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May 20, 2008

Mr. Chris Hoidal
Director, Western Region
Pipeline and Hazardous Materials Safety Administration (PHMSA)
12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

Re: Notice of Amendment (CPF 5-2008-5009M) and Warning Letter (CPF 5-2008-5010W)

Dear Mr. Hoidal:

On behalf of Anchorage Fueling and Service Company (AFSC), Aircraft Service International Group (ASIG) has enclosed two copies of an amended ASIG/AFSC Integrity Management Program. The amendments made to the plan address the comments we received from the PHMSA subsequent to the November 2007 inspection.

The enclosed tables provide a reference from the PHMSA comments to the edited text that address the respective comment.

Please contact myself or Marc McCafferty if you have any questions.

Sincerely,

Tom Mushovic
General Manager
Aircraft Service International Group

enclosures



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#	PHMSA Notice of Amendment Comment CPF 5-2008-2009M	Regulation	AFSC/ASIG IMP Section	AFSC Response
1	ASIG did not have adequate procedures that consider the items in § 195.452 (i)(2). ASIG must consider all risk factors, including, but not limited to: (i) Terrain surrounding the pipeline segment, including drainage systems such as small streams and other smaller waterways that could act as a conduit to the high consequence area; (ii) Elevation Profile; (iii) Characteristics of the product transported; (iv) Amount of product that could be released; (v) Possibility of a spillage in a farm field following the drain tile into a waterway; (vi) Ditches along side a roadway the pipeline crossed; (vii) Physical support of the pipeline segment such as by a cable suspension bridge; (viii) Exposure of pipeline to operating pressure exceeding established maximum operating pressure.	§195.452 (i)(2)	Section 2.4	<p>ASIG has renamed and inserted text as appropriate in Section 2.4 where the risk assessment information has been described. Inserted text addresses the risk analysis not previously documented in the plan. The new text has been highlighted.</p> <p>At the time of the Jet Fuel Pipeline design and permitting the risk analysis was a joint venture conducted with AFSC, the AFSC operator, and local State and Federal agencies. The risk analysis conducted was specific to the Jet Fuel Pipeline and followed the API 1160 risk assessment guidance.</p> <p>On behalf of AFSC, a qualified third party will be hired to review the current QRA and conduct additional analysis considering the 8 risk factors in § 195.452 (i)(2) and any additional risk factor relevant to the AFSC Jet Fuel Pipeline. The qualified third party will then determine if the current preventive and mitigative measures are adequate for public safety and environmental protection. The risk analysis and any modification to the preventive and mitigative measures will be amended in the IMP and provided in PHMSA.</p>
2	ASIG did not have adequate procedures to take into account the factors outlined in § 195.452 (i)(3). ASIG did not conduct a formal analysis to assess the capability of its leak detection means and modify, as necessary, to protect the high consequence area. An operator's evaluation must, at least, consider the following factors – length and size of the pipeline, type of product carried, the pipeline's proximity to	§195.452 (i)(3)	Section 2.6.2	<p>ASIG as edited the IMP for the inclusion of the leak detection information. The analysis conducted to determine the need for redundant leak detection systems was conducted during the design and permitting, and not previously documented in the IMP. The selection of the current system was based public and regulatory direction. The most effective and best available technology was chosen.</p>



