we're	13:23:21
11	disappointed in NS's response.	13:23:25
12	Q What are you specifically disappointed in?	13:23:26
13	When I say "you," I mean Oxy.	13:23:28
14	A When I say Oxy disappoint -- I mean, the	13:23:30
15	response, the immediate response to the incident,	13:23:35
16	and I think from those phone conversations, having	13:23:40
17	more leadership, and what were the checkpoints and	13:23:44
18	knowledge of their executives, and what was a --	13:23:50
19	decision-making controls.	13:23:54
20	It appeared that the contractors had a lot	13:23:55
21	of leeway in the decision-making process.	13:24:00
22	Q You were also asked some questions about	13:24:03
23	the polymerization reaction and the process that	13:24:09
24	Oxy employs at various facilities.	13:24:14
25	Do you recall generally that line of	13:24:15

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

111

1	questioning?	13:24:17
2	A Yes.	13:24:17
3	Q And I think you said it's been some time	13:24:18
4	since you had direct involvement with those	13:24:21
5	processes, right?	13:24:23
6	A Correct, over a decade.	13:24:24
7	Q And I don't want to test your memory on	13:24:25
8	this --	13:24:27
9	A Thank you.	13:24:27
10	Q -- the specifics of that again. But I do	13:24:28
11	want to focus on -- on one kind of segment, and	13:24:31
12	that is the reaction temperature that you were	13:24:33
13	asked about.	13:24:36
14	Do you recall generally those questions?	13:24:36
15	A Yes.	13:24:38
16	Q And correct me if I'm wrong, I think you	13:24:38
17	were asked a question about whether that reaction	13:24:41
18	temperature, again the reaction for polymerization	13:24:44
19	of vinyl chloride, in those facilities takes place	13:24:47
20	at less than 150 degrees Fahrenheit.	13:24:50
21	Do you remember that?	13:24:53
22	A I remember that question, yes.	13:24:54
23	Q And I believe you said that yes, it does,	13:24:55
24	right?	13:24:56
25	A Yes.	13:24:56

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

112

1	Q But that's in the presence of an	13:24:57
2	initiator, right?	13:25:00
3	A Absolutely.	13:25:00
4	Q That's not the application of heat alone,	13:25:01
5	right?	13:25:04
6	A Correct.	13:25:04
7	Q So we're not to take your testimony	13:25:04
8	earlier today to suggest that Oxy applies 150	13:25:07
9	degrees of heat to vinyl chloride monomer, and all	13:25:11
10	of a sudden it polymerizes, right?	13:25:16
11	A Correct. I apologize if that's what was	13:25:18
12	interpreted, but when you react vinyl chloride in	13:25:22
13	a suspension process with water, you are adding	13:25:25
14	organic peroxides, initiators, to initiate the	13:25:28
15	reaction, and then you're heating up the reaction.	13:25:31
16	But it's in the presence of initiators.	13:25:34
17	Q And that's significant for stabilized	13:25:36
18	vinyl chloride monomer because stabilized vinyl	13:25:39
19	chloride monomer doesn't have those initiators	13:25:42
20	present, right?	13:25:44
21	A Correct.	13:25:44
22	Q I promised you I was going to jump around,	13:25:45
23	so I'm going to jump around.	13:25:54
24	You discussed with counsel a little	13:25:56
25	earlier today the derailment in Paulsboro,	13:25:57

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

113

1	New Jersey. Do you remember that?	13:26:01
2	A Yes.	13:26:02
3	Q Paulsboro is just outside of Philadelphia,	13:26:03
4	right?	13:26:05
5	A Correct.	13:26:05
6	Q Major metropolitan city?	13:26:06
7	A Yes.	13:26:08
8	Q And that derailment occurred November of	13:26:08
9	2012, right?	13:26:13
10	A Yes.	13:26:13
11	Q And you had just stepped into the role of	13:26:14
12	director of supply chain?	13:26:17
13	A Correct.	13:26:18
14	Q So fairly significant event that occurred	13:26:18
15	shortly after you entered into or transitioned	13:26:22
16	into a new significant role at Oxy, right?	13:26:24
17	A Correct.	13:26:27
18	Q And I know you said that your involvement	13:26:27
19	was not as, I don't want to put words in your	13:26:29
20	mouth, but as significant or direct, what have	13:26:33
21	you, because you were closing on a house, right?	13:26:35
22	A Correct. I would have been responding in	13:26:39
23	the SSP room directly for that derailment	13:26:41
24	incident. I was called to, but I was in closing	13:26:44
25	and so somebody else performed that role.	13:26:48

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

114

1 Q So with the understanding that you may not 13:26:50
2 have had as much direct involvement as you would 13:26:53
3 typically have in your role as director of supply 13:26:56
4 chain, what can you tell me that you recall about 13:26:59
5 any technical assistance that Oxy provided for the 13:27:04
6 Paulsboro derailment? 13:27:08

7 A Yes, so I know that Tom Woodka, who was a 13:27:09
8 Pedricktown plant manager at the time, went to 13:27:15
9 meetings and went to the scene. They did not 13:27:19
10 appear to need direct help at -- in handling the 13:27:21
11 incident, but he was available and also eyes for 13:27:24
12 Oxy to communicate what was occurring. 13:27:29

13 And, again, you hear a lot on the news 13:27:31
14 media, but you also like to have a person present 13:27:33
15 to see the actual results and what's occurring, 13:27:35
16 the actual events unfolding. 13:27:39

17 The only other area of concern that I 13:27:42
18 remember hearing about was, I believe the Coast 13:27:44
19 Guard was involved because the vinyl chloride 13:27:48
20 monomer railcar was in a waterway, and there was 13:27:51
21 some thoughts about how to handle that car and the 13:27:54
22 release of vinyl chloride as it relates to the 13:27:59
23 water, the way it released. 13:28:03

24 And so there was -- what I just recall is 13:28:06
25 that the Coast Guard doesn't typically have that 13:28:09

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

115

1	kind of response -- responsibilities, and so that	13:28:11
2	added to some confusion.	13:28:13
3	Q And with that kind of added element of the	13:28:15
4	Coast Guard being involved, was there any, to your	13:28:18
5	knowledge, interfacing between Oxy and Coast	13:28:21
6	Guard?	13:28:24
7	A I don't think so. I just -- I just	13:28:24
8	remember that from the incident and the general	13:28:27
9	discussions, but I can't speak to anything other	13:28:30
10	than Tom Woodka being at times on scene.	13:28:33
11	Q Okay. I'm going to ask you a few more	13:28:38
12	questions about it, again with the understanding	13:28:41
13	that you may not have been as directly involved,	13:28:42
14	okay?	13:28:44
15	A Okay.	13:28:44
16	Q Are you aware that in connection with the	13:28:45
17	Paulsboro derailment, the line that the train was	13:28:49
18	running on was a shared line between Conrail and	13:28:53
19	Norfolk Southern?	13:28:55
20	A I know it was a Conrail line, and I know	13:28:56
21	Conrail is a joint ownership between CSX and NS.	13:29:00
22	Q Okay. And do you recall any involvement	13:29:04
23	interactions between the folks at Oxy and Norfolk	13:29:08
24	Southern specifically with respect to the	13:29:15
25	Paulsboro derailment back in 2012?	13:29:18

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

116

1	A	No, I do not.	13:29:20
2	Q	Do you recall --	13:29:21
3	A	I would state --	13:29:22
4	Q	Oh, I'm sorry.	13:29:23
5	A	-- that NS, Norfolk Southern, was not	13:29:24
6		carrying our VCM at that time.	13:29:26
7	Q	It was on a different carrier?	13:29:29
8	A	It was on the CSX.	13:29:30
9	Q	Understood.	13:29:31
10		Do you have any recollection of whether	13:29:36
11		there was an incident or a Unified Command set up	13:29:37
12		for that derailment?	13:29:40
13	A	I do believe there was.	13:29:41
14	Q	And was the railroad, whether it was	13:29:44
15		Conrail, CSX, Norfolk Southern, were they part of	13:29:49
16		that Unified Command?	13:29:51
17	A	I don't recall specifically.	13:29:53
18	Q	And if you don't know or you don't recall,	13:29:57
19		that is totally fine with me.	13:29:59
20	A	Yes, yep.	13:30:00
21	Q	Do you recall any specifics about	13:30:01
22		interactions between Oxy and the railroad in	13:30:06
23		connection with the Paulsboro derailment, whether	13:30:09
24		it is CSX, Conrail, or NS?	13:30:11
25	A	Yes. I remember Dean Pisani, the vice	13:30:14

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

117

1 president of sales and marketing, reaching out to 13:30:18
2 the Oxy vice president at the time, Robin Burns, 13:30:19
3 phone call to communicate that the incident and 13:30:23
4 there was some key notations, much like Meghan 13:30:26
5 Achimasi reached out to me by email notifying me, 13:30:29
6 which is typical in that kind of event and just 13:30:33
7 opening those lines of communications. 13:30:36

8 MR. GOMEZ: What exhibit are we up to? 13:30:44

9 COURT REPORTER: 10. 13:30:49

10 Q Ms. Stegmann, I'm going to hand you 13:30:51
11 document that we're going to mark as Exhibit 10 to 13:30:53
12 your deposition. And please forgive me, I am a 13:30:56
13 one-man show today, so this is going to take a 13:31:00
14 little bit longer than it would normally take. 13:31:09

15 Once that's been marked, please take a 13:31:11
16 look at it. I'm going to have a few questions 13:31:13
17 once you've had a chance to review it, and in the 13:31:15
18 interim I will load these up so that all the other 13:31:18
19 counsel will have a copy. 13:31:20

20 (Exhibit 10 marked.) 13:31:21

21 A (Reviewing document.) Okay, I've read the 13:31:42
22 document. 13:31:46

23 Q Great, thank you. This document, what 13:31:46
24 we've marked as Exhibit 10 to your deposition, it 13:31:47
25 appears to be an email thread that originates, 13:31:49

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

118

1	let's see, if we look at the bottom email, July	13:31:54
2	25th, 2023; is that fair?	13:31:57
3	A Correct.	13:32:00
4	Q And the first email in the thread, which	13:32:04
5	again, appears at the bottom of the first page,	13:32:06
6	and it heads on to the second page, is from Celina	13:32:08
7	Cardenas; is that right?	13:32:13
8	A Correct.	13:32:14
9	Q And in that long list of recipients, you	13:32:14
10	are listed as one of the recipients, right?	13:32:18
11	A Correct.	13:32:19
12	Q These -- this email that we're looking at,	13:32:20
13	specifically the July 25th email from	13:32:25
14	Ms. Cardenas, it appears to be forwarding links to	13:32:29
15	several media pieces or articles that might be of	13:32:34
16	interest to the team; is that a fair	13:32:38
17	characterization?	13:32:40
18	A Yes.	13:32:40
19	Q And one of the articles that is referenced	13:32:43
20	there in the bullet point on the second page is	13:32:45
21	Ohio train derailment article. Do you see that?	13:32:48
22	A I do.	13:32:51
23	Q Okay. Now, looking at the -- the next	13:32:51
24	email in the thread, it looks like that is from	13:32:55
25	Wade Alleman -- is that how you pronounce the	13:32:57

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

119

1	name?	13:33:01
2	A Alleman.	13:33:01
3	Q Alleman. And, again, please remind me who	13:33:02
4	Wade Alleman is.	13:33:04
5	A Now or at the time of the derailment?	13:33:05
6	Q Great question. At the time of the	13:33:08
7	derailment.	13:33:10
8	A At the time of the derailment, he was	13:33:10
9	the -- is the senior vice president of business	13:33:13
10	and development.	13:33:17
11	Q And do you report to him?	13:33:18
12	A At that time I did.	13:33:21
13	Q Okay. Understood. And with respect to	13:33:21
14	this email at least, all my questions are focused	13:33:26
15	on this time frame.	13:33:28
16	A Okay.	13:33:29
17	Q Okay. And his response is later that day,	13:33:29
18	right, it looks like?	13:33:34
19	A Yes.	13:33:35
20	Q And if we look at what he says, it reads:	13:33:38
21	Note, buried in the articles is the Paulsboro VCM	13:33:45
22	train derailment from 11 years ago.	13:33:49
23	Do you see that?	13:33:51
24	A I do.	13:33:52
25	Q That is the derailment that we have just	13:33:52

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

120

1	been discussing, right?	13:33:54
2	A Correct.	13:33:55
3	Q It goes on to say: For those not	13:33:55
4	involved, similar event. The train ran through	13:34:00
5	the small bridge/track that was not properly	13:34:03
6	latched (as I think I remember) which caused	13:34:06
7	derailment and gash in our VCM car and several	13:34:11
8	sprawled over the track.	13:34:15
9	Did I read that correctly?	13:34:18
10	A Yes, you did.	13:34:18
11	Q And I think that is consistent with what	13:34:18
12	you recalled earlier today that there was one VCM	13:34:20
13	car that was breached, right?	13:34:25
14	A Correct.	13:34:25
15	Q And the email goes on to say: No fire.	13:34:27
16	If I remember correctly, we provided some	13:34:29
17	technical advisor service, and they had some dumb	13:34:32
18	ideas that we steered them from.	13:34:36
19	Did I read that correctly?	13:34:37
20	A Yes.	13:34:38
21	Q The paragraph finishes: It did not get	13:34:39
22	near the political press the latest one is	13:34:41
23	getting, right?	13:34:44
24	A Correct.	13:34:44
25	Q I want to focus on that second-to-last	13:34:45

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

121

1	sentence that we've just been discussing. No	13:34:47
2	fire. If I remember correctly, we provided some	13:34:51
3	technical advisor service.	13:34:53
4	The reference in what I just read to	13:34:56
5	technical advisor service, do you have any	13:34:58
6	recollection of what that technical advisor	13:35:00
7	service was specifically?	13:35:02
8	A I don't know specifically, but I believe	13:35:04
9	that is why we had Tom Woodka, the local plant	13:35:05
10	manager, on the scene, and then if there was	13:35:09
11	questions, he could come back just like we had	13:35:13
12	with Steve Smith and have access to our technical	13:35:15
13	community.	13:35:18
14	Q Okay. And that -- that same sentence goes	13:35:18
15	on to say: They had some dumb ideas that we	13:35:22
16	steered them from.	13:35:25
17	Do you see that?	13:35:26
18	A Yes.	13:35:27
19	Q Now, I understand that you did not write	13:35:27
20	this email, but as a recipient, do you know who	13:35:29
21	the "they" are that was referenced in that	13:35:31
22	sentence?	13:35:33
23	A Not specifically.	13:35:33
24	Q Do you have -- can you surmise at all who	13:35:36
25	that may have been, based on your experience at	13:35:40

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

122

1	Oxy at the time?	13:35:42
2	A "They" being some of the responders	13:35:43
3	involved in the Paulsboro incident. I know in	13:35:46
4	context it was related to the response ideas, and	13:35:49
5	that is why I brought up the Coast Guard and	13:35:55
6	possibly handling of the event. Because --	13:35:58
7	because it was a waterway, if I recall correctly,	13:36:01
8	they were like a lead -- lead agency in the	13:36:04
9	effort.	13:36:08
10	Q Okay. And I think you picked up where I	13:36:08
11	was going on this. There is a reference to,	13:36:12
12	quote, dumb ideas. Do you see that?	13:36:14
13	A Yes.	13:36:16
14	Q And steering -- and steering them, whoever	13:36:17
15	they are, away from dumb ideas, right?	13:36:20
16	A I see that reference.	13:36:22
17	Q Do you know what the dumb ideas are that	13:36:23
18	are being referenced here?	13:36:26
19	A Not specifically that I could discuss in	13:36:26
20	any detail.	13:36:29
21	Q Fair enough. One of the response efforts	13:36:29
22	in Paulsboro was implementing an evacuation zone.	13:36:32
23	Are you familiar with that?	13:36:38
24	A Just -- that would make sense. I don't	13:36:38
25	know why -- you know, I know East Palestine was a	13:36:42

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

123

1	mile, and they talked about structures. I don't	13:36:45
2	remember the details from that long ago.	13:36:47
3	Q And understanding that you may not recall	13:36:48
4	those details, does it sound familiar that the	13:36:53
5	evacuation zone was 12 miles?	13:36:55
6	A I don't recall that, to be honest.	13:36:58
7	Q And does it sound familiar that the	13:37:01
8	evacuation zone was implemented for three days?	13:37:07
9	A I do know it was multiple days.	13:37:09
10	Q And was all concerning one breached vinyl	13:37:11
11	chloride monomer car, right?	13:37:15
12	A Yes.	13:37:16
13	Q And if we fast forward to East Palestine,	13:37:16
14	the evacuation zone that was implemented by NS and	13:37:20
15	its contractors was one mile, right?	13:37:26
16	A I do recall the one mile based on the	13:37:26
17	emergency response guide.	13:37:28
18	Q Okay. And that is one mile for a town of	13:37:30
19	roughly 5,000 people, right?	13:37:35
20	A Correct. That's my understanding of the	13:37:36
21	population.	13:37:39
22	Q And that was -- those were some of the	13:37:39
23	factors that Oxy was considering when they were	13:37:41
24	presented by NS and its contractors with the idea	13:37:44
25	of an evacuation zone, and I think you said it was	13:37:47

