

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

January 25, 2018

Mr. Robert Curcio
President
Tidewater, Inc
6305 NW Old Lower River Rd
Vancouver, WA 98660

CPF 5-2018-6007W

Dear Mr. Curcio:

On December 11 through 14, 2017, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code (U.S.C.), inspected your Umatilla, OR to Hinkle 4-inch Line, in Oregon.

As a result of the inspection, it is alleged that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The items inspected and the probable violation(s) are:

1. **§195.428 Overpressure safety devices and overfill protection systems**
 - (a) **Except as provided in paragraph (b) of this section, each operator shall, at intervals not exceeding 15 months, but at least once each calendar year, or in the case of pipelines used to carry highly volatile liquids, at intervals not to exceed 7½ months, but at least twice each calendar year, inspect and test each pressure limiting device, relief valve, pressure regulator, or other item of pressure control equipment to determine that it is functioning properly, is in good mechanical condition, and is adequate from the standpoint of capacity and reliability of operation for the service in which it is used.**

At the time of inspection, no records were available to demonstrate that Tidewater had performed pressure relieve valve inspections in 2016, as the record of relieve valve inspections reviewed (maintenance order #2247) showed that the inspection was conducted December 5, 2017. The operator's Operations and Maintenance Manual, Section 590 (c) Overpressure Protection, states that overpressure safety devices (pressure relieve valve) will be inspected at least once each calendar year at intervals not exceeding 15 months. Therefore, Tidewater failed to perform inspection of overpressure safety devices and overfill protection systems in accordance with §195.428(a).

2. **§195.583 What must I do to monitor atmospheric corrosion control?**
 - (a) **You must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows:**

If the pipeline is located:	Then the frequency of inspection is:
Onshore	At least once every 3 calendar years, but with intervals not exceeding 39 months.
Offshore	At least once each calendar year, but with intervals not exceeding 15 months.

A review of the records showed that Tidewater has not monitored the atmospheric corrosion of its exposed pipeline since April 2013. From the previous inspection, Tidewater was advised to conduct atmospheric corrosion monitoring by April 2016. Review of the available record (maintenance order #2247) demonstrated that the atmospheric monitoring was conducted on December 5, 2017. The operator's Operations and Maintenance Manual, Section 403.7 Above Ground Piping, states all aboveground piping will be inspected every 3 years not to exceed 39 months. Therefore, Tidewater failed to monitor atmospheric corrosion of its exposed pipeline in accordance with §195.583(a).

3. **§195.579 What must I do to mitigate internal corrosion?**

(c) Removing pipe. Whenever you remove pipe from a pipeline, you must inspect the internal surface of the pipe for evidence of corrosion. If you find internal corrosion requiring corrective action under §195.585, you must investigate circumferentially and longitudinally beyond the removed pipe (by visual examination, indirect method, or both) to determine whether additional corrosion requiring remedial action exists in the vicinity of the removed pipe.

Tidewater conducted a pipeline modification project in 2015 (Hinko Pipeline modification project). Tidewater cannot show records to demonstrated that an internal inspection for corrosion was performed on the removed pipe. Therefore, Tidewater failed to inspect the internal surface of a removed pipeline for evidence of corrosion in accordance with §195.579(c).

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$209,002 per violation per day the violation persists up to a maximum of \$2,090,022 for a related series of violations. For violations occurring prior to November 2, 2015, the maximum penalty may not exceed \$200,000 per violation per day, with a maximum penalty not to exceed \$2,000,000 for a 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 item(s) identified in this letter. Failure to do so will result in Tidewater, Inc 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 5-2018-6007W**. 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,

Dustin Hubbard
Acting Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 G. Ajiboye (#157468)