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	high consequence area, the swiftness of leak detection, location of nearest response personnel, leak history, and risk assessment results.			On behalf of AFSC, a qualified third party will be hired to review the current leak detection systems and the risk analysis (see comment 1).
3	ASIG procedures did not consider all the factors outlined in 452 (i) (4). ASIG did not complete an evaluation of the need for additional EFRDs to respond to releases during transient conditions. ASIG did not consider the potential effects of additional EFRDs, including)a conducting proper valve sequencing during intended EFRD activations; b) the operator's ability to promptly detect and react to inadvertent AFRD activations, and c) possible elevated pressures caused by transient conditions during EFRD activations.	§195.452 (i)(4)	Section 2.6.3	ASIG has inserted text to describe the emergency shut down devices on the Jet Fuel Pipeline.
4	ASIG did not have adequate procedures to identify continual processes and procedures that meet the requirements of § 195.452 (j)(2). All relevant information was not adequately considered and adequate justifications were not developed for reassessment intervals.	§ 195.452 (j)(2)	Section 2.3	ASIG has inserted text to describe the continual process and procedures for integrity assessment.
5	ASIG does not have adequate procedures in their IM Program to include provisions for submitting variance notifications to PHMSA for assessment intervals longer than the 5-year maximum assessment interval.	§ 195.452 (j)(4)	Section 2.3	ASIG has inserted text to include provisions for submitting variance notifications to PHMSA for assessment intervals longer than 5 years.
6	ASIG does not have adequate procedures to demonstrate that they have an effective root cause analysis and lessons learned program.	§ 195.452 (f)(7)	Section 2.7	ASIG has inserted text to describe the current investigation procedures, defined and provided in the Jet Fuel Pipeline Operation and Maintenance manual. A third party contractor will review and amend the root cause analysis and lessons learned program – see comment 1

May 16, 2008



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#	PHMSA Warning Letter Comment CPF 5-2008-2010W	Regulation	AFSC/ASIG IMP Section	AFSC Response
1	ASIG does not include in their IMP plan job description, task analysis, or other means to identify the qualification requirements for performing reviews of assessment results and information analysis, that address education, experience, skills, and training requirements, as appropriate.	§195.452 (f)(8)	Section 2.3	ASIG has inserted text to address the requirements and qualifications for individuals reviewing the integrity assessment results.
2	ASIG does not include in their IM program document a requirement that any temporary reduction in operating pressure taken until repair or remediation can be completed cannot exceed 365 days without the operator taking additional remedial actions to assure the safety of the pipeline.	§195.452 (h)(1)	Section 2.5	ASIG has inserted text regarding the temporary reduction of operating pressure for a maximum of 365 days and will implement the policy immediately..
3	ASIG does not include in their IM program document a requirement to notify PHMSA if the operator cannot meet the remediation schedule and cannot provide safety through a temporary reduction in operating pressure.	§195.452 (h)(3)	Section 2.5	ASIG has inserted text regarding the notification to PHMSA in the event that a remediation schedule can not be met, and will implement the policy immediately.
4	ASIG does not include in their IM program document a requirement stating that if an immediate repair condition is identified, the operating pressure of the affected pipeline be temporarily reduced in accordance with the formula in Section 451.7 of ASME/ANSI B31.4 or the pipeline be shutdown until the condition is repaired. Where pressure reduction cannot be calculated using the method of Section 451.7, the process should identify alternative methods of calculating a safe operating pressure.	§ 195.452 (h)(4)	Section 2.5	ASIG has inserted text in the AFSC/ASIG IMP program in Section 2.5 referencing ASME/ANSI B31.4 for the reduction of operating pressure in the event an immediate repair condition is identified. A qualified third party will be contracted in the event the formula in Section 451.7 of ASME/ANSI B31.4 cannot be met.



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#	PHMSA Warning Letter Comment CPF 5-2008-2010W	Regulation	AFSC/ASIG IMP Section	AFSC Response
5	ASIG did not develop and document adequate risk assessment conclusions and implementation actions. ASIG appears to be doing the work but did not document what work has been completed. ASIG did not identify dominant risk factors nor integrate any data with other information to develop a complete and integrated understanding of risk.	§ 195.452 (i)(2)	Section 2.4	At the time of the Jet Fuel Pipeline design and permitting the risk analysis was a joint venture conducted with AFSC, the AFSC operator, and local State and Federal agencies. The risk analysis conducted was specific to the Jet Fuel Pipeline and followed the API 1160 risk assessment guidance. See Comment 1 from the Notice Of Amendment comments.
6	ASIG does not include in the IM program document a requirement to consider the identification of potential preventive and mitigative actions that address the most significant segment-specific risks, including consideration of preventive and mitigative actions listed in §195.452 (i)(1). Further, ASIG did not conduct reviews of the effectiveness of current preventive and mitigative actions and the potential for enhancements and upgrades.	§ 195.452 (i)(1)	2.6.1	ASIG has inserted text and clarified the preventive and mitigate measures adopted from the risk analysis conducted on the Jet Fuel Pipeline