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

124

1	kind of shocking, right?	13:37:51
2	A I don't -- I don't want to imply that it	13:37:52
3	was one mile versus a 12-mile related to this	13:37:54
4	incident. I think what was shocking to us was the	13:37:56
5	reporting of a potential BLEVE and then our	13:38:01
6	familiarity with what the appropriate evacuation	13:38:05
7	zone is relative to a BLEVE.	13:38:13
8	And I think after it was presented, we	13:38:14
9	understood that a mile, based on the emergency	13:38:17
10	response guide, is a standard, but again, when we	13:38:19
11	first heard of it, it just seemed concerning.	13:38:26
12	Q Okay. So if I understand correctly, what	13:38:28
13	was concerning was the idea that you're being	13:38:30
14	presented with the potential for a BLEVE, and at	13:38:33
15	the same time, the evacuation zone that was at	13:38:36
16	least presented at that point in time was limited	13:38:40
17	to one mile?	13:38:42
18	A Correct.	13:38:43
19	Q And that, at least at first, did not	13:38:43
20	strike you as consistent?	13:38:48
21	A Correct.	13:38:49
22	Q Because a BLEVE is a major explosion?	13:38:54
23	A Yes, an uncontrolled catastrophic	13:38:55
24	explosion.	13:38:58
25	Q With a resulting release of the lading in	13:38:59

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

125

1	the car, right?	13:39:00
2	A Right, and shrapnel flying.	13:39:01
3	Q And there were five cars that were	13:39:03
4	implicated at the time, right?	13:39:05
5	A We had five cars in the derailment, yes.	13:39:06
6	Q I want to switch gears and put that aside,	13:39:25
7	please.	13:39:28
8	I'm going to mark as Exhibit 11 another	13:39:28
9	document to your deposition. Again, just take a	13:39:39
10	look at that while I queue this up for everybody,	13:39:42
11	and I will have some questions for you.	13:39:45
12	(Exhibit 11 marked.)	13:39:46
13	A Yes. This is a repeat document from	13:39:48
14	earlier today.	13:39:50
15	Q Oh, I'm sorry, we marked this already. We	13:39:50
16	can just reference it -- I think it's Exhibit 9,	13:40:03
17	right?	13:40:03
18	A Here is 11, and it was 9 before, yes.	13:40:03
19	Q Okay. So we're going to pretend like 11	13:40:03
20	hasn't been marked. If you can just hand that	13:40:07
21	back, we'll use 9, and we will reuse that sticker.	13:40:09
22	Thank you for that.	13:40:12
23	But you were asked some questions about	13:40:14
24	this earlier, right?	13:40:15
25	A Yes.	13:40:16

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

126

1	Q You were asked about, I believe, the	13:40:17
2	Chlorine Institute, right?	13:40:18
3	A I was asked some questions about the	13:40:20
4	Chlorine Institute, that is correct.	13:40:22
5	Q And again, just please correct me if I'm	13:40:29
6	wrong, one of the things you mentioned was being	13:40:31
7	somewhat surprised that Drew McCarty from SPSI was	13:40:33
8	communicating with the Chlorine Institute when he	13:40:37
9	had a direct line to certain folks at Oxy, right?	13:40:39
10	A Yeah. Just the timing. I mean, it was	13:40:42
11	very soon. If he was corresponding to both, that	13:40:44
12	is great, but yes, I just -- it's kind of	13:40:47
13	surprising when we -- when I received this.	13:40:51
14	Q The Chlorine Institute didn't manufacture	13:40:56
15	the VCM that was in the five railcars in	13:40:57
16	East Palestine, right?	13:41:01
17	A No, they did not.	13:41:01
18	Q That was Oxy's product, correct?	13:41:02
19	A Correct.	13:41:04
20	Q Oxy is the expert in its own products,	13:41:04
21	right?	13:41:06
22	A Correct.	13:41:06
23	Q If we look at this email that was marked	13:41:07
24	as Exhibit 9 -- well, first of all, it looks to be	13:41:09
25	a forward of Robyn Kinsley's email, right?	13:41:15

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

127

1	A	Correct.	13:41:18
2	Q	And the forward was from John Brennan to	13:41:19
3		you and Paul Thomas on February 4, 2023, at	13:41:22
4		4:47 p.m., right?	13:41:28
5	A	Correct.	13:41:29
6	Q	Who is John Brennan?	13:41:29
7	A	John Brennan is our senior vice president	13:41:31
8		of manufacturing.	13:41:34
9	Q	John Brennan also participated in the	13:41:35
10		conversations with Norfolk Southern and its	13:41:38
11		contractors regarding the technical advice that	13:41:40
12		was being provided by the team in Dallas, right?	13:41:42
13	A	I know he was there, yes, and I know	13:41:44
14		specifically he was on Sunday morning's call. I	13:41:47
15		do not recall if he was on Saturday night.	13:41:51
16	Q	That Sunday morning call that you	13:41:53
17		referenced is the one where John Brennan was	13:41:55
18		adamant that polymerization wasn't occurring,	13:41:56
19		right?	13:41:59
20	A	Yes. He responded with a clear	13:41:59
21		conviction.	13:42:01
22	Q	Let's look at the email that Mr. Brennan	13:42:01
23		forwarded to you.	13:42:06
24	A	He also was our Chlorine Institute	13:42:07
25		representative for many years.	13:42:09

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

128

1	Q Oh, okay. What's the significance of	13:42:13
2	that, or what does it mean?	13:42:15
3	A I'm just saying, I know he represented us	13:42:16
4	on I guess a higher level committee, maybe the	13:42:18
5	board committee.	13:42:21
6	Q Okay, understood. Thank you.	13:42:25
7	A Yes.	13:42:26
8	Q So looking at the email, it reads: I just	13:42:26
9	spoke with Drew McCarty from SPSI.	13:42:29
10	Right?	13:42:31
11	A Yes.	13:42:31
12	Q And I don't want to read the whole thing,	13:42:31
13	but there's a reference as we keep going that they	13:42:33
14	spotted all five VCM cars, right?	13:42:37
15	A Yes.	13:42:42
16	Q It goes on to say: He was talking fast	13:42:42
17	but here's what I gathered about the five cars.	13:42:45
18	Three are burning from the protective housing, one	13:42:48
19	is jetting flame out of the PRD and has serious	13:42:50
20	heat impingement, and one is experiencing heat	13:42:54
21	impingement sitting between two other different	13:42:58
22	products -- or different product cars that are on	13:42:59
23	fire.	13:43:01
24	Correct?	13:43:02
25	A Yes.	13:43:02

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

129

1	Q This is sent at 10:38 a.m., Saturday,	13:43:02
2	February 4th, right?	13:43:04
3	A Yes.	13:43:05
4	Q The email goes on to say: None of the	13:43:05
5	tank cars have split.	13:43:08
6	Right?	13:43:10
7	A Yet.	13:43:10
8	Q Yet, I'm sorry. None of the tank cars	13:43:11
9	have split yet?	13:43:13
10	A Correct.	13:43:14
11	Q And: It took some effort by SPSI and NS	13:43:14
12	to get the fire responders farther out from the	13:43:18
13	hot zone.	13:43:20
14	Right?	13:43:21
15	A Correct.	13:43:21
16	Q And then at least according to this email,	13:43:21
17	Drew McCarty believed that all were starting to	13:43:26
18	calm down, right?	13:43:28
19	A Correct. Well, they say "they," so	13:43:29
20	it's -- it would seem like it's Drew since he	13:43:32
21	spoke to Drew, but...	13:43:36
22	Q Okay. And that their plan, whoever	13:43:38
23	"their" is, is to hot tap and liquid flare all	13:43:40
24	before they can polymerize.	13:43:43
25	Do you see that?	13:43:46

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

130

1	A Yes.	13:43:46
2	Q So there was -- let me withdraw that.	13:43:47
3	Having received this email on February	13:43:51
4	4th, 2023, and looking at it now, is it your	13:43:53
5	understanding that SPSI, and specifically Drew	13:43:57
6	McCarty, was concerned about polymerization as	13:44:01
7	early as 10:38 in the morning on February 4th,	13:44:04
8	2023?	13:44:06
9	A Yes.	13:44:06
10	Q And as you sit here today, having been	13:44:07
11	involved in the special situations team and	13:44:12
12	involved in any other investigations, fair to say	13:44:14
13	that there was no data at 10:38 a.m. on February	13:44:18
14	4th, 2023, to support any conclusion that	13:44:23
15	polymerization was occurring in the VCM cars,	13:44:26
16	right?	13:44:29
17	A We are -- I'm not -- we are not aware of	13:44:29
18	any data that was available at 10:38 to support	13:44:32
19	that polymerization was a concern.	13:44:35
20	Q Do you have any idea how at 10:38 a.m. on	13:44:37
21	February 4th, 2023, Drew McCarty came to start	13:44:40
22	thinking about polymerization if there was no data	13:44:44
23	to support that?	13:44:46
24	A Only from the statements that they shared	13:44:47
25	in East Palestine in that public hearing.	13:44:49

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

131

1	Q The hearings held by the NTSB, that's what	13:44:53
2	you're referring to?	13:44:56
3	A Yes.	13:44:56
4	Q What statements specifically, if I might	13:44:56
5	ask?	13:44:58
6	A I'm just saying that through that	13:44:58
7	process and -- and also on our phone calls, he	13:45:00
8	stated that they relied -- I know on our one phone	13:45:05
9	call that he relied on his training. I remember	13:45:09
10	hearing the training, Pueblo, Colorado.	13:45:11
11	And I know Drew's focus -- he heard our	13:45:14
12	discussions Saturday night and then Sunday	13:45:19
13	morning, and again, I think Saturday night was, I	13:45:21
14	hear that you don't think polymerization is a	13:45:24
15	concern but that doesn't agree with our training.	13:45:27
16	And he and Chip Day kept referencing the	13:45:31
17	training that they received, and I think that they	13:45:35
18	categorized monomers as a generic class of	13:45:37
19	chemicals, "monomers" meaning styrene and other	13:45:41
20	monomers.	13:45:43
21	And "monomers" is a generic term, and each	13:45:45
22	has its own chemical properties and	13:45:48
23	characteristics and how they're stabilized and	13:45:50
24	what their reaction potential and end product is.	13:45:54
25	Q To put a fine point on it, you can't treat	13:46:00

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

132

1	all monomers the same in an emergency response	13:46:03
2	situation, right?	13:46:06
3	A Yes, well said. And that would be my	13:46:06
4	view. I mean, I think -- but what he was saying	13:46:09
5	is he got general monomer training and that's	13:46:11
6	how -- I think that's how they approached it.	13:46:13
7	Well -- yeah, that would be my view.	13:46:17
8	Q So, again, correct me if I'm wrong with	13:46:18
9	this, am I to take what you just said, that they,	13:46:21
10	being Chip Day and Drew McCarty, put, in your --	13:46:27
11	to your mind, put their training over the advice	13:46:32
12	that Oxy was giving them?	13:46:36
13	A That is my viewpoint that I walked away	13:46:38
14	from the phone calls, and then as the actions	13:46:42
15	played out, that's how I view the situation.	13:46:45
16	Q I want to go back to some of the facts	13:46:49
17	that are -- that are put forward in this -- in	13:46:52
18	this email here. Again, we're talking about a	13:46:54
19	conversation that, by the looks of this email,	13:46:57
20	took place before 10:38 Saturday, February 4th,	13:47:00
21	right?	13:47:02
22	A Right, and we were notified at 8:40.	13:47:02
23	Q And, again, there's a concern at that	13:47:05
24	point from folks, including Drew McCarty, about	13:47:09
25	polymerization, right?	13:47:13

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

133

1	A And I would say even before then, because	13:47:13
2	this is Robyn emailing it at 10:38, but they had	13:47:17
3	already had a conversation, so I would say it was	13:47:22
4	even earlier than 10:38.	13:47:24
5	Q So we don't know how early or how much	13:47:26
6	earlier that --	13:47:28
7	A Correct.	13:47:29
8	Q -- that might have happened?	13:47:29
9	A Correct.	13:47:30
10	Q But at the latest 10:38, right?	13:47:31
11	A Correct.	13:47:32
12	Q Now, you have come to learn that between	13:47:33
13	when the derailment happened, the evening of	13:47:39
14	February 3rd, to this point in time, 10:38 a.m.	13:47:41
15	February 4th, the PRDs for the vinyl chloride	13:47:45
16	monomer cars had been activating, right?	13:47:50
17	A They had been -- yes, they had been	13:47:53
18	cycling and activating, opening and then	13:47:55
19	resealing, closing, and cycling on like a	13:47:57
20	two-minute or, you know, often period.	13:48:01
21	Q And understanding you may not know the	13:48:03
22	specifics of how often they were cycling, is it	13:48:05
23	fair to say you understand that they were	13:48:09
24	continuously cycling over that period?	13:48:11
25	A Yes, it was like an eight or nine-hour	13:48:13

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

134

1 period, because they reported that on the call 13:48:16
2 that Saturday evening. 13:48:21

3 Q So if we look at this email, there's a 13:48:22
4 concern polymerization may occur, but there's no 13:48:25
5 indication that they believed polymerization had 13:48:29
6 already occurred, right? 13:48:31

7 A It may occur at this time, of this email. 13:48:32

8 Q At it may -- it may occur after the point 13:48:36
9 in time of this email, right? 13:48:40

10 A Based on the way that Robyn summarized the 13:48:41
11 discussion with Drew McCarty. 13:48:44

12 Q Understood. 13:48:45

13 So fair to say that you interpret this 13:48:47
14 email as Drew McCarty, SPSI, and potentially 13:48:50
15 others, believing polymerization might happen in 13:48:56
16 the future even though the PRDs had already been 13:49:00
17 continuously cycling since the train's -- since 13:49:02
18 the train derailed the night of February 3rd? 13:49:07

19 A And I don't put as much credibility in 13:49:09
20 this email as much as the Saturday evening call 13:49:11
21 where he kind of recapped the day's events and 13:49:15
22 what his observations were, but they aligned with 13:49:17
23 what is in this email. 13:49:19

24 Q Understood. 13:49:21

25 And what I'm -- what I'm getting at, 13:49:21

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

135

1	Ms. Stegmann, is at some point when -- later on	13:49:23
2	Saturday when you have the conference call with	13:49:27
3	Drew McCarty and others, that's when you-all at	13:49:30
4	Oxy are first told, we're concerned polymerization	13:49:34
5	is occurring in the cars, right?	13:49:36
6	A Correct.	13:49:38
7	Q And the data point cited to you-all at Oxy	13:49:38
8	as to why polymerization is occurring, is the	13:49:43
9	activation of the PRD devices, right?	13:49:46
10	A It was specifically the energetic release	13:49:49
11	of the -- the one car, I believe it was the third	13:49:56
12	car in the derailment, I don't recall the number,	13:49:59
13	but it was the third one, and it released for 60	13:50:02
14	to 70 minutes. And they felt like that energetic	13:50:06
15	release was an indication of a reaction occurring	13:50:11
16	and polymerization, and it's -- it's that -- that	13:50:14
17	was at one point discussed as a concern.	13:50:18
18	Q But PRDs activating is not a sign of	13:50:21
19	polymerization, right?	13:50:24
20	A No. That's how they normally operate.	13:50:24
21	Q In fact, the PRDs activating helps to	13:50:27
22	reduce the pressure within the cars, right?	13:50:32
23	A Correct. It's part of the thermal	13:50:34
24	protection system of a railcar.	13:50:35
25	Q And the PRDs activating have a downstream	13:50:37

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

136

1	effect on managing the temperature within the cars	13:50:41
2	as well, right?	13:50:43
3	A The vinyl -- vinyl flashing actually	13:50:44
4	provides a cooling effect within the railcar.	13:50:48
5	Q So fair to say as you sit here today, you	13:50:50
6	don't believe that the PRDs activating, even	13:50:53
7	energetically later in the day, were any	13:50:56
8	indication of polymerization occurring in those	13:50:59
9	cars?	13:51:00
10	A No, I actually believe it was all normal	13:51:01
11	course of action for the PRD and the way -- the	13:51:04
12	way you would have expected the relief valves to	13:51:07
13	be reacting -- performing.	13:51:10
14	Q I'm going to mark for you now as Exhibit	13:51:12
15	11 this document. Once you've had a chance to	13:51:33
16	look at that, I will ask you some questions.	13:51:35
17	(Exhibit 11 marked.)	13:51:35
18	MR. GOMEZ: And I apologize, Counsel, that	13:51:36
19	I didn't upload the prior document, but I think	13:51:37
20	you-all should have it.	13:51:40
21	A Yes, I'm familiar. I have read the	13:52:12
22	document.	13:52:16
23	Q You have read that document, which is	13:52:16
24	actually -- let's see, it is Group D, Exhibit 31	13:52:16
25	to the NTSB investigative hearings, right?	13:52:20

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

137

1	A Yes. It was part of that exhibit.	13:52:23
2	Q Okay. And the title from the NTSB	13:52:26
3	investigation is Oxy Vinyls' letter to NTSB	13:52:28
4	referencing SDS sourced documents April 11th,	13:52:32
5	2022. It's the first on the cover page; is that	13:52:39
6	correct?	13:52:40
7	A Yes.	13:52:40
8	Q And the actual substantive document	13:52:41
9	appears to be an April 11th, 2023 letter that you	13:52:42
10	authored, right?	13:52:46
11	A I did not author. It was written, and I	13:52:50
12	reviewed and signed as the party representative.	13:52:52
13	Q Fair enough. It was submitted by you?	13:52:55
14	A By me as the party representative to the	13:52:57
15	investigation.	13:52:59
16	Q Okay. And am I correct that the purpose	13:53:00
17	of this letter that was submitted by you was to	13:53:04
18	provide the NTSB with information regarding the	13:53:08
19	safety data sheet for vinyl chloride monomer?	13:53:11
20	A Yes. They had a request -- this was one	13:53:14
21	of their many requests for information, and I	13:53:17
22	believe it was -- they wanted the source documents	13:53:21
23	that our SDSs were based off of.	13:53:26
24	Q And did you understand at the time that	13:53:29
25	you submitted this letter to the NTSB that one of	13:53:31

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

138

1	the reasons why this information was being	13:53:33
2	requested of you was questions about what the SDS	13:53:35
3	says regarding polymerization?	13:53:38
4	A Yes. We realized it was being challenged.	13:53:40
5	Q And SDS is an OSHA requirement, isn't it?	13:53:43
6	A It is a OSHA hazardous communications	13:53:48
7	requirement, yes.	13:53:51
8	Q And the intention of that document is to	13:53:52
9	protect anyone downstream of the product	13:53:57
10	manufacturer who may come in contact with the	13:54:00
11	chemical, right?	13:54:02
12	A Can you repeat that?	13:54:02
13	Q Sure. The purpose of that document is to	13:54:03
14	provide information to anyone downstream of the	13:54:06
15	manufacturer about the propensities or the	13:54:10
16	properties of the chemical, right?	13:54:14
17	A I think it's broader than that. It is	13:54:15
18	anybody working in our facility.	13:54:17
19	Q Okay.	13:54:18
20	A And even us as a user -- you know, general	13:54:18
21	user within our organization. So it is a broad	13:54:21
22	communication document for industrial uses, even	13:54:25
23	within our own facility or by our contractor.	13:54:28
24	Q And that is really my question. Would you	13:54:30
25	agree with me that it's a document of general	13:54:32

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

139

1	applicability?	13:54:34
2	A Broad audience and a wide range of	13:54:35
3	applicability.	13:54:39
4	Q And that is why it's a standardized	13:54:40
5	document, right?	13:54:42
6	A Correct.	13:54:43
7	Q So that it provides certain standard	13:54:43
8	information, regardless of what chemical?	13:54:47
9	A In a consistent format, regardless of the	13:54:49
10	chemical so that you -- you're looking at a	13:54:51
11	similar format, similar content across a wide	13:54:55
12	range of chemicals.	13:54:58
13	Q And that helps it be used as a quick	13:54:59
14	reference in an immediate response action, right?	13:55:01
15	A Correct, or a familiar reference.	13:55:03
16	Q In your experience with supply chain, can	13:55:05
17	you just describe for me what some of the	13:55:11
18	different settings and users that might come into	13:55:13
19	contact with VCM might be?	13:55:16
20	MS. BROZ: Objection, form.	13:55:21
21	A Can you --	13:55:22
22	Q Sure. Let me rephrase that. Let me	13:55:23
23	rephrase that.	13:55:25
24	Fair to say that in your role as supply	13:55:26
25	chain, you are overseeing or involved with the	13:55:30

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

140

1	transportation of VCM to a variety of different	13:55:35
2	end users?	13:55:39
3	A Correct, to customers really, customers.	13:55:40
4	Q And customers that might be in different	13:55:45
5	settings. For example, some might in laboratory,	13:55:47
6	some might be warehouses, some might be in an	13:55:49
7	industrial processing facility?	13:55:53
8	A General processing facilities because of	13:55:53
9	the quantity of a railcar, but, again, they might	13:55:54
10	have different applications.	13:55:58
11	Q And other people might be -- might come	13:55:59
12	into contact with at least the -- the vessel that	13:56:02
13	is shipping the vinyl chloride monomer along the	13:56:06
14	way, right?	13:56:08
15	A Correct.	13:56:08
16	Q There could be rail workers, right?	13:56:09
17	A Yes.	13:56:11
18	Q Yes, there could be sailors, right?	13:56:13
19	A I don't know, in general --	13:56:15
20	Q It could be anybody?	13:56:17
21	A Right.	13:56:18
22	Q The idea behind the SDS is that it is	13:56:18
23	supposed to provide information independent of the	13:56:21
24	specific setting in which someone may interact	13:56:24
25	with vinyl chloride monomer, right?	13:56:27

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

141

1 A Again, it's a broad communication document 13:56:28
2 used to communicate potential hazards in a wide 13:56:32
3 range of settings. 13:56:36

4 Q It's not supposed to be the last word on 13:56:37
5 how to handle a specific emergency response 13:56:42
6 situation, right? 13:56:45

7 A It is a source document and a tool. 13:56:45

8 Q Just one tool in the toolbox? 13:56:48

9 A Correct. 13:56:49

10 Q What are some of the other tools in the 13:56:50
11 toolbox? 13:56:52

12 A Well, if you look in this case, we 13:56:52
13 provided technical assistance via communications, 13:56:55
14 phone, meetings. We also, as a -- from our 13:57:00
15 product ownership, we sent folks to East Palestine 13:57:06
16 to be on the ground, you know, again, having that 13:57:10
17 face-to-face interaction. 13:57:13

18 So there is different tools that can be 13:57:16
19 utilized, and this is just one tool and one 13:57:19
20 mechanism to communicate. 13:57:22

21 There is also the Rail Ask app, I think 13:57:25
22 that is what it is called, but they're the -- 13:57:29
23 the -- the railroad industry has been trying to 13:57:31
24 use apps to communicate SDSs or emergency guidance 13:57:34
25 documents on cell phone or electronically 13:57:40

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

142

1	available.	13:57:44
2	Q And because the SDS is just one tool in	13:57:44
3	the toolbox, if there's inconsistencies or	13:57:47
4	questions about what the SDS means, Oxy is the	13:57:52
5	best resource to provide guidance on that, right?	13:57:55
6	MR. KNIGHT: Objection, foundation.	13:57:59
7	A Correct. Oxy is a key resource especially	13:58:00
8	as the product donor in this situation.	13:58:06
9	Q Let's put that one aside, and we'll mark	13:58:13
10	as Exhibit 12 --	13:58:16
11	MR. KNIGHT: For the record, did y'all get	13:58:20
12	my objection?	13:58:21
13	COURT REPORTER: Yes.	13:58:22
14	(Exhibit 12 marked.)	13:58:50
15	Q Ms. Stegmann, same instruction, just take	13:58:51
16	a look at that and let me know when I can ask you	13:59:01
17	some questions about it.	13:59:05
18	A (Reviewing document.) Yes.	13:59:19
19	Q This document that we've marked as	13:59:20
20	Exhibit 12 to your deposition, it appears to be a	13:59:25
21	calendar invite sent via email by Paul Stancil of	13:59:31
22	the NTSB, right?	13:59:36
23	A Correct.	13:59:37
24	Q And you are listed as one of the	13:59:38
25	recipients of this email, right?	13:59:41

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

143

1	A	Correct. I'm one of the party	13:59:43
2		representatives.	13:59:45
3	Q	There were also some other party	13:59:46
4		representatives that were included on the email,	13:59:49
5		including Robert Wood from Norfolk Southern.	13:59:53
6		Do you see that?	13:59:55
7	A	Yes.	13:59:56
8	Q	And also, if we look at the recipients,	13:59:57
9		Chief Drabick from East Palestine was a recipient,	14:00:03
10		correct?	14:00:07
11	A	Correct.	14:00:07
12	Q	If we look at the body of the invite, it	14:00:07
13		says: New, please see the attached analysis	14:00:11
14		report which we will be discussing at this	14:00:14
15		meeting. This report and associated photographs	14:00:16
16		have been added to the Kiteworks file share drive.	14:00:17
17		Do you see that?	14:00:22
18	A	I see that.	14:00:22
19	Q	And then if we skip to the last sentence	14:00:23
20		it says: We will be meeting with Oxy Vinyls to	14:00:25
21		review their analysis of post accident tank	14:00:27
22		residue samples collected on February 16-17, 2023,	14:00:29
23		the Oxy Vinyls report to be provided in advance of	14:00:34
24		the meeting.	14:00:37
25		Do you see that?	14:00:38

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

144

1	A I do.	14:00:38
2	Q So was this a calendar invite to certain	14:00:38
3	party representatives in order to discuss the	14:00:41
4	residue sampling that counsel had asked you about	14:00:43
5	earlier today?	14:00:45
6	A I'm just making sure of my timeline. Yes,	14:00:46
7	I believe that was -- that was our very first	14:00:52
8	meeting after joining the NTSB investigation. If	14:00:54
9	you remember, we joined on March 17th, and even	14:00:58
10	though we joined, this was the very first meeting	14:01:02
11	that we were participating as a party	14:01:05
12	representative.	14:01:08
13	Q I'm going to ask you some questions about	14:01:08
14	this meeting, but before I do, I understand that	14:01:11
15	you are a party representative, and that -- that	14:01:13
16	means there are certain things you can and cannot	14:01:15
17	discuss.	14:01:18
18	If for any reason you have a question	14:01:18
19	about what you can or cannot discuss, just let me	14:01:20
20	know. We will go off the record like we did	14:01:23
21	before. I'm happy to give you the opportunity to	14:01:25
22	discuss that with counsel. Okay?	14:01:27
23	A Correct, thank you.	14:01:29
24	Q So this meeting, tell me, do you recall	14:01:29
25	anyone from Norfolk Southern participating in that	14:01:36

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

145

1	meeting?	14:01:38
2	A No, I do not.	14:01:38
3	Q Would you have?	14:01:45
4	A I'm trying to -- in my mind, I'm trying to	14:01:47
5	make sure I have the right -- can you tell me what	14:01:50
6	day the 20th is?	14:01:52
7	Q Do you mean day of the week?	14:01:57
8	A Yes.	14:01:57
9	MR. GOMEZ: Can we go off record?	14:02:00
10	MS. BROZ: Yes.	14:02:02
11	VIDEOGRAPHER: We are going off the	14:02:02
12	record. The time is 2:02 p.m.	14:02:05
13	(Recess 2:02 p.m. to 2:03 p.m.)	14:02:07
14	VIDEOGRAPHER: We are going back on the	14:02:48
15	record. The time is 2:03 p.m.	14:03:02
16	MR. GOMEZ: Would you mind just reading	14:03:06
17	back the question for us.	14:03:07
18	(Record read.)	14:03:24
19	A Right. So this was the very first day,	14:03:24
20	and I was just finding out I was going to be the	14:03:27
21	party represent- -- I was committed to that on	14:03:29
22	Friday, and this was a very early meeting, so I	14:03:32
23	jumped in not knowing a lot of the names and the	14:03:35
24	players and who was speaking in that kind of	14:03:37
25	forum.	14:03:42

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

146

1	Q Okay. So you may not recall specifically	14:03:43
2	who was involved?	14:03:45
3	A Correct.	14:03:46
4	Q I will just give you names. Do you	14:03:46
5	recall, if at all, whether Robert Wood from	14:03:50
6	Norfolk Southern was on the -- was on the call?	14:03:52
7	A I just don't recall.	14:03:54
8	Q Fair enough. How about Chief Drabick from	14:03:56
9	East Palestine?	14:04:00
10	A If it is the meeting I believe, I do	14:04:04
11	believe he was on the call, because if it's the	14:04:06
12	correct meeting, he made a strong statement at the	14:04:10
13	end.	14:04:13
14	Q Okay. What was that statement?	14:04:13
15	A It was basically in reference to if	14:04:14
16	polymerization didn't occur, his question or	14:04:20
17	statement was in, if this were to happen again, he	14:04:24
18	wanted to know if they should do a vent-and-burn.	14:04:28
19	And he basically said it would have been nice to	14:04:31
20	know when they -- we were talking about	14:04:34
21	polymerization.	14:04:36
22	Q So this may have been the meeting where he	14:04:36
23	made that statement --	14:04:38
24	A Statement at the very end, yes. He asked	14:04:38
25	a clarifying question and just said it would have	14:04:41

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

147

1	been nice to know.	14:04:43
2	Q What, if anything, do you recall about the	14:04:44
3	discussions that took place during this meeting?	14:04:49
4	A I just remember John Tummons presenting	14:04:51
5	the analytical approach, I think, the technology,	14:04:58
6	the methods, and talking about the collection	14:05:02
7	sample.	14:05:09
8	So I just know it was our technical team	14:05:09
9	and they were communicating, and the reason I	14:05:11
10	remember the meeting is I held over after the	14:05:13
11	meeting to talk to the NTSB folks, Mr. Stancil and	14:05:16
12	Mr. Dougherty, for the first time. And that was	14:05:20
13	going to be my orientation to being a party	14:05:23
14	representative based on being -- joining their	14:05:26
15	work stream.	14:05:29
16	Q Do you recall if during this meeting any	14:05:29
17	of the other parties to the NTSB investigation	14:05:32
18	that may have participated in the call expressed	14:05:35
19	concerns or criticisms about the testing that Oxy	14:05:38
20	did?	14:05:41
21	A No, I don't recall. I just remember	14:05:41
22	Chief Drabick at the end making a -- a comment.	14:05:45
23	Q You also mentioned earlier that there were	14:05:49
24	some comments made in the aftermath of derailment	14:05:51
25	and the vent-and-burn by public officials.	14:05:54

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

148

1	Do you recall talking about that?	14:05:56
2	A Yes.	14:05:57
3	Q I think you said that there was some	14:05:59
4	comments made by the FRA and the NTSB, right?	14:06:00
5	A At the February -- are we talking about --	14:06:03
6	Q No, I'm sorry, in the immediate aftermath.	14:06:07
7	I think you mentioned, at least with respect to	14:06:10
8	the FRA, there was a video of --	14:06:11
9	A February 23rd.	14:06:13
10	Q I'm sorry. Can you just -- can you just	14:06:15
11	describe that for me again?	14:06:18
12	A I just remember there being a video	14:06:19
13	February 23rd, and I remember Karl Alexy	14:06:22
14	walking -- I think it's when he -- DOT Peter	14:06:25
15	Buttigieg visited the site, if I remember the	14:06:31
16	video correctly, and they were touring the	14:06:33
17	derailment site. And I remember Karl Alexy being	14:06:37
18	there, Randy Keltz.	14:06:40
19	And listening to the video, you can see	14:06:42
20	them pointing and he said something about	14:06:44
21	polymerization, and I found that odd because he's	14:06:45
22	an FRA hazmat technical railcar investigator	14:06:48
23	manager.	14:06:53
24	Q And there was also a comment you alluded	14:06:54
25	to earlier from Chair Homendy, I believe, right?	14:06:57

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

149

1	A	She did a press conference. That may have	14:06:59
2		been the same day or a different day where she	14:07:02
3		gave one of her press updates, and it was her and	14:07:04
4		then Robert Hall came up to the podium.	14:07:07
5	Q	And both of these comments that you just	14:07:10
6		identified, those were made after Oxy had multiple	14:07:13
7		times between February 4th and February 6th	14:07:18
8		advised Norfolk Southern and its contractors that	14:07:21
9		polymerization was not occurring, right?	14:07:24
10	A	Correct.	14:07:25
11	Q	And fair to say that those comments from	14:07:25
12		the FRA and the NTSB that you just identified were	14:07:30
13		surprising in light of the conclusions Oxy had	14:07:36
14		been sharing with Norfolk Southern and its	14:07:38
15		contractors in the days leading up to the	14:07:39
16		vent-and-burn?	14:07:41
17	A	They were surprising that they were	14:07:41
18		continuing to get so much media attention that it	14:07:43
19		was being communicated in the media, and again, we	14:07:45
20		felt like this whole process was supposed to be a	14:07:51
21		fact-finding, go determine the facts, versus	14:07:53
22		people just commenting on what they learned or	14:07:56
23		thought they learned being part of Unified	14:08:00
24		Command.	14:08:03
25	Q	Was it your understanding that the	14:08:03

