



U.S. Department  
of Transportation

**Pipeline and  
Hazardous Materials Safety  
Administration**

901 Locust Street, Suite 462  
Kansas City, MO 64106-2641

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

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

February 15, 2013

Mr. Steve Pankhurst  
President  
BP Pipelines (North America) Inc.  
150 West Warrenville Road  
Naperville, Illinois 60563

**CPF 3-2013-5004**

Dear Mr. Pankhurst:

Between August 2-December 10, 2010, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Minnesota Office of Pipeline Safety, and Washington Utilities and Transportation Commission, pursuant to Chapter 601 of 49 United States Code inspected BP Pipelines (North America) Inc. (BP) records and facilities for Operations and Maintenance, Operator Qualification, Public Awareness, Damage Prevention and Integrity Management through an Integrated Inspection process in BP's offices and field locations in Illinois, Iowa, Missouri, New Jersey, Ohio, Oklahoma, Oregon, Texas, and Washington. The systems included in the inspection were BP Pipeline (North America) Inc., Olympic Pipeline, Amoco Pipeline, BP USFO/Logistics, Main Pass Oil Gathering, BP Oil Pipeline, Tri-States NGL Pipeline and Black Lake Pipe Line.

As a result of the inspection, it appears that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violation(s) related to the Operations and Maintenance Program (Items 1-2) are:

1. §195.420 Valve maintenance.

**(b) Each operator shall, at intervals not exceeding 7 ½ months, but at least twice each calendar year, inspect each mainline valve to determine that it is functioning properly.**

BP did not inspect each mainline valve at least twice each calendar year to determine they were functioning properly.

- a. A mainline block valve on the Sugar Creek to Council Bluffs line was not inspected at least twice in the calendar year of 2007.

Mainline Block Valve BV#27157 - (EQNUM #35641) was not inspected in the first half of 2007.

- b. In 2008, two (2) mainline block valves on the Sugar Creek to Council Bluffs line and three (3) mainline block valves on different Ohio pipeline segments were not inspected at least twice in the calendar year of 2008.

Mainline Block Valves BV#5455 – (EQNUM #302178) and BV#27158 – (EQNUM #35369) were not inspected in the second half of 2008.

Mainline Block Valves WT6 REFY Spool 696+89 – (EQNUM #33657) and WT6 RFY Spool 697+03 – (EQNUM #33656) were not inspected the last half of 2007, all of 2008, and the first half of 2009.

Mainline Block Valve Dock Heavy Oil Scraper Trap – (EQNUM #32830) was not inspected in last half of 2008 and all of 2009.

- c. In 2009, the following three (3) mainline valves: 0106 Inbound Colonial PL HDR, 2704 12-inch Yellow HDR Underground, and 2706 12-inch Buckeye HDR Underground were not inspected at least twice in the calendar year

In 2009 the following three (3) mainline valves: 0106 Inbound Colonial PL HDR, 2704 12-inch Yellow HDR Underground, and 2706 12-inch Buckeye HDR Underground were not inspected at least twice in the calendar year to determine they were functioning properly. The first inspection cycle of mainline valve inspections performed in 2009 was completed on June 11 & 12, 2009, and the second inspection cycle of mainline valve inspections was completed on January 6 & 7, 2010, missing the requirement of twice each calendar year (2009).

2. §195.432 Breakout tanks.

**(b) Each operator shall inspect the physical integrity of in-service atmospheric and low-pressure steel aboveground breakout tanks according to section 4 of API Standard 653.**

BP did not inspect each breakout tank for physical integrity according to API Standard 653, which requires a monthly inspection.

On the Olympic Pipeline System, three (3) breakout tanks were missed for monthly inspections.

The DOT Utility/Surge Relief Tank – (EQNUM #17712) was not inspected for February and April of 2007.

The DOT Tank #202 – (EQNUM #18990) was not inspected February 2007.

The DOT Renton Utility Tank #116 – (EQNUM #18405) was not inspected February 2007.

