



U.S. Department
of Transportation
**Pipeline and Hazardous
Materials Safety
Administration**

1200 New Jersey Ave., S.E.
Washington, DC 20590

NOV 7 2008

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

Re: CPF No. 3-2007-5024

Dear Mr. Pierson:

Enclosed is the Final Order issued in the above-referenced case. It makes findings of violation and assesses a civil penalty of \$82,000. I acknowledge receipt of your wire transfer of \$82,000 on September 26, 2007, and accept it as payment in full of the civil penalty assessed herein. This case is now closed. Your receipt of the Final Order constitutes service of that document under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

William A. Guts
for

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Enclosure

cc: Ivan Huntoon
Director, Central Region, PHMSA

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

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

In the Matter of)
)
)
Marathon Pipe Line, LLC,)
)
Respondent.)

CPF No. 3-2007-5024

FINAL ORDER

From April 2006 to February 2007, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to 49 U.S.C. § 60117, inspected the hazardous liquid pipeline facilities and records of Marathon Pipe Line, LLC (Marathon or Respondent) in Ohio, Michigan, Indiana and Illinois. These facilities constitute a portion of Marathon's pipeline system, which includes more than 5,000 miles of hazardous liquid and natural gas pipelines in 15 states. On September 5, 2007, in accordance with 49 C.F.R. § 190.207, the Director, Central Region, Pipeline and Hazardous Materials Safety Administration (Director), issued to Respondent a Notice of Probable Violation and Proposed Civil Penalty (Notice) following said inspections. The Notice proposed finding that Marathon had committed certain violations of 49 C.F.R. Part 195 and assessing a civil penalty of \$82,000 for the alleged violations.

Respondent responded to the Notice by letter dated October 1, 2007 (Response). Marathon did not contest the allegations in the Notice and submitted a wire transfer in the amount of the proposed civil penalty (\$82,000), thereby waiving further rights to respond and authorizing the entry of this Final Order.

Pursuant to 49 C.F.R. § 190.213 and 49 U.S.C. § 60122, I hereby find that Respondent violated the following sections of 49 C.F.R. Part 195, as more fully described in the Notice:

Item 1. The Notice alleged that Respondent violated 49 C.F.R. § 195.412(a), which states:

§ 195.412 Inspection of rights-of-way and crossings under navigable waters.

(a) Each operator shall, at intervals not exceeding 3 weeks, but at least 26 times each calendar year, inspect the surface conditions on or adjacent to each pipeline right-of-way. Methods of inspection include walking, driving, flying or other appropriate means of traversing the right-of-way.

Specifically, Item 1 alleged that Respondent violated 49 C.F.R. § 195.412(a) by failing to inspect the surface conditions along Marathon's RIO product pipeline system, which runs from Robinson to Lima, in certain specified areas in Carmel, Indiana. Respondent's use of aerial patrolling was ineffective due to vegetation overgrowth.

Item 3. The Notice alleged that Respondent violated 49 C.F.R. § 195.563(a), which states:

§ 195.563 Which pipelines must have cathodic protection?

(a) Each buried or submerged pipeline that is constructed, relocated, replaced, or otherwise changed after the applicable date in §195.401(c) must have cathodic protection. The cathodic protection must be in operation not later than 1 year after the pipeline is constructed, relocated, replaced, or otherwise changed, as applicable.

Specifically, Item 3 of the Notice alleged that Respondent violated 49 C.F.R. §195.563(a) by failing to provide cathodic protection on a new section of pipeline running between the relief valve manifold and relief tank number 2003 at Marathon's refinery in Robinson, Illinois, within one year of construction. The new line section was placed into service on July 14, 2005, but cathodic protection was not put in place until July 28, 2006.

Item 5. The Notice alleged that Respondent violated 49 C.F.R. §§ 195.589(c), 195.569, and 195.579(c) which state:

§ 195.589 What corrosion control information do I have to maintain?

(a)

(c) You must maintain a record of each analysis, check, demonstration, examination, inspection, investigation, review, survey, and test required by this subpart in sufficient detail to demonstrate the adequacy of corrosion control measures or that corrosion requiring control measures does not exist. You must retain these records for at least 5 years, except that records related to §§195.569, 195.573(a) and (b), and 195.579(b)(3) and (c) must be retained for as long as the pipeline remains in service.

§ 195.569 Do I have to examine exposed portions of buried pipelines?

Whenever you have knowledge that any portion of a buried pipeline is exposed, you must examine the exposed portion for evidence of external corrosion if the pipe is bare, or if the coating is deteriorated. If you find external corrosion requiring corrective action under §195.585, you must investigate circumferentially and longitudinally beyond the exposed portion

(by visual examination, indirect method, or both) to determine whether additional corrosion requiring remedial action exists in the vicinity of the exposed portion.

§ 195.579 What must I do to mitigate internal corrosion?

(a)

(c) *Removing pipe.* Whenever you remove pipe from a pipeline, you must inspect the internal surface of the pipe for evidence of corrosion. If you find internal corrosion requiring corrective action under §195.585, you must investigate circumferentially and longitudinally beyond the removed pipe (by visual examination, indirect method, or both) to determine whether additional corrosion requiring remedial action exists in the vicinity of the removed pipe.

Specifically, Item 5 of the Notice alleged that Respondent failed to properly document corrosion inspections on a portion of the Princeton—Robinson 4” LPG pipeline that was exposed on or about April 18, 2005, and on pipe removed at the Harpster pump station during a 2005 upgrade.

These findings of violation will be considered prior offenses in any subsequent enforcement action taken against Respondent.

Having reviewed the record and considered the assessment criteria, I hereby assess Respondent a civil penalty of \$82,000, which amount has already been paid by Respondent.

WARNING ITEMS

With respect to Items 2, 4 and 6, the Notice alleged probable violations of Part 195 but did not propose a civil penalty or compliance order for these items. Therefore, they are considered to be warning items. The warnings were for:

49 C.F.R. § 195.420(a) (Notice Item 2) — alleged failure to maintain a valve necessary for the safe operation of a pipeline in good working order at all times. The AMO main line block valve on the RIO pipeline failed to close on December 8, 2006;

49 C.F.R. § 195.575 (Notice Item 4) — alleged failure to electrically test each electrical isolation. Respondent did not obtain electrical readings at casings located at Milepost 1561+66 on the RIO pipeline and Milepost 3771+84 on the 22” crude oil pipeline; and

49 C.F.R. § 195.583 (Notice Item 6) — alleged failure to fully inspect each portion of its pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion. Respondent failed to identify certain areas as requiring periodic atmospheric corrosion inspections and in one instance performed an inadequate inspection.

In its Response, Marathon described actions it had initiated to address the cited items. Having considered such information, I find, pursuant to 49 C.F.R. § 190.205, that probable violations of 49 C.F.R. §§ 195.420(a), 195.575, and 195.583 occurred and Respondent is hereby advised to correct such conditions. In the event that PHMSA finds a violation for any of these items in a subsequent inspection, Respondent may be subject to future enforcement action.

The terms and conditions of this Final Order shall be effective upon receipt.

William H Gute
for

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

NOV 7 2008

Date Issued