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ASIG AIRCRAFT SERVICE INTERNATIONAL GROUP™

BBA Aviation

December 2, 2016

Mr. Chris Hoidal
Director, Western Region
Pipeline and Hazardous Materials Safety Administration
12300 West Dakota Avenue, Suite 110
Lakewood, Colorado 80228

RE: CPF No. 5-2016-6011

Dear Mr. Hoidal:

In reference to your correspondence of November 15, 2016 regarding the inspection of August 1 through 4, 2016 of ASIG/ANC operation and maintenance records associated with ASIG/ANC jet fuel pipeline between ASIG/ANC tank facility at the Port of Anchorage and the Anchorage International Airport. Please find enclosed our responses and corrective actions to the items mentioned in your Notice of Probable Violations and Propose Compliance Order.

ASIG will take the actions in the proposed compliance order. I appreciate your consideration in this matter and look forward to continuing to work together to ensure safe, reliable, and environmentally sound operation of our facilities.

- 1. Ref: §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: (6) Identification of preventive and mitigative measures to protect the high consequence area (see paragraph (i) of this section);**

ASIG will implement and document a process of periodic reevaluation of preventative and mitigative measures for pipeline integrity, and will provide PHMSA with documentation showing that the process has been implemented.

- 2. Ref: §195.555 What are the qualifications for supervisors?**

You must require and verify that supervisors maintain a thorough knowledge of that portion of the corrosion control procedures established under § 195.402(c)(3) for which they are responsible for insuring compliance.

ASIG will ensure our personnel in charge of implementing corrosion control are qualified to review work performed by corrosion contractors for regulatory compliance. ASIG will designate supervisor(s) whose corrosion control responsibilities include ensuring deliverables from corrosion contractors are sufficient to meet regulatory requirements in 49 CFR 195 Subpart H.

We will provide PHMSA with the name(s), and qualifications of the designated supervisor(s) once qualification training is completed.



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3. Ref: §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 will:

- a. Perform physical inspections and conduct measurements and analysis on select anomalies detected during the 2016 ILI tool run "Following recognized industry standards" per 195.451(b)(6), in conducting the data quality review.
- b. Provide PHMSA with records "to support the decisions and analyses, including any modifications, justifications, deviations and determinations made, variances, and actions taken" that ASIG has used in the validation process, per 195.452(l)(1)(ii).
- c. Provide PHMSA with the results of data quality review for the 2016 in-line inspection, including records of any field verification.

**4. §195.571 What criteria must I use to determine the adequacy of cathodic protection
Cathodic protection required by this subpart must comply with one or more of the applicable criteria and other considerations for cathodic protection contained paragraphs 6.2.2, 6.2.3, 6.2.4, 6.2.5 and 6.3 in NACE SP0169**

ASIG will:

- a. Correct areas of low CP potential found during the 2015 close interval survey.
- b. Assess the effects of the voltage drop due to current output magnesium anode, either through measurement or "sound engineering judgment," (NACE SP 1069 par. 6.3.2, incorporated by reference), to demonstrate the pipeline is meeting CP criteria.
- c. Provide PHMSA with the results of the assessment in item (b), including a plan to correct any deficiencies should they be found during the assessment.

Please call me at (310) 646-1202 or Marc McCafferty the ANC ASIG Plant Manager at (907) 249-4202 should you have any further questions.

Best regards,

Lawrence McMahon
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