U.S. Department
of Transportation

**Pipeline and
Hazardous Materials
Safety Administration**

820 Bear Tavern Road, Suite 103
West Trenton, NJ 08628
609.771.7800

WARNING LETTER

OVERNIGHT EXPRESS DELIVERY

April 13, 2017

T. Scott Collier, Vice President
Performance Assurance and Asset Integrity
Buckeye Partners, L.P.
Five TEK Park
9999 Hamilton Boulevard
Breinigsville, PA 18031

CPF 1-2017-5014W

Dear Mr. Collier:

On August 18, 2016, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code met with Buckeye Development & Logistics, LLC (Buckeye) personnel to discuss its integrity management (IM) notification submission dated March 18, 2016 regarding its interstate liquid 10-inch pipeline from El Paso, Texas to Juarez, Mexico, known as PMI-10, (IM notification #565) in Breinigsville, Pennsylvania.

As a result of the meeting, it is alleged that Buckeye has committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The item inspected and the probable violation is:

1. **§195.452 Pipeline integrity management in high consequence areas.**

   (a) ...

   (b) What program and practices must operators use to manage pipeline integrity? Each operator of a pipeline covered by this section must: ...

   (5) Implement and follow the program.

Buckeye failed to follow its *Integrity Management Manual, Section 10 – Continual Evaluation, Updated: 4/2013 and 8/11/2016* (*Procedure*) (Section 10) in accordance with §195.452(b)(5). Specifically, Buckeye did not reassess its pipeline PMI-10 (*pipeline*)within the established five-year interval not to exceed 68 months as described in Section 10 as required in §195.452(f)(5).

According to Buckeye's IM notification #565, Buckeye assessed pipeline PMI-10 on July 20, 2010, and the continual reassessment was planned on a five-year interval to be completed before July 20, 2015. The IM notification #565 also stated:

> Deformation in-line inspection (ILI) tool were successfully run on July 16, 2015 and on January 21, 2016. The deformation ILI tools identified bore restrictions that a metal loss tool would not be to pass. These restrictions have prevented a metal loss ILI tool being run to complete the assessment, and the reassessment interval will exceed 68 months on March 20, 2016 (emphasis added) ... The dent feature is in the process of being excavated and evaluated for repair or removal and is expected to be complete by March 31, 2016 (emphasis added).

On April 20, 2016, Buckeye sent an e-mail to the PHMSA Information Resources Manager providing the following statement: "The 4/8/2016 ILI completes the integrity assessment of the pipeline."

On August 18, 2016, a PHMSA representative met with Buckeye personnel. At the meeting Buckeye provided the following timeline of events that occurred prior to August 18, 2016:

1. Buckeye had identified the following threats to the integrity of *pipeline*:
    a. Corrosion (external-internal)
    b. Third party damage
    c. Manufacturing
2. On July 16, 2015, Buckeye reassessed the *pipeline* by using a geometry pig and Magnetic Flux Leakage (MFL) tool. Buckeye explained that this pig run identified a restriction. Buckeye assumed that magnets broke off from the ILI tool from the previous assessment in 2010 and were stuck in the pipeline.
3. On January 21, 2016:
    a. Buckeye ran a magnet extractor tool to remove the magnets from the *pipeline*.
    b. Buckeye ran a geometry pig in the *pipeline* and found an immediate feature classified as a top dent more than 6% which was located in a high consequence area.[1]
4. On January 22, 2016, Buckeye reduced the pressure in the *pipeline* and filed a safety-related condition report (SRCR) since they reduced the pressure.[2]

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[1] High consequence area means (1) A commercially navigable waterway, which means a waterway where a substantial likelihood of commercial navigation exists; (2) A high population area, which means an urbanized area, as defined and delineated by the Census Bureau, that contains 50,000 or more people and has a population density of at least 1,000 people per square mile; (3) An other populated area, which means a place, as defined and delineated by the Census Bureau, that contains a concentrated population, such as an incorporated or unincorporated city, town, village, or other designated residential or commercial area; (4) An unusually sensitive area, as defined in §195.6. *See* 49 C.F.R. §195.450.

[2] Buckeye filed a SRCR pursuant to 49 C.F.R. 195.56 regarding a condition which caused a pressure reduction (SRCR 20160012) (available at https://www.phmsa.dot.gov/portal/site/PHMSA/menuitem.6f23687cf7b00b0f22e4c6962d9c8789/?vgnextoid=4bde326d1104b210VgnVCM1000001ecb7898RCRD&vgnextchannel=3430fb649a2dc110VgnVCM1000009ed07898RCRD).

5. On March 31, 2016, Buckeye cutout the section of *pipeline* and found a magnet attached to the internal surface of the *pipeline*. Buckeye installed a replacement pipe and completed the repair.
6. On April 6, 2016, Buckeye ran a Geometry Pig.
7. On April 8, 2016, Buckeye ran the GEO+MFL tool. Buckeye received a final report for the April 7-8, 2016 reassessment of the *pipeline*.

On August 25, 2016, the PHMSA representative sent an e-mail to Buckeye requesting records and procedures from its integrity management program (IMP).

On October 05, 2016, Buckeye provided a timeline showing the events leading up to completing the *pipeline* reassessment. Also, Buckeye provided *Subsection 10.2.1 Periodic Continual Evaluations* which states, "[t]his evaluation is used to determine if an integrity assessment is required prior to the end of the five-year maximum reassessment interval and if the assessment method remains appropriate to detect threats to the integrity of the segment." *Subsection 10.2.1 Periodic Continual Evaluations* also states that "an evaluation using the form in Appendix I-2 shall be completed within 18 months after completing an integrity assessment." Buckeye provided a completed Appendix I-2 for its 2013 continual evaluation in which it established a five calendar year maximum reassessment for the *pipeline* from El Paso, Texas to Juarez, Mexico. In addition, Buckeye provided its baseline and continual assessment plan showing a five-year interval reassessment starting from July 2010 and *Subsection 10.10.1 Assessment Intervals* which allows extending the five-year interval by 8 months if unforeseen events occur.

Buckeye did not complete the reassessment of the *pipeline* in accordance with their *Procedure*.

1. Per their *Procedure*, Buckeye applied the 8-month allowance which extended the due date for the reassessment to March 19, 2016.
2. Buckeye completed the reassessment on April 8, 2016.
3. This exceeded due date by 21 days.

Therefore, Buckeye failed to follow its *Procedure*.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed $205,638 per violation per day the violation persists up to a maximum of $2,056,380 for a related series of violations. For violation occurring between January 4, 2012 to August 1, 2016, the maximum penalty may not exceed $200,000 per violation per day, with a maximum penalty not to exceed $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 Buckeye being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, please address your correspondence on this matter to: Robert Burrough, Acting Director, PHMSA Eastern Region, 820 Bear Tavern Road, Suite 103, West Trenton, NJ 08628. Please refer to **CPF 1-2017-5014W** in your correspondence.

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,

Robert Burrough
Acting Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration