



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

233 Peachtree Street Ste. 600
Atlanta, GA 30303

**NOTICE OF PROBABLE VIOLATION
and
PROPOSED COMPLIANCE ORDER**

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

April 1, 2016

Mr. Graham Bacon
Group Sr. Vice President, Operations & EHS&T
Enterprise Products Operating, LLC
1100 Louisiana Street
Houston, TX 77002

CPF 2-2016-5002

Dear Mr. Bacon:

On August 18-20, 2015, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), Southern Region inspected the Enterprise Products Operating, LLC (Enterprise) Operator Qualification program at your office in Houston, Texas, pursuant to Chapter 601 of 49 United States Code. As a result of the inspection, it appears that Enterprise has committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violation is as follows:

1. § 195.505 Qualification program.

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

(a) ...

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

Enterprise failed to meet the regulations because its written qualification program did not include provisions to ensure through evaluation that individuals performing certain covered tasks were qualified to perform those covered tasks.

The Enterprise Operator Qualification Manual (OQ plan) identified two distinct phases of qualification, the initial qualification and a subsequent re-qualification. The OQ Plan, Section 5, Item 4 – Qualification Process stated that *“Both the initial and re-qualification approved qualification methods can be found in Appendix A of this plan.”* During the inspection, Enterprise representatives stated that Appendix A was out of date and that the approved evaluation methods were contained in ISNetwork, the OQ record repository and data management system employed by Enterprise. These statements were in conflict with the written OQ plan which referred to Appendix A, not ISNetwork, as the location where approved qualification methods were to be found.

Notwithstanding the discrepancy over the location of approved qualification methods, both Appendix A and ISNetwork inappropriately listed NACE certification courses as acceptable evaluation methods for covered tasks, even when a course did not provide evaluations related to the covered task. As examples, Appendix A and ISNetwork listed the following NACE courses as providing acceptable evaluation of certain covered tasks:

- The NACE *Coating Inspector Program Level 1* (CIP Level 1) course was identified as an acceptable evaluation method for knowledge (K) and performance (P) on initial qualification and re-qualification, as follows:

Task	Initial Qualification		Re-qualification	
	Appendix A	ISNetwork	Appendix A	ISNetwork
<i>Task 13.2 Perform Water Pressure Cleaning</i>	K, P	K, P	K	K, P
<i>Task 13.3 Prepare Surface for Coating by Abrasive Blasting</i>	K, P	K, P	K	K, P
<i>Task 13.5 Apply Coating using Spray Application</i>	K, P	K, P	K	K, P

The NACE CIP Level 1 course provides instruction on coating inspection, not coating application. Per NACE published literature, the course *“prepares students to perform basic coating inspections using non-destructive techniques and instrumentation.”* This course does not include an evaluation of a student’s knowledge or ability to perform water pressure cleaning, abrasive blasting, or coating application by spray equipment.

- The NACE *Cathodic Protection (CP) Specialist* course was identified as an acceptable evaluation method for knowledge (K) and performance (P) on initial qualification and re-qualification, as follows:

Task	Initial Qualification		Re-qualification	
	Appendix A	ISNetwork	Appendix A	ISNetwork
<i>Task 8.2 Measure Wall Thickness with Handheld Ultrasonic Meter</i>	K, P	K, P	K, P	K, P
<i>Task 10.1 Insert and Remove Coupons</i>	K, P	K, P	K	K, P

The NACE *Cathodic Protection (CP) Specialist* course is a cathodic protection design course. Per NACE published literature “*This course focuses on the principles and procedures for CP design on a variety of structures for both galvanic and impressed current systems. The course discusses theoretical design concepts, considerations that influence the design (environment, structure type/materials of construction, coatings) design factors and calculations (including attenuation).*” This course does not include an evaluation of a student’s knowledge or ability to use a handheld ultrasonic meter to measure pipe wall thickness, or to insert and remove corrosion coupons.

Appendix A of the OQ plan contained 43 covered tasks that referenced various NACE certification courses as acceptable evaluation methods for initial qualification and/or re-qualification. Likewise, ISNetwork referenced many of the same NACE certification courses. None of the levels of NACE certification meet the regulatory requirements as acceptable evaluation methods for re-qualification. The NACE certification process does not evaluate the ability to perform covered tasks. Furthermore, the NACE recertification process only requires documentation of work history and professional development hours along with submission of a certification renewal fee; no knowledge-based or performance-based evaluations are given as part of the NACE recertification/renewal process.