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

150

1 information Oxy was providing to Norfolk Southern 14:08:05
2 and its contractors specifically about 14:08:07
3 polymerization between the 4th and the 6th of 14:08:09
4 February was being shared with Unified Command? 14:08:12

5 A Yes. I mean, that it was our 14:08:15
6 understanding. I believe Steve Smith spoke to 14:08:17
7 Paul Williams of the NS and got direction on how 14:08:22
8 they wanted us communicating to NS or the 14:08:25
9 contractors, and so obviously if those 14:08:29
10 communications were occurring, it would be our 14:08:31
11 expectation that those -- that information be 14:08:34
12 supplied through the Unified Command System. 14:08:37

13 Q And as you sit here today, do you know 14:08:41
14 whether NS and its contractors actually provided 14:08:43
15 that information to Unified Command before the 14:08:46
16 vent-and-burn took place? 14:08:50

17 A I personally do not know. Obviously, some 14:08:51
18 of that dialogue or lack of dialogue came out in 14:08:55
19 the investigative hearings in East Palestine. 14:08:59

20 Q And it came out in that comment that 14:09:02
21 Chief Drabick made during the phone call we just 14:09:04
22 discussed, right? 14:09:06

23 A Correct. 14:09:07

24 Q Because if he had heard about the fact 14:09:07
25 that Oxy concluded polymerization wasn't 14:09:09

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

151

1 occurring, he wouldn't be surprised during that 14:09:12
2 call? 14:09:15

3 A And he also would not have -- I think he 14:09:15
4 spoke to that at the hearing. There was some 14:09:19
5 hearing references where he talked about what was 14:09:23
6 not shared or he was not informed of. 14:09:27

7 MR. GOMEZ: Could we go off the record? 14:09:33

8 VIDEOGRAPHER: We are going off the 14:09:35
9 record. The time is 2:09 p.m. 14:09:36

10 (Recess 2:09 p.m. to 2:19 p.m.) 14:16:34

11 VIDEOGRAPHER: We are going back on the 14:18:51
12 record. The time is 2:19 p.m. 14:19:31

13 MR. GOMEZ: Before we start, I'd just make 14:19:34
14 a statement that I believe I have nine minutes of 14:19:36
15 my own time remaining, but Trinity, in its 14:19:38
16 discretion, has allotted me some. 14:19:40

17 Q So I'm going to try to wrap up my 14:19:42
18 questions with you as quick as I can, 14:19:45
19 Ms. Stegmann. 14:19:48

20 I want to switch gears to a different 14:19:48
21 topic. Are you -- well, let me withdraw that. 14:19:51

22 You testified on -- at one of the panels 14:19:56
23 in June during the NTSB hearings, right? 14:20:00

24 A Correct, Panel 4. 14:20:03

25 Q And one of the topics that was being 14:20:04

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

152

1	discussed in Panel 4 was the significance of the	14:20:09
2	presence of certain aluminum components on the	14:20:13
3	VCM-containing railcars.	14:20:18
4	Do you recall that?	14:20:19
5	A Yes, I do.	14:20:19
6	Q And there was also some discussion about	14:20:20
7	acetylides; is that correct?	14:20:23
8	A Correct.	14:20:25
9	Q Am I pronouncing that correctly?	14:20:26
10	A Acetylides, yes.	14:20:27
11	Q Okay, great.	14:20:30
12	Do you know what the significance of	14:20:31
13	acetylides in transportation specifically via	14:20:34
14	pressurized tanker car is?	14:20:37
15	A We provided a document to the NTSB	14:20:39
16	addressing that. That was one of our first	14:20:44
17	requests. So I need to be -- I think actually	14:20:47
18	that was part of the hearing so it's a public	14:20:49
19	document.	14:20:52
20	I believe the concern was that, could it	14:20:54
21	potentially act as a catalyst if the -- if the	14:20:56
22	aluminum and VCM were to react, could it be	14:21:00
23	part -- could it then produce an acetylide that	14:21:03
24	could be a catalyst.	14:21:06
25	So it was a far reach in trying to draw	14:21:07

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

153

1	some, I guess, hypothesis.	14:21:12
2	Q And I want to get into some of that with	14:21:17
3	you --	14:21:19
4	A Yes.	14:21:19
5	Q -- but I guess just as a general matter,	14:21:19
6	what I'm still struggling to understand, candidly,	14:21:21
7	is whether the issue with acetylides, and tell me	14:21:24
8	if I'm wrong, is that they in and of themselves	14:21:28
9	are hazardous, or in connection with VCM can serve	14:21:32
10	as a catalyst for polymerization?	14:21:34
11	A I believe it's the later is what was the	14:21:35
12	theory, but again, I think John Tummons and the	14:21:39
13	folks that produced the technical information to	14:21:42
14	support that letter and position are the correct	14:21:46
15	resources.	14:21:49
16	Q And acetylides are specifically an issue	14:21:50
17	because there are certain transportation	14:21:56
18	regulations that apply to prevent the formation of	14:21:57
19	acetylides, right?	14:22:01
20	A You're -- you're going to get past my -- I	14:22:03
21	wasn't even familiar with acetylides until it was	14:22:06
22	brought up by the NTSB in asking us about VCM and	14:22:09
23	aluminum and us having to do the research to	14:22:13
24	address it as a non-concern.	14:22:15
25	Q So do you know why the NTSB put you on the	14:22:17

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

154

1 panel to talk about acetylides, among other

14:22:20

2 things, if it's outside of kind of your technical

14:22:23

3 expertise?

14:22:25

4 A They didn't really go there as much as

14:22:26

5 they wanted a shipper. They wanted Oxy to be on

14:22:29

6 the panel as a shipper representing the overall

14:22:32

7 tank car, and I believe I was there to address

14:22:35

8 some of the FRA observations. And then I believe

14:22:38

9 GATX was asked to be part of the hearing, and they

14:22:42

10 did not participate in a hearing.

14:22:46

11 Q So full disclosure, I'm going to ask you

14:22:48

12 some questions about this topic because you were

14:22:50

13 on that panel --

14:22:53

14 A Yes.

14:22:53

15 Q -- but if it's outside of your technical

14:22:54

16 expertise, just let me know.

14:22:56

17 A Okay, yes.

14:22:57

18 Q The first thing I want to do is I want to

14:22:58

19 mark as Exhibit 13 to your deposition certain of

14:22:59

20 the federal regulations that were discussed during

14:23:08

21 the NTSB investigation.

14:23:09

22 (Exhibit 13 marked.)

14:23:19

23 Q And while I'm loading this up for

14:23:21

24 everybody, Ms. Stegmann, you're free to look at

14:23:22

25 the whole document, but I am not going to ask

14:23:26

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

155

1	about the whole document.	14:23:28
2	Instead, I'm going to direct your	14:23:29
3	attention specifically to what's noted as page 373	14:23:31
4	on the bottom, okay.	14:23:36
5	Once you've had a chance to kind of orient	14:23:53
6	yourself and look at it, let me know and I'll ask	14:23:55
7	you my questions.	14:23:58
8	A Okay. And you said the bottom of 373, so	14:24:05
9	you're probably going to ask me about one of the	14:24:06
10	commodity provisions.	14:24:08
11	Q Yes. Specifically I'm going to ask you	14:24:09
12	about B44 at the top actually.	14:24:13
13	A Yes.	14:24:13
14	Q And, again, I don't want to deprive you of	14:24:15
15	the opportunity to look through this enthralling	14:24:18
16	document, but that's the only thing I'm going to	14:24:20
17	ask you about.	14:24:22
18	A No, that's fine.	14:24:22
19	Q Okay. Just quickly, by reference to the	14:24:23
20	first page, I'll represent to you, you see on the	14:24:25
21	top there, it says, Authenticated U.S. Government	14:24:28
22	Information GPO?	14:24:30
23	A Oh, I'm sorry --	14:24:31
24	Q Sorry, yeah, just one quick reference to	14:24:33
25	the first page of the document, top left-hand	14:24:35

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

156

1	corner.	14:24:41
2	A Pipeline hazardous materials...	14:24:41
3	Q A bit further up, full --	14:24:42
4	A Oh --	14:24:44
5	Q Yes.	14:24:45
6	A -- up here okay. Yes.	14:24:46
7	Q Do you see that?	14:24:47
8	A Yes.	14:24:47
9	Q GPO?	14:24:47
10	A Yes.	14:24:48
11	Q I'll represent to you that "GPO" is	14:24:48
12	Government Publishing Office.	14:24:51
13	A Okay, thank you.	14:24:52
14	Q Okay. And I will represent to you further	14:24:53
15	that I printed this out from the Government	14:24:55
16	Publishing Office website, and that it's a copy of	14:24:57
17	49 Code of Federal Regulation 172.102, okay?	14:25:01
18	A Yes. It does look familiar. I have seen	14:25:05
19	it in printout.	14:25:07
20	Q Have you had -- before being on that panel	14:25:10
21	in the NTSB hearings, did you have any familiarity	14:25:14
22	with this section of the code of federal	14:25:17
23	regulations?	14:25:18
24	A I just knew of it, and I knew we had to	14:25:22
25	comply with it, but I had not printed it out and	14:25:26

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

157

1	looked through it extensively.	14:25:26
2	Q Okay. Well, fair to say that in the	14:25:28
3	aftermath of the East Palestine derailment, you	14:25:29
4	are now familiar with at least Special Provision	14:25:31
5	B44, right?	14:25:34
6	A I -- I know that B44 -- yes, I have become	14:25:34
7	aware of it and understand it is referenced.	14:25:39
8	Q Okay.	14:25:42
9	A I think even on our SDS.	14:25:42
10	Q And that is -- that special provision	14:25:44
11	appears on page 373 of this document, right?	14:25:46
12	A Yes.	14:25:49
13	Q And it reads: All parts of valves and	14:25:49
14	safety relief devices in contact with lading must	14:25:53
15	be of a material which will not cause formulation	14:25:56
16	of acetylides.	14:25:58
17	Did I read that correctly?	14:26:00
18	A Correct.	14:26:01
19	Q This was one of the special provisions	14:26:01
20	that was discussed at the NTSB hearings --	14:26:03
21	A Yes, it was.	14:26:05
22	Q -- right? And this was one of the special	14:26:06
23	provisions that the FRA took exception to in	14:26:09
24	connection with some of the VCM cars, right?	14:26:12
25	A I don't know that they took exception to	14:26:14

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

158

1	this one.	14:26:16
2	Q Okay. I want to talk specifically about	14:26:17
3	what the FRA said and what --	14:26:21
4	A Okay.	14:26:23
5	Q -- and what they've put forward, but	14:26:23
6	first, just so we can get our bearings on B44, B44	14:26:26
7	is not specific to VCM, right?	14:26:30
8	A Correct. I mean, that's why they	14:26:32
9	reference it this way, so then different	14:26:35
10	commodities they can then reference each of these.	14:26:37
11	I'm not sure how you do it, but whatever the B44	14:26:40
12	represents.	14:26:42
13	Q Uh-huh.	14:26:42
14	A There's a term. I forget what it is, but	14:26:43
15	correct, these aren't specific, and then each	14:26:45
16	chemical in the hazmat table references these.	14:26:49
17	Q VCM happens to be one of the chemicals	14:26:51
18	that's subject to B44 --	14:26:54
19	A Correct.	14:26:56
20	Q -- but it's not the whole chemical?	14:26:56
21	A Not specific, correct.	14:26:57
22	Q B44 is also not specific to aluminum,	14:26:58
23	right?	14:27:01
24	A Correct. I do believe there's another	14:27:01
25	metal. I can't -- I can't recall. It may be	14:27:04

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

159

1	copper, but I don't recall that for sure.	14:27:07
2	Q In fact, if we just look at what B44 says,	14:27:09
3	it is not specific to any particular construction	14:27:14
4	material, right?	14:27:14
5	A You're getting outside my area of comfort.	14:27:14
6	Q Fair enough. Can we agree that B44 simply	14:27:20
7	says that when you are shipping certain types of	14:27:25
8	chemicals, you can't do it in a -- in a vessel	14:27:27
9	that is constructed out of materials that are	14:27:30
10	going to cause acetylides?	14:27:31
11	A Correct.	14:27:34
12	Q That is just a plain understanding of what	14:27:34
13	B44 says, right?	14:27:36
14	A Correct.	14:27:38
15	Q Okay.	14:27:38
16	A You said vessel. It is all parts of	14:27:38
17	valves and safety relief devices.	14:27:40
18	Q Oh, I'm sorry. So let me rephrase that.	14:27:42
19	A Yes.	14:27:44
20	Q Let me rephrase that.	14:27:44
21	Generally, B44 can we agree means that the	14:27:46
22	valves and --	14:27:50
23	A Safety relief devices can contact with	14:27:53
24	lading, because not all parts of the valves and	14:27:55
25	relief valve are in contact with the lading.	14:27:59

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

160

1	Q So generally --	14:28:01
2	A Like the hand wheel and the angle valve is	14:28:03
3	not in contact with the lading.	14:28:05
4	Q Understood. So generally what we take	14:28:06
5	away from it is these -- these --	14:28:09
6	A The wetted parts.	14:28:11
7	Q -- these features, if they're coming in	14:28:12
8	contact with the lading, they can't be such that	14:28:14
9	they're going to cause the formation of	14:28:16
10	acetylides?	14:28:18
11	A Correct.	14:28:18
12	Q Just the general, kind of big picture	14:28:20
13	takeaway from it?	14:28:22
14	A Yes.	14:28:23
15	Q Okay. Let's mark as Exhibit 14 a document	14:28:23
16	that was brought up during the NTSB hearings.	14:28:33
17	Again, same instruction, take a look at it, and	14:28:38
18	while I'm loading it up --	14:28:40
19	A I don't have it.	14:28:40
20	(Exhibit 14 marked.)	14:28:57
21	A Oh, I'm supposed to be looking at -- yes,	14:29:04
22	I've seen this document.	14:29:06
23	Q You are familiar with this document,	14:29:14
24	Ms. Stegmann?	14:29:16
25	A Yes.	14:29:16

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

161

1	Q Is it okay if I go ahead and ask you some	14:29:17
2	questions about it?	14:29:19
3	A Yes.	14:29:20
4	Q Okay. What we're looking at here as	14:29:20
5	Exhibit 14 is actually a document that is labeled	14:29:24
6	Group H, Exhibit 1 to the NTSB hearings, right?	14:29:29
7	A Correct.	14:29:32
8	Q And the title on the NTSB cover page is	14:29:35
9	FRA-VCM Tank Car Approval Sample Summary, right?	14:29:39
10	A That is correct. That is how it is	14:29:44
11	titled.	14:29:46
12	Q And it looks to be substantively a	14:29:46
13	two-page document that if I understand correctly	14:29:48
14	was prepared by the FRA, right?	14:29:50
15	A Yes.	14:29:52
16	Q And you were asked some questions on the	14:29:55
17	panel during the NTSB investigations about some of	14:30:02
18	the observations that the FRA makes in this	14:30:06
19	document, right?	14:30:08
20	A Yes. And for some reason, I thought it	14:30:09
21	remembered it being titled FRA observations at	14:30:12
22	some point, but anyway...	14:30:16
23	Q To your recollection, does this look like	14:30:16
24	the document --	14:30:19
25	A Yes.	14:30:19

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

162

1	Q -- you were asked about?	14:30:19
2	A Yes.	14:30:20
3	Q And if I recall correctly, at the time you	14:30:20
4	were asked certain questions about this during the	14:30:26
5	NTSB hearings, you had only received a copy of	14:30:28
6	this -- actually Oxy had only received a copy of	14:30:32
7	this maybe a few weeks earlier, right?	14:30:35
8	A We received a copy at the same time all	14:30:37
9	the parties to the investigative hearing received	14:30:40
10	a copy when it was uploaded to the website as a	14:30:43
11	docket to be released to the public, and that was	14:30:48
12	about -- approximately the first week in June,	14:30:54
13	just two weeks prior to the investigative hearing.	14:30:56
14	Q Okay.	14:30:59
15	A I do not believe it was shared with all	14:30:59
16	parties to the investigation because not everybody	14:31:03
17	was at the hearing.	14:31:06
18	Q Okay. So if I understand you correctly,	14:31:07
19	it only went to the folks who were going to	14:31:09
20	participate in the panels?	14:31:13
21	A It was loaded for the investigative	14:31:15
22	hearing, and we had different website updates. So	14:31:17
23	I'm just saying, I know it was shared with the	14:31:20
24	parties to the investigative hearing. I don't	14:31:22
25	know that it was shared with all parties to the	14:31:24

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

163

1 investigation at that time. I don't know who had 14:31:27
2 access to what. 14:31:29

3 Q Okay. So let me just ask the question 14:31:29
4 generally then. 14:31:32

5 Do you know how much time Oxy had with 14:31:33
6 this document, if any, before the investigative 14:31:36
7 hearings? 14:31:39

8 A Approximately two weeks, and during that 14:31:39
9 time period, we were reviewing many documents, 14:31:42
10 including 150 pages of documents that NS submitted 14:31:45
11 and were uploaded just prior to the hearing, which 14:31:52
12 were the first time we saw those documents, 14:31:54
13 meaning, we did not have time just to focus on 14:31:55
14 this one document. There was many documents 14:31:58
15 coming in, and some that we were seeing for the 14:32:00
16 first time. 14:32:03

17 Which I probably need -- well, I guess I 14:32:11
18 have to be careful what I say there because I 14:32:15
19 don't know what part of that is public, but I know 14:32:18
20 that that's public, the hearing docket that -- 14:32:20

21 Q So it is my intention to ask you only 14:32:21
22 about what the document -- 14:32:23

23 A Yeah. 14:32:23

24 Q -- the material that the document talks 14:32:24
25 about, but again, if I cross into anything -- 14:32:25

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

164

1	A I just have to remember.	14:32:28
2	Q -- just let me know.	14:32:29
3	A Yes.	14:32:29
4	Q So looking at this document, and with the	14:32:30
5	understanding that at least as of the time of the	14:32:33
6	NTSB investigative hearings, you-all at Oxy did	14:32:37
7	not have a lot of time to go through this in	14:32:41
8	detail, is it fair to say that the FRA's	14:32:44
9	observations in this document kind of set forth	14:32:48
10	two alleged types of violations with respect to	14:32:53
11	the railcars, one being kind of paperwork	14:32:56
12	violations, and then the other being construction	14:33:00
13	violations?	14:33:03
14	A I -- no, I don't agree with that	14:33:05
15	statement. I believe they were making	14:33:08
16	observations, but I would say all of the	14:33:11
17	identified observations are relative to our	14:33:14
18	recordkeeping and administrative approval	14:33:17
19	processes.	14:33:20
20	I take exception to any comment of a	14:33:21
21	deficiency in the construction or design of any of	14:33:23
22	the railcars.	14:33:26
23	Q Okay.	14:33:27
24	A I believe we looked at the technical	14:33:28
25	details of the railcars, meaning the relief valves	14:33:30

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

165

1 all have to have their own separate AAR approvals, 14:33:33
2 the valves have to have their own AAR approvals, 14:33:36
3 all of the equipment on the railcars approved, the 14:33:39
4 design, the certificate of constructions were all 14:33:43
5 AAR approved. 14:33:46

6 What the FRA took exception to is they 14:33:48
7 tried to state that some of the component changes 14:33:52
8 or upgrades did not have approval at that time to 14:33:56
9 put on that railcar. 14:34:00

10 But all of the components put on these 14:34:01
11 railcars had their own separate approvals, meaning 14:34:04
12 a Midland company had their relief valves 14:34:07
13 approved, it had to have a 4-7 form. 14:34:11

14 So I very strongly tried to state there 14:34:14
15 was no physical construction, design, or 14:34:17
16 engineering concerns related to the five DOT 105 14:34:20
17 cars, and I do not own the Trinity car or the GATX 14:34:24
18 car, and GATX was not at the hearing to speak to 14:34:29
19 their car. 14:34:32

20 However, in our review and comparison of 14:34:32
21 all the technical components, the physical 14:34:34
22 features of the cars are compliant with the DOT 14:34:37
23 105 standard. 14:34:40

24 The FRA had no physical defects or 14:34:41
25 concerns to identify. So after four months, they 14:34:44

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

166

1 focused on administrative approval processes, 14:34:48
2 documentation, a signature missing by an Oxy 14:34:52
3 person before putting it in a file. 14:34:54

4 I struggle to think, given the extent of 14:34:57
5 the environmental concerns with the chemicals that 14:35:01
6 breached in the DOT 111, cars that it was 14:35:04
7 important to have Oxy come talk about a paperwork 14:35:06
8 documentation process, but that is what I was 14:35:09
9 there to do. 14:35:13

10 Q Understood. And that is what I want to 14:35:13
11 talk to you about. 14:35:15

12 A And so in your -- so I want to clarify 14:35:16
13 your question. I agree that this form or their 14:35:18
14 observations center around our administrative 14:35:23
15 documentation and as it relates to the approval 14:35:26
16 process in the AAR tank car guideline. 14:35:29

17 Q So let me ask the question kind of a 14:35:31
18 different way. 14:35:35

19 A Okay. Sorry, I just wanted to be clear. 14:35:35

20 Q No, and I want to make sure that I 14:35:38
21 understand your testimony. 14:35:40

22 A Yeah. 14:35:41

23 Q So let me ask it a different way. As a 14:35:41
24 panelist on that hearing -- 14:35:44

25 A Yes. 14:35:46

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

167

1 Q -- what is your understanding of any 14:35:46
2 issues the FRA took, if any, with the presence of 14:35:49
3 aluminum components in the VCM-containing 14:35:54
4 railcars? 14:35:57

5 A I don't think from a materials standpoint, 14:35:58
6 they took any concerns. If anything, they were 14:36:01
7 talking about whether we had a form filled out 14:36:05
8 getting the AAR tank car committee. I think 14:36:07
9 another way to put it is, FRA has not issued us 14:36:12
10 any notice of violation regarding these railcars. 14:36:16
11 We have not received any formal final notice of 14:36:19
12 violation from the FRA. 14:36:23

13 Q And so that's the FRA. Has the -- let me 14:36:28
14 withdraw that. 14:36:37

15 A And I can't speak to the NTSB because that 14:36:38
16 report is not issued and -- and so other than me 14:36:40
17 testifying in the FRA -- what I think is -- is 14:36:44
18 unusual, too, if you look at here, do they 14:36:47
19 reference any federal code or regulation? 14:36:49

20 Q Well, why don't we look at the second page 14:36:53
21 of the substantive document at least. And I'm 14:36:56
22 looking at -- let's see. There's a section that 14:36:59
23 starts AAR Form 4-2 with AAR Number F916110. 14:37:03

24 Do you see that? 14:37:10

25 A Yes, uh-huh. 14:37:10

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

168

1 Q And I don't want to read the whole thing 14:37:11
2 into the record, but there's a subparagraph that 14:37:14
3 says: However, current service, vinyl chloride, 14:37:16
4 is a hazard class 2.1 which 49 CFR 173.314(j) 14:37:20
5 specifically states special commodity requirements 14:37:26
6 for materials having a primary or secondary 14:37:30
7 division 2.1 (flammable gas) hazard. 14:37:33

8 Did I read that correctly? 14:37:36

9 A Yes. 14:37:37

10 Q Do you understand that comment that I just 14:37:37
11 read to reference in any way the special handling 14:37:44
12 provision B44 that we talked about? 14:37:47

13 A I think for me to answer that, it's a more 14:37:56
14 complex reference, and I would want all the 14:37:59
15 hazardous material regulations out. I believe 14:38:02
16 that these are commodity requirements, and there's 14:38:04
17 also a specialty commodity requirement and I 14:38:07
18 believe that relates to the excess flow valve. 14:38:10

19 What I can state is Oxy has documented its 14:38:14
20 opinion on this document to the NTSB which has not 14:38:16
21 been released. However, we technically reviewed 14:38:20
22 that with all parties in the investigation, and I 14:38:25
23 think I will just leave it at that for now. 14:38:29

24 So we have submitted our position, and 14:38:33
25 it's been a multipage document that I'm not going 14:38:37

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

169

1 to be able to summarize in just a few sentences. 14:38:40

2 However, what I can state is we believe all five 14:38:44

3 cars are approved for vinyl chloride monomer 14:38:47

4 service. In this special provision is -- in this 14:38:50

5 DOT 173 is a common reference among the railcar 14:38:54

6 lessor industry, and I believe that there's other 14:38:59

7 folks that have also contributed information in 14:39:03

8 alignment with our position that the car is 14:39:07

9 approved for vinyl chloride monomer service 14:39:09

10 including the railcar owner. 14:39:12

11 Q Again, the document we're looking at, that 14:39:13

12 was generated by the FRA, correct? 14:39:18

13 A Right. 14:39:21

14 Q I want to show you now a document that is 14:39:21

15 also part of the NTSB investigation. We'll mark 14:39:26

16 that as Exhibit 15. 14:39:28

17 (Exhibit 15 marked.) 14:39:35

18 Q Ms. Stegmann, once you've had a chance to 14:39:48

19 look at it, let me know, and I will ask you my 14:39:51

20 questions. 14:39:52

21 A Yes. 14:40:00

22 Q Is it fair to say this Exhibit 15 is a 14:40:01

23 document that you're familiar with, right? 14:40:02

24 A Yes. 14:40:04

25 Q And it's a Group D, Exhibit 16 to the NTSB 14:40:06

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

170

1	investigative hearings, right?	14:40:11
2	A Yes.	14:40:12
3	Q And it's titled by the NTSB, Oxy Vinyls'	14:40:13
4	Response to NTSB Regarding Formation of	14:40:16
5	Acetylides, March 21st, 2023.	14:40:19
6	Right?	14:40:22
7	A Correct.	14:40:22
8	Q And then the substantive document is an	14:40:23
9	email from you to Marc Dougherty, Ruben Payan, and	14:40:24
10	Paul Stancil from March 31st, 2023, right?	14:40:31
11	A Correct.	14:40:34
12	Q And it looks like this is in response to	14:40:34
13	an NTSB information request, right?	14:40:37
14	A Correct, it was made I think during that	14:40:39
15	March 20th call that we talked about.	14:40:43
16	Q And it appears to be in response to a	14:40:45
17	specific question that's identified in the middle	14:40:49
18	of the email, right?	14:40:51
19	A Yes. That came up on that conference call	14:40:52
20	as a actionable item for to us respond to.	14:40:55
21	Q And the question is, does the presence of	14:40:57
22	aluminum and VCM cause the formation of	14:41:00
23	acetylides? Right?	14:41:07
24	A Correct.	14:41:07
25	Q I'm not sure if you can answer this	14:41:08

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

171

1 question as a party representative, but I'm going 14:41:10
2 to ask it, do you have a sense of how the NTSB 14:41:11
3 came to question the presence of aluminum and VCM 14:41:16
4 and their relationship to acetylides in connection 14:41:28
5 with the East Palestine derailment? 14:41:30

6 MS. BROZ: I think we should discuss that 14:41:34
7 one off the record -- 14:41:35

8 THE WITNESS: Uh-huh. 14:41:35

9 MS. BROZ: -- before you answer. 14:41:36

10 MR. GOMEZ: Go off the record. 14:41:38

11 VIDEOGRAPHER: We're going off the record. 14:41:40
12 The time is 2:41 p.m. 14:41:41

13 (Recess 2:41 p.m. to 2:43 p.m.) 14:41:43

14 VIDEOGRAPHER: We are going back on the 14:43:30
15 record. The time is 2:43 p.m. 14:43:50

16 MS. BROZ: Based upon our understanding of 14:43:54
17 the NTSB's letter that was presented to counsel 14:43:56
18 for Oxy Vinyls as part of the NTSB investigation 14:43:59
19 dated February 21, 2023, Ms. Stegmann is not 14:44:04
20 permitted to answer that question. 14:44:08

21 Q Just so that the record is clear, there's 14:44:10
22 no other basis for her not answering the question, 14:44:12
23 right? 14:44:14

24 MS. BROZ: Correct. And if the NTSB 14:44:14
25 releases their restrictions, we would be happy to 14:44:15

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

172

1	have her answer that question.	14:44:18
2	Q Ms. Stegmann, putting aside the	14:44:19
3	information you've learned as part of the NTSB	14:44:22
4	investigation, do you have any sense of why the	14:44:25
5	relationship between aluminum VCM and acetylides	14:44:33
6	has been discussed in connection with the	14:44:37
7	East Palestine derailment?	14:44:39
8	A There's aluminum components and equipment	14:44:43
9	on the railcar, and there became concern on the	14:44:45
10	exterior of the railcar. So that definitely	14:44:51
11	became an area of concern, the hand wheels were	14:44:53
12	melted and the protective aluminum housings.	14:44:57
13	Q And, again, outside of information you	14:45:00
14	have learned from the NTSB investigation --	14:45:02
15	A Right.	14:45:05
16	Q -- who is it that first, to your	14:45:05
17	knowledge, expressed those concerns?	14:45:08
18	A I don't know if it was expressed. I	14:45:11
19	believe it came up on our March 20th call. I just	14:45:14
20	don't know if it was discussed prior to that	14:45:16
21	because that was my first entrance into -- and it	14:45:18
22	was obviously they had a lot of requests of Oxy,	14:45:22
23	and I was very quickly in a two-week period trying	14:45:25
24	to get up to speed on a lot of issues.	14:45:29
25	Q Just focusing back on the document that	14:45:31

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

173

1	we've marked for -- for your deposition, the	14:45:36
2	question was posed by the NTSB, and this is a	14:45:40
3	response from Oxy as to that question --	14:45:44
4	A Correct.	14:45:47
5	Q -- right?	14:45:47
6	And the response from Oxy is, quote, Oxy	14:45:47
7	does not believe it is possible for aluminum and	14:45:51
8	VCM to result in the formation of acetylides --	14:45:53
9	A Correct.	14:45:56
10	Q -- correct?	14:45:57
11	The response goes on to say: We have	14:45:58
12	identified an external resource, the McKetta	14:46:00
13	Encyclopedia of Chemical Processing and Design,	14:46:04
14	which indicates aluminum is an acceptable material	14:46:06
15	of construction for storage and shipping of VCM.	14:46:08
16	For reference, we have attached pictures of the	14:46:11
17	applicable pages.	14:46:13
18	Did I read that correctly?	14:46:14
19	A Correct.	14:46:15
20	Q In addition to identifying this resource	14:46:15
21	referenced here, the McKetta Encyclopedia of	14:46:22
22	Chemical Processing and Design, what, if any,	14:46:26
23	additional research did Oxy do internally before	14:46:29
24	making the conclusion that it does not believe	14:46:34
25	it's possible for aluminum and VCM to result in	14:46:36

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

174

1	the formation of acetylides?	14:46:39
2	A I, again, was just entering into this as	14:46:40
3	the party representative, so I know that John	14:46:43
4	Tummons was my source. He and I met, we crafted	14:46:48
5	this email and reviewed it. So he was really the	14:46:52
6	technical -- again, I was serving as party	14:46:55
7	representative passing along Oxy's response to the	14:47:00
8	NTSB.	14:47:05
9	Q So to put a fine point on it --	14:47:05
10	A We're getting outside of my technical --	14:47:07
11	Q -- you were transmitting the information?	14:47:09
12	A Correct.	14:47:11
13	Q You weren't part of the team looking into	14:47:12
14	the substance of the question?	14:47:13
15	A No. I was at this point -- again, I was	14:47:15
16	eleven days or so into the investigation, trying	14:47:18
17	to identify what open items we had, tracking down	14:47:21
18	and making sure we had the right resources, trying	14:47:24
19	to be timely, and to respond timely and	14:47:27
20	effectively and efficiently to the NTSB.	14:47:29
21	Q Fair enough.	14:47:32
22	A And accurately.	14:47:34
23	Q Are -- do you know who Dr. William Carroll	14:47:34
24	is?	14:47:38
25	A Yes, I do.	14:47:38

