

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

October 27, 2015

Mr. Jared Green
President
Alaska Pipeline Company
P.O. Box 190288
Anchorage, AK 99519-0288

CPF 5-2015-0014W

Dear Mr. Green:

On April 7 and 15, 2015, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected your Beluga River Horizontal Directional Drilling (HDD) Project on the West Side of Cook Inlet, Alaska.

As a result of the inspection, it appears that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, U.S. Code of Federal Regulations. The items inspected and the probable violation is:

1. §192.805 Qualification program.

Each operator shall have and follow a written qualification program. The program shall include provisions to:

...

(b) Ensure through evaluation that individuals performing covered tasks are qualified;

...

Alaska Pipeline Company (APC) failed to ensure that the individuals who performed the visual inspection and radiographic testing of field girth welds for the Beluga River HDD Project were qualified to perform the covered task. The Beluga River HDD Project included an in-kind replacement of an exposed Beluga Pipeline section at the Beluga River crossing and, as such, it was a maintenance activity. The OQ records provided by APC for the individuals performing the visual inspection and radiographic testing were inadequate, in part, because they did not address the recognition and reaction to abnormal operating conditions, and were not reviewed and approved by APC prior to the covered tasks being performed. APC failed to ensure that individuals performing covered tasks were qualified.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 for a related series of violations. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the item identified in this letter. Failure to do so will result in APC being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 5-2015-0014W**. 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).

Sincerely,

For Chris Hoidal
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 T. Johnson (150056)