



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

April 23, 2008

Mr. Thomas Mushovic
General Manager
Aircraft Service International Group
6000 DeHavilland Drive
Anchorage, AK 99519

CPF 5-2008-5010W

Dear Mr. Mushovic:

On November 14-16, 2007, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected Airport Service International Group's (ASIG) Integrity Management Program in Anchorage, Alaska.

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 violations are:

1. §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:

(8) A process for review of integrity assessment results and information analysis by a person qualified to evaluate the results and information (see paragraph (h)(2) of this section).

ASIG does not include in their IMP plan job description, task analysis, or other means to identify the qualification requirements for performing reviews of assessment results and information analysis, that address education, experience, skills, and training requirements, as appropriate.

{*Evidence*} ASIG IM Program document, Section 2.0

2. §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 that 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 that the condition is unlikely to pose a threat to the long-term integrity of the pipeline. A reduction in operating pressure cannot exceed 365 days without an operator taking further remedial action to ensure the safety of the pipeline. An operator must comply with Sec. 195.422 when making a repair.

ASIG does not include in their IM program document a requirement that any temporary reduction in operating pressure taken until repair or remediation can be completed cannot exceed 365 days without the operator taking additional remedial actions to assure the safety of the pipeline.

{*Evidence*} ASIG IM Program document, Section 2.5

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

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

(3) Schedule for evaluation and remediation. An operator must complete remediation of a condition according to a schedule that prioritizes the conditions for evaluation and remediation. If an operator cannot meet the schedule for any condition, the operator must justify the reasons why it cannot meet the schedule and that the changed schedule will not jeopardize public safety or environmental protection. An operator must notify OPS if the operator cannot meet the schedule and cannot provide safety through a temporary reduction in operating pressure. An operator must send the notice to the address specified in paragraph (m) of this section.

ASIG does not include in their IM program document a requirement to notify PHMSA if the operator cannot meet the remediation schedule and cannot provide safety through a temporary reduction in operating pressure.

{*Evidence*} ASIG IM Program document, Section 2.5

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.**

(i) **Immediate repair conditions. An operator's evaluation and remediation schedule must provide for immediate repair conditions. To maintain safety, an operator must temporarily reduce operating pressure or shut down the pipeline until the operator completes the repair of these conditions. An operator must calculate the temporary reduction in operating pressure using the formula in section 451.7 of ASME/ANSI B31.4 (incorporated by reference, see Sec. 195.3). An operator must treat the following conditions as immediate repair conditions:**

ASIG does not include in their IM program document a requirement stating that if an immediate repair condition is identified, the operating pressure of the affected pipeline be temporarily reduced in accordance with the formula in Section 451.7 of ASME/ANSI B31.4 or the pipeline be shutdown until the condition is repaired. Where pressure reduction cannot be calculated using the method of Section 451.7, the process should identify alternative methods of calculating a safe operating pressure.

{*Evidence*} ASIG IM Program document, Section 2.5

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

(i) **What preventive and mitigative measures must an operator take to protect the high consequence area?**

(2) **Risk analysis criteria. In identifying the need for additional preventive and mitigative measures, an operator must evaluate the likelihood of a pipeline release**

(i) **Terrain surrounding the pipeline segment, including drainage systems such as small streams and other smaller waterways that could act as a conduit to the high consequence area;**

(ii) **Elevation profile;**

(iii) **Characteristics of the product transported;**

(iv) **Amount of product that could be released;**

(v) **Possibility of a spillage in a farm field following the drain tile into a waterway;**

(vi) **Ditches along side a roadway the pipeline crosses;**

(vii) **Physical support of the pipeline segment such as by a cable suspension bridge;**

(viii) Exposure of the pipeline to operating pressure exceeding established maximum operating pressure.

ASIG did not develop and document adequate risk assessment conclusions and implementation actions. ASIG appears to be doing the work but did not document what work has been completed. ASIG did not identify dominant risk factors nor integrate any data with other information to develop a complete and integrated understanding of risk.

{*Evidence*} ASIG IM Program document, Section 2.4

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

(i) What preventive and mitigative measures must an operator take to protect the high consequence area?

(1) General requirements. An operator must take measures to prevent and mitigate the consequences of a pipeline failure that could affect a high consequence area. These measures include conducting a risk analysis of the pipeline segment to identify additional actions to enhance public safety or environmental protection. Such actions may include, but are not limited to, implementing damage prevention best practices, better monitoring of cathodic protection where corrosion is a concern, establishing shorter inspection intervals, installing EFRDs on the pipeline segment, modifying the systems that monitor pressure and detect leaks, providing additional training to personnel on response procedures, conducting drills with local emergency responders and adopting other management controls.

ASIG does not include in their IM program document a requirement to consider the identification of potential preventive and mitigative actions that address the most significant segment-specific risks, including consideration of preventive and mitigative actions listed in §195.452(i)(1). Further, ASIG did not conduct reviews of the effectiveness of current preventive and mitigative actions and the potential for enhancements and upgrades.

{*Evidence*} ASIG IM Program document, Section 2.6

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violation persists up to a maximum of \$1,000,000 for any related series of violations. 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 correct the items identified in this letter. Failure to do so will result in ASIG being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 5-2008-5010W**. 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).

Sincerely,

Handwritten signature of Chris Hoidal, consisting of the letters 'R', 'S', and 'H' in a stylized, cursive font, followed by a horizontal line extending to the right.

for
Chris Hoidal
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 J. Strawn (#119912)