

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

December 11, 2019

Edward J. Luebke
Vice President of Pipeline Operations
TransMontaigne Operating Company, L.P.
200 Mansell Ct East, Suite 600
Roswell, Georgia 30076

CPF 4-2019-5023M

Dear Mr. Luebke:

From January 7, 2019 to June 21, 2019, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected TransMontaigne Operating Company's procedures for Operations and Maintenance, Control Room, and Integrity Management in Brownsville, Texas.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within TransMontaigne's plans or procedures, as described below:

1. §195.446 Control room management.

(a). General. This section applies to each operator of a pipeline facility with a controller working in a control room who monitors and controls all or part of a pipeline facility through a SCADA system. Each operator must have and follow written control room management procedures that implement the requirements of this section. The procedures required by this section must be integrated, as appropriate, with the operator's written procedures required by §195.402. An operator must develop the procedures no later than August 1, 2011, and must implement the procedures according to the following schedule. The procedures required by paragraphs (b), (c)(5), (d)(2) and (d)(3), (f) and (g) of this section must be implemented no later than October 1, 2011. The procedures required by paragraphs (c)(1) through (4), (d)(1), (d)(4), and (e) must be implemented no later than August 1, 2012. The training procedures required by paragraph (h) must be implemented no later than August 1, 2012, except that any training required by another paragraph of this section must be implemented no later than the deadline for that paragraph.

TransMontaigne's 195.446: Control Room Management procedure on backup SCADA systems, Section 195.466(C)(4): Test any Backup SCADA Systems, was found to be inadequate and must be amended to provide the necessary information, tools, processes, and procedures for TransMontaigne controllers to carry out the roles and responsibilities defined by its Operations and Maintenance Plan. TransMontaigne's procedure should provide clarification to correctly identify the primary and secondary control room locations, primary and secondary server locations, and other possible control room locations mentioned in this section and during the integrated inspection, and to clarify the roles and responsibilities of its controllers.

2. §195.452 Pipeline integrity management in high consequence areas.

(f) What are the elements of an integrity management program? An integrity management program begins with the initial framework. An operator must continually change the program to reflect operating experience, conclusions drawn from results of the integrity assessments, and other maintenance and surveillance data, and evaluation of consequences of a failure on the high consequence area. An operator must include, at minimum, each of the following elements in its written integrity management program:

- (1) A process for identifying which pipeline segments could affect a high consequence area;**

TransMontaigne's Pipeline Integrity Assessment and Management Manual, Sections 1.03: Release Locations and Spill Volumes and Appendix B: Identified HCA Pipeline Facilities were found to be inadequate and must be amended to ensure all elements of an integrity management program reflect operating experience, maintenance and surveillance data, and evaluation of consequences of a failure in the high consequence area. Section 1.03: Release Locations and Spill Volumes states that pipeline rupture volumes are found in Appendix B – Identified HCA Pipeline Facilities of the manual; however, Appendix B failed to include pipeline rupture volume information.

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

(g) What is an information analysis? In periodically evaluating the integrity of each pipeline segment (paragraph (j) of this section), an operator must analyze all available information about the integrity of the entire pipeline and the consequences of a failure.

TransMontaigne Pipeline Integrity Assessment and Management Manual for Hazardous Liquid Pipeline Facilities, Section 5: Risk Analysis, 5.04: Risk Analysis of HCA Pipeline Segments was found to be inadequate and must be amended to ensure that all information is available regarding the integrity of the entire pipeline for the Operator to perform an adequate information analysis. The procedure states that each HCA pipeline segment is risk ranked based on its calculated Risk of Failure (ROF) score as shown in Table 5.5 – HCA Pipeline Segment Risk Ranking; however, Section 5: Risk Analysis does not include a Table 5.5.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206. 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).

Following the receipt of this Notice, you have 30 days to submit written comments, revised procedures, or a request for a hearing under §190.211. 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 an Order Directing Amendment. If your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.206). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 60 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

It is requested (not mandated) that TransMontaigne maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Mary L. McDaniel, Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration.

In correspondence concerning this matter, please refer to **CPF 4-2019-5023M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Mary L. McDaniel, P.E.
Director, Southwest Region
Pipeline and Hazardous Materials Safety Administration

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*