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

175

1	Q Who is Dr. William Carroll?	14:47:39
2	A He's a professor at the Indiana	14:47:41
3	University, I believe, and he was a Oxy --	14:47:44
4	long-term employee for Oxy as a chemist but also	14:47:48
5	really as a -- did a lot of advocacy and	14:47:53
6	communications for us.	14:47:57
7	Q You're speaking about him with some	14:47:58
8	fondness. Was he a long-time employee?	14:48:00
9	A Oh, he was -- yes, I wish he was my	14:48:03
10	chemistry professor. He was -- you could just --	14:48:05
11	he was -- broke down communications very easily,	14:48:07
12	very easily to understand, and he was actually on	14:48:09
13	the same floor when I first moved to Dallas. We	14:48:12
14	were located close by as far as offices, and I had	14:48:15
15	done -- he had brought folks to the plants, and we	14:48:20
16	had done presentations and worked together on	14:48:24
17	projects.	14:48:27
18	Q And after leaving Oxy, Dr. Carroll formed	14:48:27
19	his own company, right?	14:48:31
20	A Correct.	14:48:34
21	Q I think he does some consulting; is that	14:48:34
22	fair?	14:48:36
23	A Yes.	14:48:36
24	Q And at the same time that he's doing	14:48:37
25	consulting, he's also an adjunct professor at	14:48:39

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

176

1	Indiana, right?	14:48:42
2	A Yes.	14:48:42
3	Q If I'm not mistaken, Dr. Carroll was also	14:48:42
4	president and chair of the board of the American	14:48:46
5	Chemical Society?	14:48:48
6	A I believe so.	14:48:49
7	Q Fair to say he's a well-respected chemist?	14:48:50
8	A Absolutely, by -- by both the technical	14:48:53
9	community and just what I would call the layman	14:48:57
10	person breaking down into very complex issues that	14:48:59
11	are well understood by the general public.	14:49:03
12	Q And if I'm not mistaken, Dr. Carroll	14:49:04
13	actually helped with preparing this response,	14:49:09
14	right?	14:49:12
15	A I can't confirm that. I don't recall	14:49:12
16	that. He may have.	14:49:15
17	Q Let's mark as Exhibit 16 to your	14:49:18
18	deposition another document from the NTSB	14:49:20
19	investigation.	14:49:31
20	A I do think he established he was an	14:49:32
21	independent at the NT- -- he was an NTSB witness	14:49:34
22	at the hearings. He was not by Oxy.	14:49:37
23	Q I appreciate that. Thank you.	14:49:40
24	(Exhibit 16 marked.)	14:49:41
25	Q Ms. Stegmann, same kind of instruction.	14:49:41

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

177

1	Take a look at that document and let me know when	14:49:54
2	I can ask you some questions about it.	14:49:56
3	A (Reviewing document.) Okay.	14:49:58
4	Q And, Ms. Stegmann, but just to orient you,	14:50:56
5	what I'm going to be focusing on is the third	14:50:58
6	bullet point from the bottom of page 3. So if you	14:51:02
7	want to look at that, and then I'll turn to my	14:51:12
8	questions.	14:51:16
9	A (Reviewing document.) Okay. Yes, I see	14:51:18
10	that.	14:51:40
11	Q Okay. Just some foundational questions	14:51:40
12	first. What we're looking at as Exhibit 16 to	14:51:42
13	your deposition is the Group D, Exhibit 64 to the	14:51:45
14	NTSB hearings, right?	14:51:50
15	A Yes, that's correct.	14:51:50
16	Q And it is entitled: Notes of NTSB meeting	14:51:51
17	with William Carroll, Ph.D., April 5th, 2023,	14:51:54
18	right?	14:51:57
19	A That's correct.	14:51:57
20	Q And the substantive document appears to be	14:51:57
21	a summary prepared by the NTSB of a discussion	14:52:03
22	that was had between members of the NTSB and	14:52:09
23	Dr. Carroll regarding certain questions that had	14:52:12
24	been posed in connection with the East Palestine	14:52:16
25	derailment, fair?	14:52:18

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

178

1 A Correct. And I would just say a video 14:52:19
2 conference call -- yeah, a discussion, yeah. So I 14:52:21
3 don't know if it was videoed or that just means it 14:52:25
4 was a Teams call type setting. 14:52:27

5 Q And if we look at the bullet point that I 14:52:28
6 directed you to earlier, again, the third bullet 14:52:32
7 point from the bottom of page 3, it says: 14:52:35
8 Dr. Carroll assisted in Oxy's response to NTSB 14:52:38
9 about whether VCM in the presence of aluminum and 14:52:42
10 other metals can for acetylides referenced special 14:52:45
11 condition B44 in the HMR. 14:52:50

12 Did I read that correctly? 14:52:52

13 A Yes, you did. 14:52:54

14 Q And it says "for," but can we agree it 14:52:54
15 should be "form"? 14:52:59

16 A I agree, yes. 14:52:59

17 Q Right. Having looked at this document and 14:52:59
18 specifically read that sentence, do you now have a 14:53:01
19 sense of whether the response we looked at from 14:53:04
20 Oxy that you submitted may have been prepared with 14:53:06
21 some help from Dr. Carroll? 14:53:09

22 A Yes. Those two concepts would correspond. 14:53:10

23 Q Okay. And this bullet point goes on to -- 14:53:12
24 to reflect notes of the conversation with 14:53:15
25 Dr. Carroll on that point specifically saying 14:53:20

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

179

1	acetylides or carbides tend to be generated at	14:53:24
2	very high temperature. For example, calcium	14:53:27
3	carbide is generated at 2500 degrees Celsius and	14:53:30
4	is a precursor for making acetylene.	14:53:33
5	Did I read that correctly?	14:53:36
6	A Yes, you did.	14:53:37
7	Q It then goes on to say: In the case of	14:53:37
8	whether VCM could form aluminum carbide, it cannot	14:53:40
9	be produced chemically without the presence of a	14:53:43
10	very strong base (such as lithium and liquid	14:53:46
11	ammonia).	14:53:46
12	Did I read that correctly?	14:53:50
13	A Yes.	14:53:50
14	Q The PKA for the first hydrogen is about 24	14:53:51
15	(the higher the PKA, the less likely the proton	14:53:57
16	hydrogen ion is given up) so this reaction is	14:54:00
17	beyond the capability of most common bases (or	14:54:04
18	neutral VCM in normal transportation scenario).	14:54:07
19	Did I read that correctly?	14:54:11
20	A Yes, you did.	14:54:12
21	Q Are you able to explain what I just read	14:54:12
22	in layman's terms?	14:54:14
23	A No.	14:54:16
24	Q Fair enough.	14:54:16
25	Is that something that you believe we can	14:54:20

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

180

1	discuss, or Dr. Carroll will be able to describe?	14:54:23
2	A Absolutely.	14:54:25
3	Q Do you have any independent understanding	14:54:25
4	of what Dr. Carroll -- or what is being conveyed	14:54:29
5	in these notes with the discussion with	14:54:31
6	Dr. Carroll regarding why aluminum and VCM cannot	14:54:34
7	cause the formation of acetylides?	14:54:38
8	A I mean, he's referencing it in the	14:54:40
9	hazardous material in reference to Special	14:54:42
10	Condition B44.	14:54:45
11	Q The one we looked at earlier, right?	14:54:46
12	A Yes. That is what the HMR stands for, the	14:54:49
13	hazardous material regulations.	14:54:52
14	Q And with the understanding that we will	14:54:54
15	talk to Dr. Carroll about the specifics of it, it	14:54:55
16	looks like there's at least two reasons why	14:54:58
17	aluminum and VCM cannot form acetylides. The	14:55:00
18	first being the amount of heat needed to -- to	14:55:03
19	cause that is exponentially high, right?	14:55:06
20	A Yes. I mean, yes, the minimum standard is	14:55:09
21	very high.	14:55:13
22	Q 2500 degrees Celsius --	14:55:13
23	A Degrees Celsius.	14:55:15
24	Q -- right? That is about 4,500 degrees	14:55:16
25	Fahrenheit. Does that sound right?	14:55:19

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

181

1	A I haven't done the math, but...	14:55:21
2	Q Okay. Putting aside the math, fair to say	14:55:24
3	that --	14:55:26
4	A Very high.	14:55:26
5	Q Fair to say that the temperature in the	14:55:26
6	VCM cars in the East Palestine derailment didn't	14:55:29
7	approach 4500 degrees Fahrenheit?	14:55:32
8	A Not to my knowledge.	14:55:34
9	Q And then there is also a reference to a	14:55:35
10	second reason, that being that there needs to be	14:55:37
11	the presence of a very strong base like lithium or	14:55:41
12	liquid ammonia, right?	14:55:45
13	A Right.	14:55:46
14	Q And that is significant because in the	14:55:46
15	East Palestine derailment, the cars containing	14:55:49
16	vinyl chloride were never breached, right?	14:55:52
17	A Correct.	14:55:53
18	Q They never lost containment mechanically	14:55:54
19	from the derailment?	14:55:57
20	A Right, until they were explosively	14:55:58
21	breached in the vent-and-burn process.	14:56:01
22	Q So until they were breached in the	14:56:03
23	vent-and-burn process, they remained stabilized	14:56:04
24	VCM, right?	14:56:08
25	A Yes. And I would also even state you	14:56:08

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

182

1	talked about two conditions, but it has got to be	14:56:11
2	in the presence of aluminum and, you know, I	14:56:12
3	assume a significant presence. The only aluminum	14:56:15
4	that you could possibly be talking about is the	14:56:18
5	aluminum-coated spring.	14:56:20
6	Q In the pressure release device, right?	14:56:22
7	A In the pressure release device.	14:56:24
8	Q Okay. So --	14:56:26
9	A And that car was never a concern from a	14:56:26
10	temperature profile or ever expressed as a	14:56:29
11	concern, and actually, Norfolk Southern and its	14:56:32
12	contractors on one of our calls talked about	14:56:36
13	moving that car.	14:56:39
14	Their plan -- remember they always have	14:56:41
15	one car of concern in these -- in these	14:56:43
16	discussions that we had Saturday and Sunday. It	14:56:45
17	was never all five are going to BLEVE. It was	14:56:48
18	always a car of concern, and it went from the	14:56:52
19	highly energetic relieving car, that third car, to	14:56:54
20	the one that then they were taking the temperature	14:56:58
21	trend on.	14:57:00
22	That TILX car they talked about moving,	14:57:01
23	but the only reason they didn't move it is upon	14:57:04
24	further investigation, it had a cracked bolster.	14:57:07
25	Q So --	14:57:10

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

183

1	A That is why we were confused. This car	14:57:10
2	was deemed not a critical concern, but we	14:57:12
3	vent-and-burned all five.	14:57:18
4	Q And I appreciate that. I guess just to	14:57:19
5	bring it back to the issue of aluminum --	14:57:22
6	A Sorry.	14:57:24
7	Q -- and VCM -- that is fine.	14:57:24
8	Fair to say that there was a lot of	14:57:27
9	discussion between February 4th and February 6th	14:57:29
10	between Oxy and NS and its contractors, right?	14:57:33
11	A Yes.	14:57:35
12	Q There was discussion about the conditions	14:57:36
13	of the railcars, right?	14:57:38
14	A Yes.	14:57:39
15	Q There was discussions about the conditions	14:57:39
16	at the derailment site specifically with respect	14:57:44
17	to fire, right?	14:57:46
18	A Correct.	14:57:47
19	Q There was discussion about heat, right?	14:57:47
20	A Yes.	14:57:51
21	Q There was discussion about temperature,	14:57:51
22	right?	14:57:53
23	A Yes.	14:57:53
24	Q There was discussion about the mechanical	14:57:53
25	condition of the railcars, right?	14:57:55

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

184

1	A	Correct.	14:57:57
2	Q	There was no discussion whatsoever about	14:57:57
3		aluminum components on those railcars?	14:58:03
4	A	I do not recall, other than they were	14:58:05
5		saying that the hand wheels were -- I think that	14:58:10
6		they -- they were damaged externally, right, that	14:58:11
7		that's part of the reason they couldn't transload	14:58:13
8		the material.	14:58:14
9	Q	No one ever expressed -- no one being	14:58:15
10		Norfolk Southern or its contractors ever expressed	14:58:17
11		to Oxy between February 4th and February 6th that	14:58:19
12		there was a concern about reactivity because there	14:58:22
13		may have been aluminum components on those	14:58:25
14		railcars?	14:58:28
15	A	Correct. There was -- between -- through	14:58:28
16		February 6th -- I mean, yes, there was no	14:58:31
17		discussion.	14:58:33
18	Q	So is it also fair to say that from Oxy's	14:58:36
19		perspective, the formation of acetylides as a	14:58:39
20		result of the presence of aluminum was never a	14:58:43
21		concern for deciding to -- to conduct a	14:58:45
22		vent-and-burn?	14:58:49
23	A	No. All of this was very post -- like	14:58:49
24		basically in this timeframe, you know, trying to	14:58:55
25		put together reasoning, but never discussed at the	14:58:58

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

185

1	time of the derailment.	14:59:00
2	Q At any point in time between the	14:59:01
3	vent-and-burn and the present, has someone from	14:59:02
4	Norfolk Southern discussed with you the issue of	14:59:04
5	formation of acetylides?	14:59:08
6	A No.	14:59:09
7	Q Do you know if at any point in time	14:59:09
8	between the vent-and-burn and the present, anyone	14:59:09
9	from Norfolk Southern has discussed the formation	14:59:14
10	of acetylides with anyone else at Oxy?	14:59:16
11	A Not that I'm aware of.	14:59:22
12	Q Is it fair to say that from Oxy's	14:59:23
13	perspective, the vent-and-burn was really just a	14:59:28
14	rail-clearing exercise?	14:59:32
15	A Can you ask that question again?	14:59:32
16	Q Sure. Is it fair to say that from Oxy's	14:59:34
17	perspective, the vent-and-burn operation was	14:59:36
18	primarily designed to clear the rails?	14:59:39
19	A I think from Oxy's perspective, the	14:59:43
20	vent-and-burn was identified very early in the	14:59:50
21	process of handling the incident. And there	14:59:52
22	didn't appear to be a stage gate process where we	14:59:57
23	reevaluated the conditions and determined if some	15:00:00
24	of the previous alternative handling methods could	15:00:05
25	have become a solution to handling the railcars.	15:00:10

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

186

1	I can tell you for sure that NS's return	15:00:16
2	to service so quickly after the vent-and-burn	15:00:21
3	definitely leaves folks with the impression that	15:00:24
4	there was a focus to quickly resume operation, get	15:00:27
5	off the media, and move forward.	15:00:32
6	Q And that is in part because it seems to	15:00:34
7	fly in the face of the advice that Oxy, as the	15:00:37
8	product expert, was giving realtime between	15:00:41
9	February 4th and February 6th, right?	15:00:43
10	A I'm not sure what you mean by that	15:00:46
11	statement --	15:00:48
12	Q Sure.	15:00:48
13	A -- your question.	15:00:50
14	Q What you just testified to is derived at	15:00:50
15	least in part from the fact that Oxy was giving	15:00:56
16	information indicating that polymerization was not	15:00:59
17	occurring in those railcars, right?	15:01:03
18	A Correct.	15:01:04
19	Q And, therefore, polymerization was not a	15:01:05
20	reason to conduct the vent-and-burn?	15:01:08
21	A Correct.	15:01:10
22	Q And that those cars were, in fact, stable	15:01:10
23	as far as chemically?	15:01:13
24	A Chemically stable, and the -- you know, I	15:01:14
25	think at that point, is there any different	15:01:18

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

187

1 opportunities, because when they first start 15:01:21
2 talking about transloading and doing the hot tap, 15:01:23
3 that's when the car, that third car, energetically 15:01:26
4 for 60 minutes relieved. 15:01:31

5 And I agree with them. I would have been 15:01:33
6 concerned about putting somebody in that situation 15:01:36
7 to do a hot tap, so that's why they backed out. 15:01:38
8 But you also have to realize that they were 15:01:41
9 putting folks on those railcars that they deemed 15:01:44
10 unsafe to strap on explosives on five railcars, 15:01:47
11 top and bottom. 15:01:52

12 Q That puts people's lives at risk too, 15:01:54
13 right? 15:01:57

14 A I mean, I get why you did not want to do 15:01:57
15 the hot tap with that one railcar relieving for 15:02:00
16 60, 70 minutes unexpectedly. But 24 hours had 15:02:05
17 passed, that was the last of the PRDs to -- to be 15:02:08
18 cycling and relieving, but they were still 15:02:13
19 communicating that they felt that these cars were 15:02:15
20 at risk of polymerization. 15:02:17

21 But it was never really clear to me what 15:02:19
22 made it so safe, if you really felt that was the 15:02:21
23 concern, to then put somebody to climb up the 15:02:24
24 cars, strap on explosives on the top and bottom of 15:02:28
25 a railcar, and do that five times. 15:02:31