Furthermore, Appendix A listed several NACE courses that are no longer available as evaluation methods. Many of the courses have not been available for several years. The following NACE OQ Assessments and Pipeline Corrosion Introductory Training courses are no longer offered by NACE:

- *NACE OQ1 (OQ Assessment 1)*
- *NACE OQ3 (OQ Assessment 3)*
- *NACE AO5 (OQ Assessment 5)*
- *NACE OQ7 (OQ Assessment 7)*
- *NACE OQ8 (OQ Assessment 8)*
- *NACE OQ9 (OQ Assessment 9)*
- *NACE OQ10 (OQ Assessment 10)*
- *NACE Pipeline Corrosion Introductory Training (PCIT) Corr-1*
- *NACE Pipeline Corrosion Introductory Training (PCIT) Corr-15*
- *NACE Pipeline Corrosion Introductory Training (PCIT) Corr-16*
- *NACE Pipeline Corrosion Introductory Training (PCIT) Corr-17*
- *NACE Pipeline Corrosion Introductory Training (PCIT) Corr-18*
- *NACE Pipeline Corrosion Introductory Training (PCIT) Corr-19*

- *NACE Pipeline Corrosion Introductory Training (PCIT) Corr-20*
- *NACE Pipeline Corrosion Introductory Training (PCIT) Corr-22*
- *NACE Pipeline Corrosion Introductory Training (PCIT) Corr-23*
- *NACE Pipeline Corrosion Introductory Training (PCIT) Corr-24*
- *NACE Pipeline Corrosion Introductory Training (PCIT) Corr-26*
- *NACE Pipeline Corrosion Introductory Training (PCIT) Corr-31*
- *NACE Pipeline Corrosion Introductory Training (PCIT) Corr-32*
- *NACE Pipeline Corrosion Introductory Training (PCIT) Corr-33*
- *NACE Pipeline Corrosion Introductory Training (PCIT) Corr-34*
- *NACE Pipeline Corrosion Introductory Training (PCIT) Corr-35*
- *NACE Pipeline Corrosion Introductory Training (PCIT) Corr-36*
- *NACE Pipeline Corrosion Introductory Training (PCIT) Corr-37*

Proposed Compliance Order


With respect to item 1 pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Enterprise. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

Response to this Notice

Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. 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). If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue a Final Order.

In your correspondence on this matter, please refer to **CPF 2-2016-5002** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,



James Urisko
Director, Office of Pipeline Safety
PHMSA Southern Region

Enclosures: *Proposed Compliance Order*
Response Options for Pipeline Operators in Compliance Proceedings

PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Enterprise Products Operating, LLC (Enterprise) a Compliance Order incorporating the following remedial requirements to ensure the compliance of Enterprise with the pipeline safety regulations:

1. In regard to Item Number 1 of the Notice pertaining to Enterprise's failure to ensure through evaluation that individuals performing certain covered tasks were qualified to perform those tasks, Enterprise must, within 60 days following the date of issuance of the Final Order, complete the following:
 - a. Review and update the OQ Plan to ensure that all Enterprise approved evaluation methods (i.e. for initial qualification and/or re-qualification) for all corrosion related covered tasks are accurately listed or referenced in the OQ Plan. For each covered task, this should include the evaluation method, including combinations of evaluation methods and identifying when multiple service providers or other sources are used.
 - b. For all covered tasks listing NACE certification as evaluation methods, Enterprise must verify, with NACE, that any evaluations administered by NACE include knowledge based evaluations and/or performance based evaluations, in accordance with the Enterprise OQ Plan, and that they are appropriate to conducting the specific covered task.
2. Within 90 days of issuance of the Final Order, Enterprise must submit to the Director, Office of Pipeline Safety, PHMSA Southern Region, documentation demonstrating satisfactory completion of Item 1, including, at a minimum, a list of covered tasks reviewed and evaluation methods that were changed.
3. It is requested (not mandated) that Enterprise maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to the Director, Office of Pipeline Safety, PHMSA Southern Region.

It is requested that these costs be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies and analyses, and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure.