

**CERTIFIED MAIL – RETURN RECEIPT REQUESTED**

Mr. Robert P. Carone  
President  
Pacific Operators Offshore, LLC  
P.O. Box 5565  
Oxnard, California 93031

**Re: CPF No. 5-2004-2002**

Dear Mr. Carone:

Enclosed is the Decision on the Petition for Reconsideration in the above-referenced case. The Associate Administrator for Pipeline Safety affirms the finding and civil penalty issued for violation 1 of the February 6, 2007 Final Order. Therefore, the petition is denied, and payment of the full \$10,000 is due within 20 days following receipt of this decision. Your receipt of this decision constitutes service under 49 C.F.R. § 190.5.

Sincerely,

Jeffrey D. Wiese  
Associate Administrator  
for Pipeline Safety

Enclosure

cc: Chris Hoidal, Director, Western Region

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

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<b>In the Matter of</b>	)	
	)	
<b>Pacific Operators Offshore, LLC,</b>	)	<b>CPF No. 5-2004-2002</b>
	)	
<b>Petitioner.</b>	)	
_____	)	

**DECISION ON PETITION FOR RECONSIDERATION**

**BACKGROUND**

On February 6, 2007, pursuant to chapter 601, title 49 United States Code, the Acting Associate Administrator for Pipeline Safety issued a Final Order in this case finding that Petitioner had committed violations of the hazardous liquid pipeline safety regulations and assessing a penalty in the amount of \$10,000.

On February 21, 2007, Petitioner filed a petition for reconsideration of the Final Order. Petitioner seeks reconsideration of the \$2000 civil penalty assessed for Item 1 of the Final Order. The Notice of Probable Violation (“Notice”) alleged that Petitioner violated 49 C.F.R. § 191.7, a provision which requires pipeline operators to submit a yearly report of incidents, safety related conditions, and annual pipeline summary data. The Notice alleged that Petitioner failed to file reports for years 2000, 2001, and 2002. The Notice proposed a \$6,000 civil penalty for the violation. In its Response to the Notice, Petitioner did not contest that it violated 49 C.F.R. 191.7, nor did it offer any explanation for its failure to submit the reports. In the Final Order, the Acting Associate Administrator found that the Petitioner had violated 49 C.F.R. § 191.17 and reduced the civil penalty for the violation from the proposed \$6,000 to \$2,000.

In its Petition for Reconsideration, Petitioner did not contest the Final Order’s finding that it violated 49 C.F.R. § 191.7 when it failed to file annual reports for years 2000, 2001, and 2002. However, Petitioner requested “elimination, suspension, or further reduction of the revised civil penalty” because it was a violation “wherein no conceivable safety related issue has been placed at risk.” Petitioner further stated that its yearly filings have not changed since initial construction in 1969.

## DISCUSSION

The operator is responsible for filing an annual report, even if the information has not changed from the previously-filed report. PHMSA cannot make any assumptions about the content of a report an operator has failed to file. Data is central to PHMSA's regulatory approach. 49 C.F.R. Part 191 ensures that PHMSA receives current information about pipeline infrastructure. When a pipeline operator fails to submit an annual report, PHMSA, and state and local governments that PHMSA shares information with, must rely on data that may be incomplete in conducting planning activities and in compiling statistics and reports. The statistics and reports are critical for assessing the state of our nation's pipeline infrastructure.

As noted above, the \$2000 civil penalty assessed in the final order was significantly reduced from the \$6000 civil penalty proposed in the Notice. Petitioner did not provide an additional basis for further reduction.

### Relief Denied

Accordingly, the petition for reconsideration is hereby denied. The civil penalty of \$10,000 assessed in the Final Order stands.

Accordingly, payment of the civil penalty must be made within 20 days of service. Payment may be made by sending a certified check or money order (containing the CPF Number for this case) payable to "U.S. Department of Transportation" to the Federal Aviation Administration, Mike Monroney Aeronautical Center, Financial Operations Division (AMZ-341), P.O. Box 25082, Oklahoma City, OK 73125.

Federal regulations (49 C.F.R. § 89.21(b)(3)) also permit this payment to be made by wire transfer, through the Federal Reserve Communications System (Fedwire), to the account of the U.S. Treasury. Detailed instructions are contained in the enclosure. Questions concerning wire transfers should be directed to: Financial Operations Division (AMZ-341), Federal Aviation Administration, Mike Monroney Aeronautical Center, P.O. Box 25082, Oklahoma City, OK 73125; (405) 954-8893.

This decision on reconsideration is the final agency action in this proceeding.

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Jeffrey D. Wiese  
Associate Administrator  
for Pipeline Safety

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Date Issued