The items inspected and the probable violation(s) related to the Integrity Management Program (Items 3-6) are:

**3. §195.452 Pipeline integrity management in high consequence areas.**

**(h) What actions must an operator take to address integrity issues?**

**(1) General requirements. An operator must take prompt action to address all anomalous conditions the operator discovers through the integrity assessment or information analysis. In addressing all conditions, an operator must evaluate all anomalous conditions and remediate those that could reduce a pipeline's integrity. An operator must be able to demonstrate that the remediation of the condition will ensure the condition is unlikely to pose a threat to the long-term integrity of the pipeline. An operator must comply with § 195.422 when making a repair.**

BP did not take prompt action to address all anomalous conditions it discovered through information analysis. As part of its integrity management program, BP identified close interval surveys (CIS) to be conducted for certain HCAs including Black Lake Station to Toro Station, Toro Station to Hardin Station, and Hardin Station to Mt. Belvieu, Texas. The CIS conducted from Hardin Station to Mt. Belvieu, Texas, identified several locations where the IR-Off readings were outside of established criteria and the findings were discovered during the 2005 surveys. BP procedures did not require investigations of those CIS findings until December 31, 2010. PHMSA's review of the data on August 28, 2010, showed the operator had not completed the investigations. The rule requires that an operator promptly "address all anomalous conditions the operator discovers through the integrity assessment or information analysis." Exceeding four years to address findings resulting from information analysis is not prompt action.

**4. §195.452 Pipeline integrity management in high consequence areas.**

**(h) What actions must an operator take to address integrity issues?**

**(4) Special requirements for scheduling remediation.**

**(iv) Other conditions. In addition to the conditions listed in paragraphs (h)(4)(i) - (iii) of this section, an operator must evaluate any condition identified by an integrity assessment or information analysis that could impair the integrity of the pipeline, and as appropriate, schedule the condition for remediation. Appendix C contains guidance concerning other conditions that an operator should evaluate.**

BP did not evaluate a condition identified by an integrity assessment that could impair the integrity of the pipeline. BP conducted an inline inspection (ILI) of its Endymion Pipeline in January of 2010. By June of 2010, the operator had received the report from the ILI vendor and determined that the run was unacceptable. On June 30, 2010, the operator then submitted to PHMSA a notification to extend the assessment interval due to the inadequate tool run, stating a subsequent MFL tool would be re-run later in 2010. On August 16, 2010, the operator attempted to retract its notification of June 30, 2011, indicating the tool run was of acceptable quality. During the PHMSA inspection, the results of the run were reviewed and BP was asked about the internal corrosion indication reported by the January 2010 ILI run. The indication measured 39.3 inches in an axial direction and 26.9 inches in a circumferential direction and was reported to be 11% in depth, which is characteristic of an "anomaly over a large area" that should be evaluated. The operator was asked about its follow-up actions regarding the indication and BP formally responded on January 7, 2011. There appears to have been no formal process for reviewing and addressing this anomaly or actions to mitigate the potential for internal corrosion. The operator's IM procedure "Remedial Actions Procedure #P-195.452.f4" requires in section "1.3 Remedial Actions Tracking and Maintenance" that "each HCA condition that is discovered either through ILI assessment or the normal course of pipeline operations to assure timely remedial action implementation." At the time of PHMSA's inspection, BP could not document any actions were taken to address the indication of potential internal corrosion over a large area. BP eventually inspected the pipe at the location to verify this condition did not require repair; although not in a timely manner.

**5. §195.452 Pipeline integrity management in high consequence areas.**

**(j) What is a continual process of evaluation and assessment to maintain a pipeline's integrity?**

**(1) General. After completing the baseline integrity assessment, an operator must continue to assess the line pipe at specified intervals and periodically evaluate the integrity of each pipeline segment that could affect a high consequence area.**



- a) BP could not demonstrate that adequate periodic evaluations of pipeline integrity were performed because its procedure "Continual Evaluation and Assessment Procedure #P-195-452.f5" was vague and non-specific. It does not address in detail the evaluation requirements of §195.452(j)(2) such as risk factors in paragraph (e) which includes, but is not limited to: results of previous integrity assessments, leak history, repair history, cathodic protection history, product transported, operating stress level, existing or projected activities in the area, local environmental factors, geo-technical hazards, etc. Although the operator did perform some paragraph (g) information analysis, the actual analysis for each HCA was vague and poorly documented. Effects of preventive and mitigative actions [paragraphs (h) and (i)] were not considered.
- b) BP could not demonstrate that adequate continual assessments were identified and performed because BP's procedure did not sufficiently address the re-assessments of Low Frequency ERW and Lap Welded longitudinal seam pipe and ensure assessments are completed. Where pipelines are identified as susceptible to seam failure for these types of pipe, BP allowed re-assessments intervals longer than five years.
- c) BP could not demonstrate that their re-assessment methods and periodic evaluations were adequate to address interactive threats because BP's procedure did not address a process to assess, evaluate and mitigate seam threats which are also susceptible to external corrosion in certain pipe.
- d) BP had pre-determined that assessment intervals could not be less than three years as described in the procedure. The re-assessment intervals should be based on contemporaneous information that is gathered through ongoing periodic evaluation, assessments, information analysis, and other data. BP's integrity management program excluded the potential for shorter assessment intervals.

**6. §195.452 Pipeline integrity management in high consequence areas.**

**j) What is a continual process of evaluation and assessment to maintain a pipeline's integrity?**

**(2) Evaluation. An operator must conduct a periodic evaluation as frequently as needed to assure pipeline integrity. An operator must base the frequency of evaluation on risk factors specific to its pipeline, including the factors specified in paragraph (e) of this section. The evaluation must consider the results of the baseline and periodic integrity assessments, information analysis (paragraph (g) of this section), and decisions about remediation, and preventive and mitigative actions (paragraphs (h) and (i) of this section).**

BP did not complete periodic evaluations to assure pipeline integrity on all of its pipelines, including facilities. BP identified 109 facilities in HCAs and provided a spreadsheet which indicated the assessment and evaluation for each of the facilities, which included dates of inspection and the inspection types. At the time of PHMSA's inspection, BP had not documented that the FIMP/FIP (Facility Integrity Management Program/Facility Implementation Plan) evaluations had been started on 47 of their facilities; consequently, there was no associated documentation to indicate that all necessary inspections, assessments, and evaluations had been completed to assure pipeline integrity.

#### Proposed Civil Penalty

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$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. The Compliance Officer has reviewed the circumstances and supporting documentation involved in the above probable violation(s) and has recommended that you be preliminarily assessed a civil penalty of \$100,000 as follows:

<u>Item number</u>	<u>PENALTY</u>
#6	\$100,000

#### Warning Items

With respect to items 1 and 2, 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 promptly correct these items. Be advised that failure to do so may result in BP Pipelines (North America) Inc. being subject to additional enforcement action.

#### Proposed Compliance Order

With respect to items 3-6 pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to BP Pipelines (North America) Inc. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

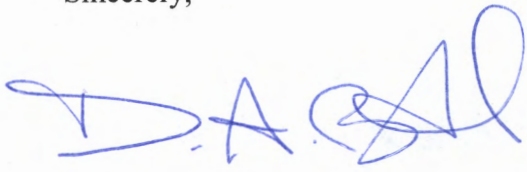
#### Response to this Notice

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 3-2013-5004** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

A handwritten signature in blue ink, appearing to read 'D. A. Barrett', with a large, stylized flourish at the end.

David Barrett  
Director, Central Region  
Pipeline and Hazardous Materials Safety Administration

Enclosure: *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 BP Pipelines (North America) Inc. a Compliance Order incorporating the following remedial requirements to ensure the compliance of BP Pipelines (North America) Inc. (BP) with the pipeline safety regulations:

1. In regard to Item Number 3 of the Notice pertaining to prompt action to address all anomalous conditions, BP shall review and revise all procedures that allow timing of actions longer than one year, unless a detailed justification is provided documenting the rationale for a longer interval. BP must complete the review and revisions within 30 days of the receipt of the Final Order and submit a report documenting the procedures reviewed and revisions made per Item #9 of this Compliance Order.
2. In regard to Item Number 4 of the Notice pertaining to evaluation of any condition identified by an integrity assessment, BP must revise its "Remedial Actions Procedure" to ensure that all future assessments are properly evaluated, appropriate actions are taken in a timely fashion, and all activities are clearly documented. BP must review all current assessments and ensure the findings are properly evaluated, appropriate actions are being taken, and all activities are documented. BP must complete the requirements outlined within 120 days of receipt of the Final Order, and submit a report documenting the review and follow-up actions taken per Item #9 of this Compliance Order.
3. In regard to Item Number 5 of the Notice pertaining to continual process of evaluation and assessment to maintain pipeline integrity, BP shall fully develop its "Continual Evaluation and Assessment Procedure" and include all the elements required in paragraph (e) which include but are not limited to results of previous integrity assessments, leak history, repair history, cathodic protection history, product transported, operating stress level, existing or projected activities in the area, local environmental factors, geo-technical hazards, etc. BP must complete the requirements outlined within 60 days of receipt of the Final Order and submit the procedures per Item #9 of this Compliance Order.
4. In regard to Item Number 5 of the Notice pertaining to continual process of evaluation and assessment to maintain pipeline integrity, BP shall revise its procedures involving re-assessments of Low Frequency ERW and Lap Welded longitudinal seam pipe and ensure assessments are completed. In addition, when pipelines are susceptible to threats related to these types of pipe, BP must ensure that reassessments are no longer than every five (5) years. BP must complete the requirements outlined within 60 days of receipt of the Final Order and submit the procedures per Item #9 of this Compliance Order.



