Mr. W.M. Hicks  
President  
Yellowstone/Continental Pipe Line Company  
600 North Dairy Ashford  
Houston, Texas  77252  

Re: CPF No. 56501

Dear Mr. Hicks:

Enclosed is the Final Order issued by the Associate Administrator for Pipeline Safety in the above-referenced case. It makes a finding of violation and assesses a civil penalty of $5,000, already paid by Respondent (wire transfer confirmation dated March 25, 1996). Your receipt of the Final Order constitutes service of that document under 49 C.F.R. § 190.5.

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

CERTIFIED MAIL - RETURN RECEIPT REQUESTED
In the Matter of                     ) CPF No. 56501
Yellowstone/Continental Pipe Line Company, )
Respondent                     )
________________________________________)
discussions took place. In addition, Respondent has failed to specify the terms of the alleged settlement. Therefore, based on the information contained in the record and 49 C.F.R. § 190.209(a)(1), I find that Respondent violated 49 C.F.R. § 195.412 by failing to inspect its rights-of-way and crossings under navigable waters the required 26 times during one calendar year.

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

ASSESSMENT OF PENALTY

Under 49 U.S.C. § 60122, Respondent is subject to a civil penalty not to exceed $25,000 per violation for each day of the violation up to a maximum of $500,000 for any related series of violations.

49 U.S.C. § 60122 and 49 U.S.C. § 190.225 require that, in determining the amount of the civil penalty, I consider the following criteria: nature, circumstances, and gravity of the violation, degree of Respondent’s culpability, history of Respondent’s prior offenses, Respondent’s ability to pay the penalty, good faith by Respondent in attempting to achieve compliance, the effect on Respondent’s ability to continue in business, and such other matters as justice may require.

The Notice proposed assessing a civil penalty of $5,000. Accordingly, having reviewed the record and considered the assessment criteria, I assess a civil penalty of $5,000, already paid by Respondent. I find that Respondent has the ability to pay the proposed penalty and it will not affect its ability to remain in business.

Under 49 U.S.C. § 190.215, Respondent has a right to petition for reconsideration of this Final Order. The petition must be received within 20 days of Respondent’s receipt of this Final Order and must contain a brief statement of the issue(s). The filing of the petition automatically stays the payment of any civil penalty assessed. All other terms of the order, including any required corrective action, shall remain in full effect unless the Associate Administrator, upon request, grants a stay.

The terms and conditions of this Final Order are effective upon receipt.

/s/Richard B. Felder
Richard B. Felder
Associate Administrator for Pipeline Safety

Date Issued: 03/02/98