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

188

1	So I think that risk assessment, to me,	15:02:34
2	that's where I hope the incident investigation	15:02:37
3	goes. You know, to me, those are some of the	15:02:39
4	questions that have to come out of that	15:02:42
5	vent-and-burn process and analysis.	15:02:45
6	Q Ms. Stegmann, those are all the questions	15:02:45
7	I have for you. Thank you.	15:02:49
8	A Thank you.	15:02:50
9	MR. GOMEZ: Go off.	15:02:54
10	VIDEOGRAPHER: We are going off the	15:02:55
11	record. The time is 3:02 p.m.	15:02:56
12	(Recess 3:02 p.m. to 3:15 p.m.)	15:15:12
13	VIDEOGRAPHER: We are going back on the	15:15:12
14	record. The time is 3:15 p.m.	15:15:26
15	FURTHER EXAMINATION	15:15:26
16	BY MR. KNIGHT:	15:15:28
17	Q So, Ms. Stegmann, do you still have your	15:15:28
18	exhibits in front of you?	15:15:39
19	A Yes, I do.	15:15:40
20	Q Thank you. And if you can go back and	15:15:41
21	take a look at Exhibit 11.	15:15:43
22	A Yes.	15:15:53
23	Q And that was your letter to the NTSB on	15:15:53
24	April 11th, 2023, concerning the source materials	15:15:59
25	for the Oxy Vinyls' safety data sheet?	15:16:03

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

189

1	A Yes.	15:16:07
2	Q Okay. I wanted to -- if you go to the	15:16:07
3	second page of that document, there's a paragraph	15:16:21
4	that starts with: In this -- in response to this	15:16:25
5	request, Oxy Vinyls provides the following source	15:16:30
6	documents for the reference to SDS.	15:16:32
7	Do you see that?	15:16:34
8	A Yes, I do.	15:16:35
9	Q And you see the second bullet point there	15:16:36
10	recites the Chlorine Institute and Vinyl Institute	15:16:42
11	Pamphlet 171.	15:16:47
12	Do you see that?	15:16:49
13	A Yes.	15:16:49
14	Q And you may have talked about this	15:16:49
15	already, but could you tell us, how did you obtain	15:17:01
16	the information about the source documents that	15:17:03
17	you listed in this letter?	15:17:05
18	A Again, I signed the letter and submitted	15:17:06
19	it as the party representative. This was	15:17:10
20	developed with our technical group as well as our	15:17:15
21	legal representatives and including, I believe,	15:17:23
22	Paul Thomas's group.	15:17:24
23	So he worked and -- actually, it was Paul	15:17:25
24	Thomas's group or HESS group, and they put	15:17:28
25	together -- they had access to these documents.	15:17:32

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

190

1	This was their basis for our SDS.	15:17:34
2	Q Do you have an understanding of the	15:17:37
3	process -- strike that.	15:17:38
4	Do you have an understanding of how Oxy	15:17:40
5	Vynyls creates its safety data sheet for vinyl	15:17:45
6	chloride monomer?	15:17:47
7	A I haven't been involved in the creation	15:17:47
8	of -- since I've been with the company, we've had	15:17:52
9	an established SDS, and at times it's been I guess	15:17:54
10	reviewed and updated. But I haven't been part of	15:17:56
11	a creation of an SDS sheet.	15:18:02
12	Q Do you have any knowledge of how Oxy	15:18:04
13	Vynyls reviews its safety data sheet?	15:18:09
14	A I haven't been part of a technical review.	15:18:10
15	That's mainly handled in our HESS group.	15:18:13
16	Q Okay. And do you have any knowledge of	15:18:16
17	what the HESS group does in connection with	15:18:25
18	maintaining its safety data sheet?	15:18:29
19	MS. BROZ: Objection, form.	15:18:31
20	A I don't know what their process is.	15:18:32
21	Q Okay. So I'm going to show you -- I guess	15:18:37
22	we're up to Exhibit 17.	15:18:45
23	(Exhibit 17 marked.)	15:18:50
24	Q It's going to be marked as Exhibit 17.	15:18:54
25	I'm not going to ask you about the whole	15:19:53

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

191

1	document, just one page on the document.	15:19:55
2	A Okay.	15:19:56
3	Q So feel free to look for it -- look at it	15:19:56
4	as long or as little as you would like.	15:20:00
5	A What page are you going to ask me about?	15:20:05
6	Q I'm going to ask you about page 4,	15:20:07
7	specifically Section 2.3.	15:20:19
8	A Okay.	15:20:55
9	Q Ms. Stegmann, what is this document?	15:20:55
10	A This is the Pamphlet 171. I believe it	15:20:59
11	was developed by the Chlorine Institute in	15:21:06
12	conjunction with the Vinyl Institute, and it's	15:21:09
13	Vinyl Chloride Monomer Tank Car and Cargo Tank	15:21:12
14	Handling Manual.	15:21:16
15	Q This is the document that's being	15:21:17
16	referenced in the letter that you sent shown in	15:21:20
17	Exhibit 11?	15:21:25
18	A Yes.	15:21:26
19	Q Is that correct?	15:21:26
20	A I believe it is. Let me just confirm.	15:21:27
21	Yes, that was correct.	15:21:41
22	Q And I see you're on page 4. So the second	15:21:42
23	paragraph in Section 2.3 states that: Exposure to	15:21:54
24	the following conditions or mixtures of the	15:21:59
25	following elements and materials can cause	15:22:01

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

192

1	explosive or violent polymerization.	15:22:03
2	Do you see that?	15:22:06
3	Air, sunlight, excessive heat, oxidizers,	15:22:07
4	catalytic metals such as copper aluminum or	15:22:12
5	alloys, and certain catalytic impurities.	15:22:15
6	Do you see that?	15:22:18
7	A I do see that bulleted, yes.	15:22:19
8	Q And the first paragraph above it says	15:22:21
9	that: VCM is shipped in a stabilized state, and	15:22:26
10	it's generally stable at normal temperatures and	15:22:30
11	pressures. However, certain conditions and	15:22:32
12	mixtures with certain materials can cause VCM to	15:22:35
13	violently polymerize or other hazardous	15:22:38
14	conditions.	15:22:42
15	So, Ms. Stegmann, this section suggests	15:22:45
16	that violent polymerization of VCM can occur upon	15:22:52
17	exposure to heat; is that correct?	15:22:57
18	MR. GOMEZ: Objection.	15:22:59
19	A I think that's an overly simplistic	15:22:59
20	statement. Excessive heat is listed, and it --	15:23:07
21	it -- it's referencing certain conditions or	15:23:12
22	mixtures and certain materials.	15:23:15
23	So that's not necessarily applicable to	15:23:22
24	the version of VCM that was being shipped from the	15:23:26
25	La Porte plant in the five DOT-105J cars.	15:23:29

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

193

1	Q Is that because the VCM being shipped is	15:23:34
2	stabilized?	15:23:36
3	A It's stabilized and very pure. It's our	15:23:37
4	purest form. It's our final product.	15:23:40
5	This talks about certain conditions or	15:23:44
6	mixtures with certain materials, so it's not	15:23:44
7	talking about purity so I can't apply this	15:23:47
8	statement to our purest vinyl product out of our	15:23:50
9	VCM plants.	15:23:56
10	Q Right. So what you're -- if I understand	15:23:57
11	correctly, you're saying that you agree this	15:24:02
12	section references VCM, but it may not be the same	15:24:07
13	VCM that you're shipping?	15:24:10
14	MS. BROZ: Objection, form.	15:24:12
15	A It -- it doesn't clearly state that it	15:24:18
16	relates to our situation, knowing "certain	15:24:22
17	conditions and mixtures" is a generic statement.	15:24:25
18	And the vinyl shipped at the La Porte plant was	15:24:29
19	our purest vinyl product. There's not impurities	15:24:35
20	to the extent that you have in other parts of your	15:24:41
21	process.	15:24:44
22	Q Notwithstanding the vinyl chloride monomer	15:24:44
23	that you're shipping, do you think a fair reading	15:24:47
24	of the second paragraph is that excessive heat can	15:24:50
25	cause violent polymerization?	15:24:54

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

194

1	MS. BROZ: Objection, form.	15:24:55
2	A Could you rephrase the question?	15:24:56
3	Q Well, I'm just asking for a fair reading	15:25:00
4	of the paragraph, its plain meaning, do you think	15:25:07
5	it is saying that excessive heat can cause violent	15:25:10
6	polymerization?	15:25:14
7	MS. BROZ: Objection, form.	15:25:16
8	A It doesn't say -- it says: Exposure to	15:25:17
9	the following conditions or mixtures.	15:25:28
10	It doesn't say one condition. It could be	15:25:31
11	multiple conditions. So I think it's a generic	15:25:34
12	guideline that would then need to be further	15:25:37
13	clarified.	15:25:39
14	It says "exposure to the following	15:25:41
15	conditions." It doesn't say "condition" as being	15:25:43
16	one.	15:25:46
17	"Or mixtures with the following elements	15:25:48
18	and materials," so there's a lot of plural	15:25:51
19	references there, not just referencing one	15:25:53
20	specific point below.	15:25:55
21	Q So is your position that a fair reading of	15:25:57
22	this paragraph is that it does not suggest that	15:26:01
23	excessive heat can result in violent	15:26:07
24	polymerization?	15:26:10
25	MS. BROZ: Objection, form.	15:26:10

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

195

1	A I think when I read this paragraph it says	15:26:11
2	polymerization and other reaction considerations,	15:26:15
3	and I think it would require additional	15:26:18
4	understanding and follow-up.	15:26:21
5	Q So if I understand a plain reading of the	15:26:22
6	second paragraph -- strike that.	15:26:38
7	If I understand correctly, what you're	15:26:47
8	saying is that one can't really tell what this	15:26:52
9	paragraph is saying under a plain reading?	15:26:56
10	MS. BROZ: Objection, form.	15:26:58
11	A I think it's raising certain reaction	15:26:59
12	considerations to identify and be cautious of.	15:27:05
13	However, I would put it in the entirety of this	15:27:09
14	document which I have not read in its entirety, I	15:27:12
15	think we have to be very careful about taking out	15:27:15
16	a very small parcel and applying it to an	15:27:18
17	extraordinary circumstance.	15:27:22
18	Q Well, and the -- are you aware of any	15:27:23
19	condition under which aluminum will cause VCM to	15:27:31
20	violently polymerize?	15:27:38
21	A I'm not aware.	15:27:40
22	Q And are you aware of any condition under	15:27:41
23	which excessive heating will cause VCM to	15:27:45
24	violently polymerize?	15:27:50
25	A No, I do not see it spontaneously	15:27:52

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

196

1 polymerizing. It would have to be in the presence
2 of an initiator or oxidizer.

3 Q I want to show you what's going to be
4 marked as Exhibit 18.

5 Before we go on to that, just let me back
6 up, one question. Are you aware of whether anyone
7 at Oxy has communicated with Chlorine Institute
8 about changing the contents of this pamphlet?

9 MS. BROZ: Objection, form.

10 A I am not aware of any specific
11 communication.

12 Q Do you think that it would be a good idea
13 to make Section 2.3 more clear?

14 MS. BROZ: Objection, form, foundation.

15 A I think since all of these have been
16 turned into the NTSB investigation, and since I'm
17 a party representative and these are the items
18 being discussed, I have to -- I think I need to
19 not answer what my belief is as part of the
20 investigation.

21 Q Well, have you heard anyone at Oxy Vinyls
22 suggest that Pamphlet 171 should be updated?

23 A I think there has been discussions. Like
24 any document, multiple readers can read it and
25 come up with different scenarios.

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

197

1 Again, I think we expect that there to be 15:30:17
2 a report out by the NTSB, and then we will look at 15:30:21
3 that and incorporate their recommendations and 15:30:26
4 anything else that we need to do to clarify or be 15:30:31
5 more clear. 15:30:34

6 Q So you said you were aware of discussions 15:30:34
7 at Oxy Vinyls concerning changing Pamphlet 171. 15:30:38
8 Can you tell me who had those discussions? 15:30:43

9 MS. BROZ: Objection, misstates prior 15:30:49
10 testimony, form. I also caution you to follow the 15:30:51
11 guidelines provided by the NTSB for your testimony 15:30:57
12 here today. 15:30:59

13 A Can you repeat what my prior testimony -- 15:31:01
14 how I answered the question and what the question 15:31:04
15 is to me now? I'm confused. 15:31:06

16 Q Sure. So -- 15:31:09

17 MR. KNIGHT: Can you go back to read it? 15:31:53

18 (Record read.) 15:31:53

19 A So I didn't say anybody was suggesting or 15:31:53
20 discussing changing the document. I was saying 15:31:57
21 when you read a document, there is these technical 15:31:59
22 discussions, and again, in any of these documents 15:32:01
23 we develop and submit, there is discussions, but 15:32:05
24 we present our final consensus opinion. 15:32:09

25 As it relates to this Pamphlet 171, I am 15:32:13

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

198

1 not aware of any suggestions to the Chlorine

15:32:20

2 Institute to modify; however, we know that this,

15:32:24

3 along with many others, have been turned over to

15:32:29

4 the NTSB investigation, and there will be a

15:32:31

5 pending report that I think will possibly cover

15:32:32

6 the technical documentations, and if the NTSB

15:32:38

7 investigation believes it has any impact on the

15:32:41

8 decision making.

15:32:44

9 Q Do you have any sense of when that final

15:32:50

10 report will be --

15:32:51

11 A I know I specifically cannot comment --

15:32:51

12 MS. BROZ: I specifically instruct you not

15:32:52

13 to answer that -- I specifically instruct you not

15:32:54

14 to answer that.

15:32:55

15 A That is a specific guideline in the NTSB

15:32:56

16 not to discuss timing.

15:32:59

17 Q Could you speak generally about the

15:33:00

18 guideline?

15:33:03

19 MS. BROZ: No, she cannot. You can move

15:33:03

20 on.

15:33:09

21 Q Let's go back. I'm going to show you what

15:33:24

22 is going to be marked as Exhibit 18.

15:33:30

23 (Exhibit 18 marked.)

15:33:31

24 Q And the title of it is Product Stewardship

15:33:49

25 Summary, Vinyl Chlorine Monomer, and I'm going to

15:33:52

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

199

1	ask you -- just feel free to look at it as long as	15:33:57
2	you want. I'm going to ask you specifically --	15:34:00
3	A I don't recall seeing this document	15:34:10
4	before.	15:34:12
5	Q Okay. I'm going to ask you specifically	15:34:12
6	about page 3 and section -- under Section 4 where	15:34:26
7	it says Reactivity -- Subsection Reactivity. If	15:34:38
8	you want to take a look at that, and let me know	15:34:41
9	when you are ready.	15:34:43
10	A (Reviewing document.) Okay.	15:35:09
11	Q So just generally on the document, you	15:35:28
12	said that you haven't seen this document before?	15:35:36
13	A I don't recall seeing this document.	15:35:38
14	Q Do you have an understanding of what a	15:35:40
15	product stewardship summary is as it's listed on	15:35:42
16	the first page of this document?	15:35:47
17	A No, I don't recall. I don't recall seeing	15:35:48
18	this document where it surfaced from.	15:35:54
19	MS. BROZ: Do you have a Bates number on	15:35:57
20	this, Jonathan?	15:35:58
21	MR. KNIGHT: I do.	15:36:00
22	MS. MACIEL: OXY 140.	15:36:05
23	MS. BROZ: When you provide documents at	15:36:06
24	depositions, can you provide the cover slip with	15:36:08
25	the Bates numbers so we don't have to go through	15:36:10

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

200

1	this exercise every time?	15:36:12
2	MR. KNIGHT: Yeah. Normally they're Bates	15:36:19
3	stamped on the lower right, but some of these	15:36:21
4	documents --	15:36:22
5	MS. BROZ: When they're native production,	15:36:22
6	there's a slip sheet with the Bates stamp in front	15:36:24
7	of it.	15:36:26
8	MR. KNIGHT: Okay.	15:36:27
9	A I mean, this could be a technical plant	15:36:31
10	document. I don't know. I haven't seen it in my	15:36:32
11	role, or if I have, it has been quite some time.	15:36:37
12	Q Okay. So in the reactivity section, the	15:36:43
13	first sentence states that: VCM will polymerize	15:36:48
14	if exposed to air, elevated temperatures, or other	15:36:54
15	activating substances.	15:36:57
16	Do you agree with that sentence?	15:37:00
17	A Well, I'm not the VCM technical steward.	15:37:01
18	I think it would need to say in the presence of --	15:37:11
19	there needs to be some qualifiers, but again, I	15:37:15
20	don't know where this document -- what its purpose	15:37:18
21	is, where its source is.	15:37:22
22	Q And I wasn't asking you about that. I was	15:37:26
23	just asking if you agreed with this sentence.	15:37:28
24	A Just at a limited view, VCM will	15:37:34
25	polymerize if exposed to air. Again, it needs to	15:37:41