5. In regard to Item Number 5 of the Notice pertaining to continual process of evaluation and assessment to maintain pipeline integrity, BP shall revise its procedure to assess and mitigate against seam threats which are also susceptible to external corrosion. BP must complete the requirements outlined within 60 days of receipt of the Final Order and submit its procedures per Item #9 of this Compliance Order.
6. In regard to Item Number 5 of the Notice pertaining to continual process of evaluation and assessment to maintain pipeline integrity, BP shall revise its procedure on reassessment methods and intervals to include the potential for assessments less than three (3) years, which is currently excluded from the operator's program. BP must complete the requirements outlined within 60 days of receipt of the Final Order and submit its procedures per Item #9 of this Compliance Order.
7. In regard to Item Number 5 of the Notice pertaining to continual process of evaluation and assessment to maintain pipeline integrity, BP shall develop a plan to review the pipelines in the integrity management program after its procedures have been revised (per Items 3-6 of this Compliance Order). BP shall re-evaluate the integrity of each pipeline segment, and modify assessment methods and schedules where appropriate. BP must complete the requirements outlined within 150 days of receipt of the Final Order and submit the plan and results of the re-evaluation per Item #9 of this Compliance Order.
8. In regard to Item Number 6 of the Notice pertaining to the failure to evaluate all of its facilities located in HCAs, BP shall revise its procedures to ensure future facilities will be properly evaluated. BP shall complete all of its facility assessments and implement any required actions as soon as practicable. Within 60 days of receipt of the Final Order, submit a plan with a list of all current facilities and the timing for assessment and associated actions for approval from the Regional Director. BP must complete the assessments per the approved plan and submit quarterly reports until completion of the plan per Item #9 of this Compliance Order.
9. All documentation demonstrating compliance with each of the items outlined in this order must be submitted to David Barrett, Director, Central Region, Pipeline and Hazardous Materials Safety Administration, 901 Locust Street, Kansas City, MO 64106, for review and acceptance within 30 days after their completion.
10. It is requested that BP Pipelines (North America) Inc. maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to David Barrett, Director, Central Region, Pipeline and Hazardous Materials Safety Administration. 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.

## **Response Options for Pipeline Operators in Compliance Proceedings**

The requirements of 49 C.F.R. Part 190, Subpart B (§§ 190.201–190.237) govern response to Notices issued by a Regional Director, Pipeline and Hazardous Materials Safety Administration (PHMSA).

Be advised that all material submitted by a respondent in response to an 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).

### **I. Procedures for Responding to a NOTICE OF PROBABLE VIOLATION:**

Within 30 days of receipt of a Notice of Probable Violation, the respondent shall respond to the Regional Director who issued the Notice in the following way:

#### **a. When the Notice contains a proposed CIVIL PENALTY\* --**

1. If you are not contesting any violations alleged in the Notice, pay the proposed civil penalty and advise the Regional Director of the payment. This authorizes PHMSA to issue an order making findings of violation and upon confirmation that the payment has been received PHMSA will close the case with prejudice to the respondent. Payment terms are outlined below;
2. If you are not contesting any violations alleged in the Notice but wish to submit written explanations, information, or other materials you believe warrant mitigation of the civil penalty, you may submit such materials. This authorizes PHMSA to make findings and to issue a Final Order assessing a penalty amount up to the amount proposed in the Notice. Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum civil 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. Refer to 49 C.F.R. § 190.225 for assessment considerations upon which civil penalties are based;

3. If you are contesting one or more of the items in the Notice but are not requesting an oral hearing, submit a written response to the allegations and/or seek elimination or mitigation of the proposed civil penalty; or
4. Request a hearing as described below to contest the allegations and/or proposed assessment of a civil penalty.

b. When the Notice contains a proposed **COMPLIANCE ORDER**\* --

1. If you are not contesting the compliance order, notify the Regional Director that you intend to take the steps in the proposed compliance order;
2. If you are not contesting the compliance order but wish to submit written explanations, information, or other materials you believe warrant modification of the proposed compliance order in whole or in part, or you seek clarification of the terms of the proposed compliance order, you may submit such materials. This authorizes PHMSA to make findings and issue a compliance order;
3. If you are contesting the proposed compliance order but are not requesting an oral hearing, submit written explanations, information, or other materials in answer to the allegations in the Notice and stating your reasons for objecting to the proposed compliance order items in whole or in part; or
4. Request a hearing as described below to contest the allegations and/or proposed compliance order items.

c. When the Notice contains a **WARNING ITEM** --

No written response is required. The respondent is warned that if it does not take appropriate action to correct these items, enforcement action will be taken if a subsequent inspection reveals a violation.

