

Mr. J.C. Durbin
President
Mobil Pipe Line Company
P.O. Box 900
Dallas, TX 75221

Re: CPF No. 13504

Dear Mr. Durbin:

Enclosed is the Final Order issued by the Associate Administrator for Pipeline Safety in the above-referenced case. It makes findings of violation and assesses a civil penalty of \$31,521. The penalty payment terms are set forth in the Final Order. Your receipt of the Final Order constitutes service of that document under 49 C.F.R. § 190.5.

Sincerely,

Gwendolyn M. Hill
Pipeline Compliance Registry
Office of Pipeline Safety

Enclosure

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. Lucio Noto
President, CEO and Chairman of the Board
Mobil Corporation
3225 Gallows Road
Fairfax, VA 22037

Re: CPF 13504

Dear Mr. Noto:

Please be advised that the enclosed Final Order was originally signed on May 15, 1997 and forwarded to your office in Dallas, TX. The package was subsequently returned to this office due to the fact that the addressee is no longer with your company. We have re-addressed the package and are forwarding it for your receipt.

Sincerely,

Mable Scott
Secretary

Enclosure

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

DEPARTMENT OF TRANSPORTATION
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, DC 20590

_____))
In the Matter of))
Mobil Pipe Line) CPF No. 13504
Company,))
Respondent.))
_____)

FINAL ORDER

On March 10-12, 1993, pursuant to 49 U.S.C. § 60117, a representative of the Office of Pipeline Safety (OPS) conducted an on-site pipeline safety inspection of Respondent's facilities and records in Rochester, New York. As a result of the inspection, the Director, Eastern Region, OPS, issued to Respondent, by letter dated June 29, 1993, a Notice of Probable Violation and Proposed Civil Penalty (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Respondent had violated 49 C.F.R. § 195.420(b) and proposed assessing a civil penalty of \$69,900 for the alleged violation.

Respondent responded to the Notice by letter dated July 22, 1993 (Response). Respondent contested the allegation, offered information to explain the allegation in mitigation of the proposed penalty, and requested a hearing that was held on December 14, 1993.

FINDINGS OF VIOLATION

The Notice alleged that Respondent was in violation of 49 C.F.R. § 195.420(b) for failing to inspect 191 mainline valves within 7 1/2 months of a prior inspection in calendar year 1992 as prescribed by the regulation. At the hearing, Respondent did not contest the allegation that 133 of 191 mainline valves were not inspected within 7 1/2 months of a prior inspection in 1992. Respondent demonstrated that 5 of

the remaining 58 valves described in the Notice were inspected within the prescribed timeframe during 1992. In addition, Respondent contended that the 53 remaining valves were not "mainline valves" and thus were not subject to the regulation. OPS allows pipeline operators to determine which of their valves are mainline valves. In this case, Respondent listed the 53 contested valves as mainline valves on its "DOT Regulated Valve Inspection" sheets. Because the pipeline operator had designated these valves as mainline valves at the time of the inspection, the inspector reasonably expected that these valves would have been inspected with the other mainline valves. Respondent presented information at the hearing demonstrating that these valves should not have been designated "mainline valves," and the allegation of violation with respect to these valves is withdrawn. Accordingly, I find Respondent in violation of 49 C.F.R. § 195.420(b) with respect to 133 valves.

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

ASSESSMENT OF PENALTY

Under 49 U.S.C. § 60122, Respondent is subject to a civil penalty not to exceed \$25,000 per violation for each day of the violation up to a maximum of \$500,000 for any related series of violations. 49 U.S.C. § 60122 and 49 C.F.R. § 190.225 require that, in determining the amount of the civil penalty, I consider the following criteria: nature, circumstances, and gravity of the violation, degree of Respondent's culpability, history of Respondent's prior offenses, Respondent's ability to pay the penalty, good faith by Respondent in attempting to achieve compliance, the effect on Respondent's ability to continue in business, and such other matters as justice may require.

Properly working mainline valves are critical to the safe operation of a pipeline and are used to limit releases from a pipeline in the event of a spill. Failing to conduct mainline valve inspections within the prescribed timeframes could result in operational problems going unnoticed until a valve(s) does not properly open or close when needed.

The Notice proposed assessing a civil penalty based on Respondent's failure to inspect 191 mainline valves (\$300 for each of the 138 valves that were inspected two weeks late, and \$500 for each of the 53 valves inspected one month late). I have based the civil penalty on Respondent's failure to inspect

133 valves (191 from the original Notice, less the 58 valves that have been withdrawn from the allegation). Of the 133 valves, 96 were inspected two weeks later than the 7 1/2 month interval, and 37 were inspected one month later than the time interval.

I am lowering the civil penalty amount from \$300 to \$200 for each mainline valve (96 total) that was inspected approximately 2 weeks later than they should have been, and from \$500 to \$333 for each mainline valve (37 total) that was inspected approximately 1 month later than the 7 1/2 month time interval required by the regulation. The civil penalty is being reduced by 1/3 because OPS considered previous violations of 49 C.F.R. Part 192 in assessing Respondent's compliance history. Respondent demonstrated that its natural gas subsidiary is a separately-operated entity, that does not operate the hazardous liquid pipelines that are the subject of this action.

Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of \$31,521.

Payment of the civil penalty must be made within 20 days of service. Federal regulations (49 C.F.R. § 89.21(b)(3)) require this **payment be made by wire transfer**, through the Federal Reserve Communications System (Fedwire), to the account of the U.S. Treasury. **Detailed instructions are contained in the enclosure.** After completing the wire transfer, send a copy of the **electronic funds transfer receipt** to the **Office of the Chief Counsel** (DCC-1), Research and Special Programs Administration, Room 8405, U.S. Department of Transportation, 400 Seventh Street, S.W., Washington, D.C. 20590-0001.

Questions concerning wire transfers should be directed to: **Valeria Dungee**, Federal Aviation Administration, Mike Monroney Aeronautical Center, Financial Operations Division (AMZ-320), P.O. Box 25770, Oklahoma City, OK 73125; **(405) 954-4719**.

Failure to pay the \$31,521 civil penalty will result in accrual of interest at the current annual rate in accordance with 31 U.S.C. § 3717, 4 C.F.R. § 102.13 and 49 C.F.R. § 89.23. Pursuant to those same authorities, a late penalty charge of six percent (6%) per annum will be charged if payment is not made within 110 days of service. Furthermore, failure to pay the civil penalty may result in referral of the matter to the Attorney General for appropriate action in an United States District Court.

Under 49 C.F.R. § 190.215, Respondent has a right to petition for reconsideration of this Final Order. The petition must be received within 20 days of Respondent's receipt of this Final Order and must contain a brief statement of the issue(s). The filing of the petition automatically stays the payment of any civil penalty assessed. All other terms of the order, including any required corrective action, shall remain in full effect unless the Associate Administrator, upon request, grants a stay. The terms and conditions of this Final Order are effective upon receipt.

Richard B. Felder
Associate Administrator for
Pipeline Safety

Date Issued: 06/27/1997