

## NOTICE OF AMENDMENT

### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

September 29, 2014

Mr. John Blanchard  
President  
ARC Terminals Holdings LLC  
3000 Research Forest Drive, Suite 250  
The Woodlands, Texas 77381

**CPF 3-2014-5009M**

Dear Mr. Blanchard:

On June 26, 2012, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected ARC Terminals Holdings LLC's (ARC) procedures for Public Awareness Program Effectiveness in The Woodlands, Texas.

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

**1. § 195.440 Public awareness.**

**(c) The operator must follow the general program recommendations, including baseline and supplemental requirements of API RP 1162, unless the operator provides justification in its program or procedural manual as to why compliance with all or certain provisions of the recommended practice is not practicable and not necessary for safety.**

ARC's procedures are inadequate because its Public Awareness Plan does not include a written process specifying the appropriate intervals for the annual implementation review and the effectiveness evaluation, as set forth in API RP 1162 to not exceed four years.

ARC's procedures are inadequate because its Public Awareness Plan does not include a written process to document that supplemental program enhancements are not needed or include a supplemental section that reviews the system annually, as set forth in API RP 1162.

ARC's procedures are inadequate because its Public Awareness Plan does not include a written process to assure that the Emergency Officials are contacted periodically to share capabilities and foster a liaison relationship, as required by API RP 1162.

ARC's procedures are inadequate because its Public Awareness Plan does not include a written process to review program implementation annually by its stakeholder audience, as required by API RP 1162.

ARC's procedures are inadequate because its Public Awareness Plan does not include a written process for conducting a complete effectiveness evaluation that includes surveying each stakeholder audience and does not include appropriate survey samples for valid effectiveness, as required by API RP 1162.

ARC's procedures are inadequate because its Public Awareness Plan does not include a written process to track actual program outreach by the stakeholder audience as required by API RP 1162.

ARC's procedures are inadequate because its Public Awareness Plan utilizes baseline messages that do not meet the requirements of API RP 1162.

**2. § 195.440 Public awareness.**

**(d) The operator's program must specifically include provisions to educate the public, appropriate government organizations, and persons engaged in excavation related activities on:**

**(e) The program must include activities to advise affected municipalities, school districts, businesses, and residents of pipeline facility locations.**

**(f) The program and the media used must be as comprehensive as necessary to reach all areas in which the operator transports hazardous liquid or carbon dioxide.**

ARC's procedures are inadequate because its Public Awareness Plan does not include a written process for identifying the individual stakeholder audiences.

**3. § 195.440 Public awareness.**

**(g) The program must be conducted in English and in other languages commonly understood by a significant number and concentration of the non-English speaking population in the operator's area.**

ARC's procedures are inadequate because its Public Awareness Plan does not include a written process for evaluating when alternate languages are needed or assess for demographic changes of the concentration of the non-English speaking populous.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. Be advised that all material you submit in response to this enforcement action is subject to being made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. 552(b), along with the complete original document you must provide a second copy of the document with the portions you believe qualify for confidential treatment redacted and an explanation of why you believe the redacted information qualifies for confidential treatment under 5 U.S.C. 552(b). If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue a Final Order.

If, after opportunity for a hearing, your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.237). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within thirty (30) days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

It is requested (not mandated) that ARC Terminals Holdings LLC maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Director, Central Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 3-2014-5009M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Linda Daugherty  
Director, Central Region  
Pipeline and Hazardous Materials Safety Administration

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