

**SEPTEMBER 8, 2014**

Mr. Craig O. Pierson  
President  
Marathon Pipe Line, LLC  
539 South Main Street  
Findlay, OH 45840

**Re: CPF No. 2-2014-5002**

Dear Mr. Pierson:

Enclosed please find the Final Order issued in the above-referenced case. It makes findings of violation and assesses a civil penalty of \$30,200. This is to acknowledge receipt of payment of the full penalty amount, by wire transfer, dated May 21, 2014. This enforcement action is now closed. Service of the Final Order by certified mail is deemed effective upon the date of mailing, or as otherwise provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Jeffrey D. Wiese  
Associate Administrator  
for Pipeline Safety

Enclosure

cc: Mr. Wayne T. Lemoi, Director, Southern Region, Office of Pipeline Safety

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

**U.S. DEPARTMENT OF TRANSPORTATION  
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION  
OFFICE OF PIPELINE SAFETY  
WASHINGTON, D.C. 20590**

In the Matter of	)	
	)	
Marathon Pipe Line, LLC,	)	<b>CPF No. 2-2014-5002</b>
	)	
Respondent.	)	
	)	

**FINAL ORDER**

During June 11 – November 30, 2012 and February 27, 2014, pursuant to 49 U.S.C. § 60117, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Southern and Central Regions, Office of Pipeline Safety (OPS), inspected the procedures and records of Marathon Pipe Line, LLC (Marathon) in Findley, Ohio. Marathon operates underground pipelines and some aboveground storage tanks in the United States. The company's pipelines transport crude oil; petroleum products, such as gasoline, diesel fuel, heating oil, and jet fuel; and natural gas to and from terminals, refineries and other pipelines. Marathon operates in Wyoming, Kentucky, Mississippi, Indiana, Louisiana, Michigan, Texas, West Virginia, and Ohio. The company is headquartered in Findlay, Ohio, and operates as a subsidiary of MPLX Pipe Line Holdings, LP.<sup>1</sup>

As a result of the inspection, the Director, Southern Region, OPS (Director), issued to Respondent, by letter dated April 16, 2014, a Notice of Probable Violation and Proposed Civil Penalty (Notice), which also included warning items pursuant to 49 C.F.R. § 190.205. In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Marathon had violated 49 C.F.R. § 195.401, and proposed assessing a civil penalty of \$30,200 for the alleged violation. The warning items required no further action, but warned the operator to correct the probable violations.

Marathon responded to the Notice by letter dated May 19, 2014 (Response). The company did not contest the allegations of violation and paid the proposed civil penalty of \$30,200, as provided in 49 C.F.R. § 190.227. Payment of the penalty will serve to close the case with prejudice to Respondent.

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<sup>1</sup> Source: <http://www.marathonpipeline.com/>. (Last accessed August 18, 2014).

## FINDING OF VIOLATION

In its Response, Marathon did not contest the allegation in the Notice that it violated 49 C.F.R. Part 195, as follows:

**Item 1:** The Notice alleged that Respondent violated 49 C.F.R. § 195.401, which states in relevant part:

**§ 195.401 General requirements.**

(a)...

(b) An operator must make repairs on its pipeline system according to the following requirements:

(1) *Non Integrity management repairs.* Whenever an operator discovers any condition that could adversely affect the safe operation of its pipeline system, it must correct the condition within a reasonable time. However, if the condition is of such a nature that it presents an immediate hazard to persons or property, the operator may not operate the affected part of the system until it has corrected the unsafe condition.

The Notice alleged that Respondent violated 49 C.F.R. § 195.401 by failing to make non-integrity repairs on an aboveground breakout tank within a reasonable time after discovering a condition that could adversely affect the safe operation of its pipeline system. Specifically, the Notice alleged that on June 8, 2007, Marathon completed an American Petroleum Institute Standard 653 (API 653) internal inspection of its aboveground breakout tank #1220 in Lima, Ohio. The tank inspection was documented in Marathon's *Tank 1220 Evaluation Report* dated July 26, 2007. The report identified areas of settlement exceeding 100 percent of the API 653 allowable values and recommended replacing the tank's bottom plates or performing an additional Finite Element Analysis (FEA). API 653 Section 6.9.3.2 also requires an operator to review its inspection findings and recommendations, and to establish a repair scope with appropriate timing for repair, monitoring and/or maintenance activities.

PHMSA inspectors discovered that Marathon had not taken action to address the settlement during their 2012 inspections. Marathon eventually chose to complete an FEA, but the FEA (and associated monitoring plan) on Tank 1220 were not completed until July/August 2012; more than 5 years after Marathon discovered the condition. Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 195.401 by failing to make non-integrity repairs on an aboveground breakout tank within a reasonable time after discovering a condition that could adversely affect the safe operation of its pipeline system.

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 an administrative civil penalty not to exceed \$200,000 per violation for each day of the violation, up to a maximum of \$2,000,000 for any related series of violations.<sup>2</sup> In determining the amount of a civil penalty under 49 U.S.C. § 60122 and 49 C.F.R. § 190.225, I must consider the following criteria: the nature, circumstances, and gravity of the violation, including adverse impact on the environment; the degree of Respondent's culpability; the history of Respondent's prior offenses; and any effect that the penalty may have on its ability to continue doing business; and the good faith of Respondent in attempting to comply with the pipeline safety regulations. In addition, I may consider the economic benefit gained from the violation without any reduction because of subsequent damages, and such other matters as justice may require. The Notice proposed a total civil penalty of \$30,200 for the violation cited above.

**Item 1:** The Notice proposed a civil penalty of \$30,200 for Respondent's violation of 49 C.F.R. § 195.401, for failing to make non-integrity repairs on an aboveground breakout tank within a reasonable time after discovering a condition that could adversely affect the safe operation of its pipeline system. Marathon did not contest the allegation nor present any evidence or argument justifying elimination of the proposed penalty. Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of \$30,200 for violation of 49 C.F.R. § 195.401.

In summary, having reviewed the record and considered the assessment criteria for each of the Items cited above, I assess Respondent a total civil penalty of **\$30,200**, which has been paid in full.

## WARNING ITEMS

With respect to Items 2 and 3, the Notice alleged probable violations of Part 195 but did not propose a civil penalty or compliance order for these items. Therefore, these are considered to be warning items. The warnings were for:

49 C.F.R. § 195.402 (**Item 2**) — Respondent's alleged failure to follow its procedures for energy isolation when performing maintenance at Effingham Station on August 23, 2012; and

49 C.F.R. § 195.406 (**Item 3**) — Respondent's alleged 110 percent exceedance of the maximum operating pressure (MOP) of its Patoka-Martinsville 20-inch crude oil pipeline at Effingham Station on August 23, 2012.

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<sup>2</sup> The Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011, Pub. L. No. 112-90, § 2(a)(1), 125 Stat. 1904, January 3, 2012, increased the civil penalty liability for violating a pipeline safety standard to \$200,000 per violation for each day of the violation, up to a maximum of \$2,000,000 for any related series of violations.

Marathon presented information in its Response showing that it had taken certain actions to address the cited items. If OPS finds a violation of any of these items in a subsequent inspection, Respondent may be subject to future enforcement action.

The terms and conditions of this Final Order [CPF No. 2-2014-5002] are effective upon service in accordance with 49 C.F.R. § 190.5.

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Jeffrey D. Wiese  
Associate Administrator  
for Pipeline Safety

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Date Issued