

Mr. Denis C. LeBlanc
Vice President, Corporate Services Division
Alyeska Pipeline Service Company
1835 Bragnaw Street (MS 542)
Anchorage, Alaska 99512

Re: CPF No. 59502

Dear Mr. LeBlanc:

Enclosed is the Final Order issued by the Associate Administrator for Pipeline Safety in the above-referenced case. It makes findings of violation and assesses a civil penalty of \$50,000. Your receipt of the Final Order constitutes service of that document under 49 C.F.R. § 190.5.

I acknowledge receipt of, and accept, your wire transfer in the amount of \$50,000, as payment in full of the civil penalty assessed against Alyeska Pipeline Service Company in the Final Order. This case is now closed and no further enforcement action is contemplated with respect to the matters involved in the case. Thank you for your cooperation in our joint effort to ensure pipeline safety.

Sincerely,

Gwendolyn M. Hill
Pipeline Compliance Registry
Office of Pipeline Safety

Enclosure

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

DEPARTMENT OF TRANSPORTATION
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, DC 20590

In the Matter of)
)
Alyeska Pipeline Service Company,)
)
Respondent.)
_____)

CPF No. 59502

FINAL ORDER

On May 11-15, May 26-29, June 8-12, August 12-14 and September 21-26, 1998, pursuant to 49 U.S.C. § 60117, a representative of the Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of Respondent's facilities and records in Fairbanks, Alaska. As a result of the inspection, the Director, Western Region, OPS, issued to Respondent, by letter dated March 15, 1999, a Notice of Probable Violation, Proposed Civil Penalty, and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Respondent had committed violations of 49 C.F.R. Parts 192 and 195 and proposed assessing a civil penalty of \$50,000 for one of the alleged violations. The Notice also proposed that Respondent take certain measures to correct the alleged violations.

Respondent responded to the Notice by letter dated April 19, 1999 (Response). Respondent did not contest the allegations of violation but provided information concerning the corrective actions it has taken. Respondent also made a wire transfer in the amount of the proposed civil penalty (\$50,000), waiving further right to respond, and authorizing entry of this Final Order.

FINDINGS OF VIOLATION

Respondent did not contest the alleged violations in the Notice. Accordingly, I find that Respondent violated the following sections of 49 C.F.R. Parts 192 and 195, as more fully described in the Notice:

49 C.F.R. § 195.406(b) -- failing to limit the pressure in a pipeline during surges or other variations from normal operations to less than 110 percent of the maximum operating pressure;

49 C.F.R. § 195.416(i) -- failing to maintain the external fiberglass coating on above-ground pipe in order to adequately protect the pipeline from external corrosion; and

49 C.F.R. §§ 192.317(a) and 192.703(b) -- failing to take all practicable steps to protect each transmission line or main from hazards that may cause the pipeline to move or to sustain abnormal loads and failing to replace, repair or remove from service unsafe segments of such pipelines.

These findings of violation will be considered prior offenses in any subsequent enforcement action taken against Respondent. I assess a penalty of \$50,000, already paid by the Respondent, for violation of 49 C.F.R. § 195.406(b).

COMPLIANCE ORDER

The Notice proposed a compliance order. Respondent has demonstrated corrective action addressing the items in the proposed compliance order. The Director, Western Region, OPS has accepted these measures as adequately fulfilling the requirements of the regulations and no further action is needed with respect to a compliance order.

Stacey Gerard
Associate Administrator
for Pipeline Safety

Date Issued