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

201

1	polymerize. It needs an initiator, in my view.	15:37:46
2	Q And oxygen is not an initiator, correct?	15:37:50
3	A I think you need -- again, you're getting	15:37:51
4	outside my chemistry current knowledge. This	15:37:58
5	isn't what I do in my current role and	15:38:04
6	responsibility. I've been 10 years removed from	15:38:06
7	the manufacturing processes.	15:38:10
8	Q So you're not sure whether VCM will	15:38:11
9	polymerize at this exposed elevated temperature?	15:38:14
10	Is that your testimony?	15:38:18
11	A I'm just saying --	15:38:18
12	MS. BROZ: Objection to form.	15:38:19
13	A -- under oath, I'm not going to testify to	15:38:20
14	the technical correctness of a document I have not	15:38:22
15	seen or recall seeing.	15:38:24
16	Q And the third sentence states that: VCM	15:38:27
17	can be stored in vessels made of common materials	15:38:35
18	of construction. VCM is stable with common metals	15:38:37
19	other than aluminum and aluminum alloys and copper	15:38:42
20	and copper alloys, including brass.	15:38:45
21	Do you agree with the statement that VCM	15:38:49
22	is stable with common elements other than	15:38:51
23	aluminum?	15:38:54
24	MS. BROZ: Objection, form.	15:38:54
25	A I don't have the technical background to	15:38:55

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

202

1	make these statements, and I'm looking to see what	15:39:02
2	the date is. I mean, this is prepared in 2008 and	15:39:04
3	revised in 2013. I haven't recalled seeing it.	15:39:07
4	So I don't think that I am the correct Oxy	15:39:11
5	representative to be commenting on a technical	15:39:16
6	document that I have not seen before.	15:39:18
7	Q Well, you don't agree that vinyl chloride	15:39:22
8	monomer will react with aluminum, correct?	15:39:25
9	MS. BROZ: Objection, form, asked and	15:39:27
10	answered.	15:39:27
11	A Can you restate the question?	15:39:45
12	Q Well, you think that vinyl chloride	15:39:49
13	monomer won't react with aluminum; is that	15:39:51
14	correct?	15:39:53
15	MS. BROZ: Objection, form, asked and	15:39:53
16	answered.	15:40:00
17	A Again, as party representative, I pass	15:40:00
18	along information related to what our technical	15:40:11
19	folks supplied regarding VCM and polymerization as	15:40:16
20	it relates to metals or it will not polymerize.	15:40:20
21	I do not believe it will polymerize, but	15:40:25
22	again, I don't know the source of this document,	15:40:29
23	and I can't testify to the accuracy or technical	15:40:31
24	correctness of this document.	15:40:33
25	Q Okay. Thank you.	15:40:34

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

203

1	I wanted to switch topics a little bit to	15:40:37
2	the decision to undertake a vent-and-burn in the	15:40:42
3	East Palestine, Ohio derailment. I'm going to	15:40:47
4	show you what is going to be marked as Exhibit 19.	15:40:52
5	(Exhibit 19 marked.)	15:40:57
6	Q So, Ms. Stegmann, what is this document?	15:41:27
7	A It looks like a transcript of Day 1	15:41:29
8	hearings, so -- of East Palestine, so it's the	15:41:35
9	first -- I guess the first and second panel.	15:41:39
10	Q Okay. I'm going to ask you to turn to	15:41:43
11	page 190 as it's numbered on the little corners	15:41:45
12	inside the page. Just let me know when you are	15:41:53
13	there.	15:42:05
14	A I'm on 190.	15:42:06
15	Q Okay. And starting on Line 3, there's a	15:42:08
16	Mr. Dougherty who asks a question. And -- first	15:42:15
17	of all, who is Mr. Dougherty in relation to the	15:42:18
18	NTSB hearing?	15:42:21
19	A He was an investigator in the hazardous	15:42:21
20	materials group, and I believe he was the lead	15:42:29
21	until he resigned from the NTSB.	15:42:31
22	Q And you're saying that as of now, he's	15:42:33
23	resigned from the NTSB?	15:42:40
24	A Correct.	15:42:42
25	Q When did that happen, if you know?	15:42:42

HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

204

1	A	Yeah, I do. He went out on a month	15:42:48
2		medical leave, and then did not return. So	15:42:51
3		October-ish time frame.	15:42:54
4	Q	And Mr. Dougherty asked Mr. Wood: Could	15:42:56
5		you describe the process of vent-and-burn, why and	15:43:01
6		when it is used and what other options you	15:43:05
7		considered in this incident?	15:43:07
8		And my next question is, who is Mr. Wood?	15:43:09
9	A	That is Robert Wood of the NS. He was	15:43:13
10		onsite at the derailment scene. I don't remember	15:43:17
11		his official title.	15:43:23
12	Q	And starting at Line 7, Mr. Wood answers	15:43:24
13		that: Again, in all cases with tank cars,	15:43:29
14		specifically in this case with pressure tank cars	15:43:32
15		carrying a liquified flammable gas, your first	15:43:37
16		option is damage assessment, can that car be moved	15:43:38
17		in any position that it's in, can the car be	15:43:41
18		re-railed. In that case, re-railing was never	15:43:44
19		going to be an option with this car due to the	15:43:46
20		site.	15:43:48
21	A	I don't know which car he's specifying	15:43:53
22		because he says, can the car.	15:43:56
23	Q	Okay. Well, let me ask you this: Do you	15:43:59
24		think that any of the cars could have been	15:44:09
25		re-railed?	15:44:09

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

205

1	A I'm definitely not -- I wasn't on scene.	15:44:12
2	That is not my area. I've never made that	15:44:15
3	decision.	15:44:18
4	However, what I can tell you from	15:44:19
5	communications is it -- and it's early, so	15:44:20
6	obviously more facts could have come in, but my	15:44:24
7	point was they brought up that that first car, the	15:44:26
8	TILX car, they proposed moving that because it was	15:44:29
9	at the beginning of the derailment scene, and the	15:44:35
10	tracks ahead of it could be cleared.	15:44:39
11	However, then they recognized that it had	15:44:41
12	a cracked bolster, and it was no longer a	15:44:43
13	candidate for movement.	15:44:46
14	However, that's an extreme jump from, we	15:44:47
15	can move this car, it is safe enough to move.	15:44:51
16	Other cars have -- that have been in this kind of	15:44:55
17	incident have had cracked bolsters and you're able	15:44:58
18	to transload them.	15:45:01
19	So we went from potentially moving the car	15:45:02
20	to the only disposition of the material was a	15:45:04
21	vent-and-burn, a last-resort process.	15:45:07
22	Q And just so I understand, what is -- when	15:45:09
23	you say "transloading," what does that refer to?	15:45:12
24	A That is where you move material out of a	15:45:14
25	railcar into another railcar, and there is -- it's	15:45:17

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

206

1 a process of digging up hoses and transloading

15:45:22

2 cars. It is common if they're moved on the

15:45:26

3 railway and there is an issue with the car.

15:45:30

4 Q And do you have an opinion of whether
5 transloading was an option with the TILX car?

15:45:34

15:45:36

6 MR. SWANSON: Objection, form.

15:45:36

7 A I wasn't on site. I don't have near the
8 details.

15:45:45

15:45:47

9 MR. SWANSON: Objection, form.

15:45:48

10 A All I'm pointing out is that we went from
11 having immovable thought -- initially immovable
12 car to now we need to vent-and-burn all five
13 railcars.

15:45:48

15:45:51

15:45:53

15:45:56

14 Q Okay. We'll get to the vent-and-burn, but
15 first, starting on line 15, Mr. Wood continues:
16 The car in that state is never where you truly are
17 able to do a full damage assessment on them
18 because of their position, the extensive fire
19 damage. So between mechanical damages, fire
20 damages to the car, part of our decision tree
21 becomes, how am I going to get that product out of
22 the car? In this case extensive fire damage
23 ultimately destroyed the valving on the top of the
24 cars, so offloading these cars by normal means was
25 not an option.

15:45:57

15:46:04

15:46:13

15:46:18

15:46:20

15:46:23

15:46:25

15:46:29

15:46:31

15:46:38

15:46:40

15:46:43

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

207

1	My question is, are you aware of any	15:46:43
2	reason to disagree with that assessment?	15:46:45
3	MR. SWANSON: Object to form.	15:46:47
4	MS. BROZ: Objection, form.	15:46:48
5	A Can you repeat -- I know you read it, can	15:46:49
6	you repeat what your question is?	15:46:58
7	Q Well, are you aware of any reason to	15:47:00
8	disagree with the assessment that extensive fire	15:47:03
9	damage ultimately destroyed the valving on the top	15:47:05
10	of the cars so that offloading these cars by	15:47:08
11	normal means was not an option?	15:47:10
12	MS. BROZ: Objection, form.	15:47:11
13	A He's talking -- this references cars and	15:47:16
14	I'm not sure which cars he's talking about, and	15:47:18
15	again, I'm not -- I wasn't on scene. I don't have	15:47:21
16	the experience or knowledge to discuss which	15:47:24
17	method and what methods were available.	15:47:29
18	All I was stating is there was a change in	15:47:32
19	my prior testimony in having a potentially movable	15:47:36
20	car to now including it in a vent-and-burn	15:47:40
21	process, because it appeared to NS and its	15:47:43
22	contractors that one or two of the cars were	15:47:46
23	instable, and therefore, if they vent and burned	15:47:49
24	one car, they needed to vent-and-burn all five.	15:47:52
25	That was the discussions that were	15:47:58

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

208

1 occurring and the movement of plans throughout the 15:48:00
2 process communicated to Oxy. 15:48:04

3 Q And then continuing on to the next page, 15:48:07
4 page 191, Mr. Wood states that: The next step 15:48:34
5 would have been to try to hot tap these cars. 15:48:42
6 Again, when we were -- our contractors were trying 15:48:45
7 to do a more extensive damage assessment to assess 15:48:48
8 these cars. Absent pool fires for several cars, 15:48:51
9 one of these cars' PRD suddenly went off again and 15:48:54
10 went off for about 70 minutes leading to -- there 15:48:57
11 was other safety issues associated with these cars 15:49:00
12 that we had to deal with. 15:49:02

13 Ultimately it was decided because of the 15:49:03
14 time it would take and the peril it would put 15:49:06
15 personnel in to try to weld fittings into these 15:49:10
16 cars and manually drill holes, to do a hot tap. 15:49:12
17 That was not an alternative. 15:49:14

18 Do you have any opinion of whether it 15:49:19
19 would have been safe to perform a hot tap on any 15:49:24
20 of these cars? 15:49:26

21 MS. BROZ: Objection, form, foundation. 15:49:27

22 A Again, I was not onsite, and I do think 15:49:29
23 that there had to be consideration for the safety 15:49:34
24 of the personnel performing any tasks at the 15:49:38
25 derailment scene, including did they consider 15:49:40

HIGHLY CONFIDENTIAL

Transcript of Karenanne Stegmann

Conducted on January 5, 2024

209

1 those same requirements when a gentleman went on 15:49:44
2 top of the railcars and strapped explosives on the 15:49:49
3 top and bottom of the railcars. 15:49:54

4 Q Do -- do you have an understanding of the 15:49:57
5 safety considerations associated with performing a 15:50:00
6 hot tap? 15:50:04

7 A I understand it's a risky situation 15:50:07
8 that's -- and one that's been done in our 15:50:10
9 processing plants and obviously you're putting 15:50:14
10 people in harm's way. But, again, the folks on 15:50:18
11 scene are the experts in managing and applying 15:50:23
12 those techniques, so I'm not questioning the 15:50:26
13 validity of the statement. 15:50:29

14 Q I think I'm done with my questions and 15:50:30
15 happy to yield any of my time to anybody else who 15:51:12
16 wants to ask questions. Really, really appreciate 15:51:15
17 your help. Thank you. 15:51:17

18 MS. BROZ: Anyone else? We're going to 15:51:20
19 mark this highly confidential, and we'll read and 15:51:26
20 sign. 15:51:28

21 VIDEOGRAPHER: This marks the end of the 15:51:29
22 deposition -- sorry. This marks the end of the 15:51:34
23 deposition of Karenanne Stegmann. The time on the 15:51:39
24 monitor is 3:51 p.m. 15:51:42

25 (Deposition concluded at 3:51 p.m.)


HIGHLY CONFIDENTIAL
Transcript of Karenanne Stegmann
Conducted on January 5, 2024

210

CERTIFICATE OF SHORTHAND REPORTER

I, Susan S. Klinger, the officer before whom the foregoing deposition was taken, do hereby certify that the foregoing transcript is a true and correct record of the testimony given; that said testimony was taken by me stenographically and thereafter reduced to typewriting under my direction; that reading and signing was requested; and that I am neither counsel for, related to, nor employed by any of the parties to this case and have no interest, financial or otherwise in its outcome.

IN WITNESS WHEREOF, I have herunto set my hand on the 5th of January, 2024.



Susan S. Klinger, RMR-CRR, CSR

Texas CSR 6531, Exp: 10/23/25

California CSR 14487, Exp: 11/30/24

No. 518453

Re: Deposition of **Karenanne Stegmann**

Date: 1/5/2024

Case: Feb. 3 Norfolk Southern Railway Derailment in East Palestine, OH; In Re:

Return to: transcripts@planetdepos.com

Page	Line	Correction/Change and Reason
14	18	Change first instance of "complete" to "provide" / clarification
18	19	Change "Chemicals" to "Chem" / transcription error
21	15-16	Delete "they're not responsible --" / clarification
22	19	Replace "setting" with "establishing" / clarification
28	15	Delete "manufacture"/ clarification
35	19	Delete the word "of" before the word "aluminum" / clarification
37	13	Replace "an" with "at" / typographical error
39	9	Change "to that level of degree." to "to that level of detail." / clarification
42	1	Change "and" to "in" / typographical error
42	2	Delete second instance of "reaction" / clarification
44	17	Change the word "was" to the word "were" / clarification
48	5	Change "Woodka" to "Wutka" / typographical error
51	15	Delete "investigative --" / clarification
53	7	Change the word "do" to the word "did" / clarification
53	21	Change "receive" to "received" and delete the word "ourselves" / clarification
54	12	Add the word "that" between the words "demonstrated" and "based" / clarification
54	15	Change "Hendricks" to "Hinrich" / typographical error
56	18	Put a comma after the word "carriers" / typographical error
60	14	Change "communication" to "communications" / typographical error
62	12	Change the word "into" to the word "in" / clarification
77	6	Move "," from after "stopped" to before "but" / typographical error
82	13	Add a "." after burning and delete "each of the railcars" / clarification
83	9	Delete the word "discussing" / clarification

83	18	Put a comma after the word "myself" / typographical error
83	19	Put a comma after the word "team" / typographical error
84	6	Put a comma after the word "afterwards" / typographical error
84	24	Delete "of" and add "from" / clarification
85	23	Delete "Tate" and add "Tait" / typographical error
92	16	Delete the words "a wide use of" / clarification
93	15	Delete the word "this" / clarification
93	16	Insert "—" after "SPSI" / clarification
96	21	Change "to" to "as" / clarification
99	3	Change the word "the" to the word "their" / clarification
99	9	Put a comma after the word "media" / clarification
99	10	Put a comma after the word "statements" / clarification
108	9-10	Delete ", is that our customer -- shipping industry, that you expect," / clarification
114	7	Change "Woodka" to "Wutka" / typographical error
115	10	Change "Woodka" to "Wutka" / typographical error
121	9	Change "Woodka" to "Wutka" / typographical error
127	7	Change "Brennan" to "Brennon" / typographical error
131	10	Delete "the" / clarification
142	8	Change "donor" to "owner" / typographical error
145	21	Change "represent" to "representative" / typographical error
160	2	Change "and" to "on" / typographical error
163	14	Change the word "was" to the word "were" / clarification
167	7	Add the words "and it" after the words "filled out" / clarification
167	8	Add the word "to" after the word "getting" / clarification
172	11	Insert "," after the word "concern" and capitalize the word "The" / clarification
172	22	Change "obviously" to "obvious" / clarification
176	22	Insert the word "employed" before "by Oxy" / clarification
183	2	Change "we" to "they" / clarification

185	22	Change "we" to "they" / clarification
206	1	Change "digging" to "rigging" / typographical error

2-21-24

(Date)

Karenanne Stemann

(Signature)

Re: Deposition of **Karenanne Stegmann**

Date: 1/5/2024

Case: Feb. 3 Norfolk Southern Railway Derailment in East Palestine, OH; In Re:

Return to: transcripts@planetdepos.com

ACKNOWLEDGMENT OF DEPONENT

I, Karenanne Stegmann, do hereby acknowledge that I have read and examined the foregoing testimony, and the same is a true, correct and complete transcription of the testimony given by me and any corrections appear on the attached Errata sheet signed by me.

2-21-24 Karenanne Stegmann
(Date) (Signature)