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Rod Hanson
Sr. VP Operations & Maintenance

Sent via email to Chris.Hoidal@dot.gov

Government Letter No: 33485
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August 13, 2015

Chris Hoidal, Western Region Director
Pipeline and Hazardous Materials Safety Administration
U.S. Department of Transportation
12300 West Dakota Avenue, Suite 110
Lakewood, CO 80228

Subject: Notice of Probable Violation, Proposed Civil Penalty and Proposed Compliance Order, CPF No. 5-2015-5015

Dear Mr. Hoidal:

Alyeska Pipeline Service Company (Alyeska) received the Pipeline Hazardous Materials Safety Administration's (PHMSA) Notice of Probable Violation (NOPV), Proposed Civil Penalty and Proposed Compliance Order, CPF 5-2015-5015, on July 15, 2015. Alyeska has reviewed the allegations contained in the NOPV and the proposed civil penalties and Compliance Order and provides the attached **Response to NOPV and Proposed Civil Penalties and Compliance Order** (Response) under 49 C.F.R. § 190.208. Alyeska does not agree with all the allegations but does not request a hearing, and therefore files this response specifically pursuant to § 190.208(a)(3) and § 190.208(b)(3).

Alyeska does not contest the probable violations of § 195.432(b) (NOPV item no. 1) and of § 195.573(d) (NOPV item no. 3), and agrees to pay the proposed civil penalties for these two items. Alyeska has taken actions to correct the oversights noted and prevent reoccurrence.

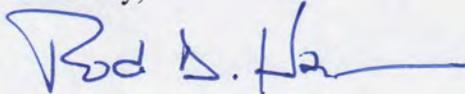
Alyeska contests the probable violation of § 195.412(b) (NOPV item no. 2) because Alyeska has been and continues to be in full compliance with § 195.412(b). Alyeska performed the required § 195.412(b) inspections of the Pipeline crossing at the Chena River, which is the only commercially navigable waterway crossed underneath by the Trans-Alaska Pipeline (Pipeline) that is subject to § 195.412(b).

Alyeska proactively inspects all below-ground Pipeline waterway crossings as a crucial component of its comprehensive integrity management and risk mitigation program, and as best industry practices – including those waterways not subject to § 195.412(b). Thus, Alyeska's water crossing inspections program far exceeds the requirements set forth in PHMSA regulations and agency guidance for below-ground pipeline waterway crossings. In addition to the Chena

River, Alyeska has performed bathymetry surveys of over 50 below-ground Pipeline waterway crossings, including crossings at all waterways that the United States Coast Guard designates navigable. For these reasons, the NOPV issued for probable violation no. 2 is legally and factually without merit, and therefore the related proposed civil penalties and Compliance Order are unwarranted. Accordingly, Alyeska respectfully requests that PHMSA withdraw the proposed civil penalties and the Compliance Order pertaining to this particular allegation.

If you have any additional questions please contact Tom Stokes at (907) 787-8422.

Sincerely,



cc: Jeff Gilliam, DOT/PHMSA
Heidi Marlowe, DOT/PHMSA

ATTACHMENT: Response to NOPV and Proposed Civil Penalties and Compliance Order

EXHIBITS:

- Exhibit A: *Pipeline Safety: Underwater Abandoned Pipeline Facilities*, Final Rule, 65 Fed. Reg. 54440 (Sept. 8, 2000)
- Exhibit B: *PHMSA Operations and Maintenance Enforcement Guidance, Part 195 Subpart F*, § 195.412, pp. 54-59, Dec. 1, 2014
- Exhibit C: PHMSA Interpretation Letter DMS ID# PL-01-0100, January 29, 2001
- Exhibit D: PHMSA Inspector web-based training manual glossary for 49 CFR Part 195
- Exhibit E: National Waterways Mapping Network list of State of Alaska Waterways, as of August 1, 2015
- Exhibit F: TAPS Commercially Navigable Waterways, Alyeska, July 31, 2015
- Exhibit G: Navigable Waterways of Alaska Affecting TAPS, Alyeska, August 5, 2015
- Exhibit H: Navigable Waters of the United States within the Seventeenth Coast Guard District, U.S. Coast Guard, March 2012
- Exhibit I: DB-180, pp. 160-164, Alyeska, March 27, 2013
- Exhibit J: List of U.S. Coast Guard Designated Navigable Waters Crossed by TAPS, with Bathymetry Survey Years, Alyeska, August 1, 2015