

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

March 17, 2009

Mr. Thomas Mushovic
General Manager
Aircraft Service International Group
6000 DeHavilland Drive
Anchorage, AK 99502-0246

CPF 5-2009-5017M

Dear Mr. Mushovic:

On February 2-5, 2009, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected Aircraft Services International Group's (ASIG) Operation and Maintenance procedures and Operator Qualification Plan in Anchorage, Alaska.

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

- 1. §195.120(a) Passage of internal inspection devices.**
Except as provided in paragraphs (b) and (c) of this section, each new pipeline and each line section of a pipeline where the line pipe, valve, fitting or other line component is replaced, must be designed and constructed to accommodate the passage of instrumented internal inspection devices.

The operator must include a statement in the O & M Manual to ensure new construction allows for pig passage.

2. **§195.310(b) (9) Records.**

Where elevation differences in the section under test exceed 100 feet (30 meters), a profile of the pipeline that shows the elevation and test sites over the entire length of the test section.

The operator must include a statement in the O & M Manual to ensure that elevation differences are accounted for during hydrotesting, when the elevation differences exceed 100 feet.

3. **§195.573 What must I do to monitor external corrosion control?**

(2) Identify not more than 2 years after cathodic protection is installed, the circumstances in which a close-interval survey or comparable technology is practicable and necessary to accomplish the objectives of paragraph 10.1.1.3 of NACE Standard RP 0169.

The operator must determine and state in the O&M Manual the reinspection interval for CIS readings.

4. **§195.573 What must I do to monitor external corrosion control?**

(d) Breakout tanks. You must inspect each cathodic protection system used to control corrosion on the bottom of an aboveground breakout tank to ensure that operation and maintenance of the system are in accordance with API Recommended Practice 651. However, this inspection is not required if you note in the corrosion control procedures established under Sec. 195.402(c)(3) why compliance with all or certain operation and maintenance provisions of API Recommended Practice 651 is not necessary for the safety of the tank.

The operator's procedures references API 653, not API 651. The O&M Manual must be changed to indicate that API 651 is the code to be followed for tank cathodic protection.

5. **§195.573 What must I do to monitor external corrosion control?**

(e) Corrective action. You must correct any identified deficiency in corrosion control as required by Sec. 195.401(b). However, if the deficiency involves a pipeline in an integrity management program under Sec. 195.452, you must correct the deficiency as required by Sec. 195.452(h).

The operator's procedures do not state how soon deficiencies in corrosion control would be corrected. The O&M Manual must include a statement indicating the time to correct CP deficiencies.

6. §195.505 Qualification program.

(i) After December 16, 2004, notify the Administrator or a state agency participating under 49 U.S.C. Chapter 601 if the operator significantly modifies the program after the Administrator or state agency has verified that it complies with this section.

The operator's plan must include a statement indicating that when the plan is significantly modified, that PHMSA will be notified.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. 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.

If, after opportunity for a hearing, 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. § 190.237). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 30 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.

In correspondence concerning this matter, please refer to **CPF 5-2009-5017M** and send all responses to my attention at 222 W. 7th Ave. #200, Anchorage, Alaska 99513. For each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Dennis Hinnah
Deputy Director, Western Region
Pipeline and Hazardous Materials Safety Administration

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

cc: PHP-60 Compliance Registry
PHP-500 B. Flanders (#123892)