\* Failure of the respondent to respond to the Notice within 30 days of receipt constitutes a waiver of the right to contest the allegations in the Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in the Notice without further notice to the respondent and to issue a Final Order.

## II. Procedures for Responding to a NOTICE OF AMENDMENT\*--

Within 30 days of receipt of a Notice of Amendment, the respondent shall respond to the Regional Director who issued the Notice in the following way:

- a. If you are not contesting the Notice, notify the Regional Director of your plans to address the inadequacies identified in the Notice;
- b. If you are not contesting the Notice but wish to submit written explanations, information, or other materials you believe warrant modification of the Notice of Amendment in whole or in part, or you seek clarification of the terms of the Notice of Amendment, you may submit such materials. This authorizes PHMSA to make findings and issue an Order Directing Amendment;
- c. If you are contesting the Notice of Amendment but are not requesting an oral hearing, submit written explanations, information, or other materials in answer to the allegations in the Notice and stating your reasons for objecting to the Notice of Amendment items in whole or in part; or
- d. Request a hearing as described below to contest the allegations in the Notice.

\* Failure of the respondent to respond to the Notice within 30 days of receipt constitutes a waiver of the right to contest the allegations in the Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in the Notice without further notice to the respondent and to issue a Final Order.

## III. Procedure for Requesting a Hearing

A request for a hearing must be in writing and accompanied by a statement of the issues that the respondent intends to raise at the hearing. The issues may relate to the allegations, new information, or to the proposed compliance order or proposed civil penalty amount. Refer to 49 C.F.R. § 190.225 for assessment considerations upon which civil penalties are based. A respondent's failure to specify an issue may result in waiver of the right to raise that issue at the hearing. The respondent's request must also indicate whether or not respondent will be represented by counsel at the hearing. Failure to request a hearing in writing within 30 days of receipt of a Notice waives the right to a hearing. In addition, if the amount of the proposed civil penalty or the proposed corrective action is less than \$10,000, the hearing will be held by telephone, unless the respondent submits a written request for an in-person hearing. Complete hearing procedures can be found at 49 C.F.R. § 190.211.

## IV. Extensions of Time

An extension of time to prepare an appropriate response to a Notice may be granted, at the agency's discretion, following submittal of a written request to the Regional Director. The request must indicate the amount of time needed and the reasons for the extension. The request must be submitted within 30 days of receipt of the Notice.



V. **Freedom of Information Act**

Any material provided to PHMSA by the respondent, and materials prepared by PHMSA including the Notice and any order issued in this case, may be considered public information and subject to disclosure under the Freedom of Information Act (FOIA). If you believe the information you are providing is security sensitive, privileged, confidential or may cause your company competitive disadvantages, please clearly identify the material and provide justification why the documents, or portions of a document, should not be released under FOIA. If we receive a request for your material, we will notify you if PHMSA, after reviewing the materials and your provided justification, determines that withholding the materials does not meet any exemption provided under the FOIA. You may appeal the agency's decision to release material under the FOIA at that time. Your appeal will stay the release of those materials until a final decision is made.

VI. **The Rights of Small Entities To Enforcement Fairness and Policy Against Retaliation**

The Department of Transportation has a policy regarding the rights of small entities to regulatory enforcement fairness and an explicit policy against retaliation for exercising these rights. Our objective is to ensure a fair regulatory enforcement environment. If you feel you have been treated unfairly or unprofessionally, you may contact the PHMSA Office of Chief Counsel. You also have the right to contact the Small Business Administration's National Ombudsman at 1-888-REGFAIR or [www.sba.gov/ombudsman](http://www.sba.gov/ombudsman) regarding the fairness of the compliance and enforcement activities of this agency.

The Department of Transportation strictly forbids retaliatory acts by its employees. As such, you should feel confident that you will not be penalized for expressing your concerns about compliance and enforcement activities.

VII. **Small Business Regulatory Enforcement Fairness Act Information**

The Small Business and Agricultural Regulatory Enforcement Ombudsman and 10 Regional Fairness Boards were established to receive comments from small businesses about federal agency enforcement actions. The Ombudsman will annually evaluate the enforcement activities and rate each agency's responsiveness to small business. If you wish to comment on the enforcement actions of the Pipeline and Hazardous Materials Safety Administration, call 1-888-REG-FAIR (1-888-734-3247) or go to [http://www.sba.gov/ombudsman/dsp\\_faq.html](http://www.sba.gov/ombudsman/dsp_faq.html).

VIII. **Payment Instructions**

***Civil Penalty Payments of Less Than \$10,000***

Payment of a civil penalty of less than \$10,000 proposed or assessed, under Subpart B of Part 190 of the Pipeline Safety Regulations can be made by certified check, money order or wire transfer. Payment by certified check or money order (containing the CPF Number

for this case) should be made payable to the "Department of Transportation" and should be sent to:

Federal Aviation Administration  
Mike Monroney Aeronautical Center  
Financial Operations Division (AMZ-341) P.O. Box 269039  
Oklahoma City, OK 73125-4915

Wire transfer payments of less than \$10,000 may be made through the Federal Reserve Communications System (Fedwire) to the account of the U.S. Treasury. Detailed instructions are provided below. Questions concerning wire transfer should be directed to the Financial Operations Division at (405) 954-8893, or at the above address.

***Civil Penalty Payments of \$10,000 or more***

Payment of a civil penalty of \$10,000 or more proposed or assessed under Subpart B of Part 190 of the Pipeline Safety Regulations must be made wire transfer (49 C.F.R. § 89.21 (b)(3)), through the Federal Reserve Communications System (Fedwire) to the account of the U.S. Treasury. Detailed instructions are provided below. Questions concerning wire transfers should be directed to the Financial Operations Division at (405) 954-8893, or at the above address.

## INSTRUCTIONS FOR ELECTRONIC FUND TRANSFERS

(1) <u>RECEIVER ABA NO.</u> 021030004	(2) <u>TYPE/SUB-TYPE</u> (Provided by sending bank)
(3) <u>SENDING BANK ABA NO.</u> (Provided by sending bank)	(4) <u>SENDING BANK REF NO.</u> (Provided by sending bank)
(5) <u>AMOUNT</u>	(6) <u>SENDING BANK NAME</u> (Provided by sending bank)
(7) <u>RECEIVER NAME</u> TREAS NYC	(8) <u>PRODUCT CODE</u> (Normally CTR, or as provided by sending bank)
(9) <u>BENEFICIAL (BNF) = AGENCY LOCATION CODE</u> BNF = /ALC-69-14-0001	(10) <u>REASONS FOR PAYMENT</u> Example: PHMSA - CPF # / Ticket Number/Pipeline Assessment number

**INSTRUCTIONS:** You, as sender of the wire transfer, must provide the sending bank with the information for blocks (1), (5), (7), (9), and (10). The information provided in Blocks (1), (7), and (9) are constant and remain the same for all wire transfers to the Pipeline and Hazardous Materials Safety Administration, Department of Transportation.

**Block #1** - RECEIVER ABA NO. - "021030004". Ensure the sending bank enters this 9-digit identification number; it represents the routing symbol for the U.S. Treasury at the Federal Reserve Bank in New York.

**Block #5** - AMOUNT - You as the sender provide the amount of the transfer. Please be sure the transfer amount is punctuated with commas and a decimal point. **EXAMPLE: \$10,000.00**

**Block #7** - RECEIVER NAME - "TREAS NYC". Ensure the sending bank enters this abbreviation. It must be used for all wire transfers to the Treasury Department.

**Block #9** - BENEFICIAL - AGENCY LOCATION CODE - "**69140001**". Ensure the sending bank enters this information. This is the Agency Location Code for the Pipeline and Hazardous Materials Safety Administration, Department of Transportation.

**Block #10** - REASON FOR PAYMENT - "**AC-payment for PHMSA Case #** / To ensure your wire transfer is credited properly, enter the case number/ticket number or Pipeline Assessment number, and country."

**NOTE:** A wire transfer must comply with the format and instructions or the Department cannot accept the wire transfer. You as the sender can assist this process by notifying the Financial Operations Division (405) 954-8893 at the time you send the wire transfer.

February 7, 2013