U.S. Department
Of Transportation
Pipeline and
Hazardous Materials
Safety Administration

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NOTICE OF AMENDMENT

OVERNIGHT EXPRESS DELIVERY

November 19, 2015

Richard Fisette, Terminal Manager
IMTT-Pipeline
250 East 22nd Street
Bayonne, New Jersey 07002

CPF 1-2015-5020M

Dear Mr. Fisette:

From November 4 - 8, 2013, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code inspected IMTT-Pipeline (IMTT) Control Room Management Plan, Effective Date: July 2013 (*CRMP*) and referenced IMTT Operations, Maintenance and Emergency Manual dated July 2013 (*OM&E*), along with other related materials and records in Bayonne, New Jersey.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within IMTT's plans or procedures, as described below:

1. **§195.446 Control room management.**

(a) *General.* This section applies to each operator of a pipeline facility with a controller working in a control room who monitors and controls all or part of a pipeline facility through a SCADA system. Each operator must have and follow written control room management procedures that implement the requirements of this section. The procedures required by this section must be integrated, as appropriate, with the operator's written procedures required by § 195.402. An operator must develop the procedures no later than August 1, 2011, and must implement the procedures according to the following schedule. The procedures required by paragraphs (b), (c)(5), (d)(2) and (d)(3), (f) and (g) of this section must be implemented no later than October 1, 2011. . .

(b) *Roles and responsibilities.* Each operator must define the roles and responsibilities of a controller during normal, abnormal, and emergency operating conditions. To provide for a controller's prompt and appropriate response to operating conditions, an operator must define each of the following:

(1) A controller's authority and responsibility to make decisions and take actions during normal operations;

IMTT's *CRMP* does not adequately describe the controller's authority and responsibility to make decisions and take actions during normal operations when moving operations to another location, in accordance with §195.446 (b)(1), as prescribed in §195.446(a). Pursuant to §195.446(a), each operator must have written control room management procedures that implement the requirements of §195.446.

According to the *CRMP, Section 1. Introduction, Subsection 1.4. CRMP Applicability* states, in part:

> All remote operations for IMTT's liquid jurisdictional pipeline are conducted at the Bergen Point facility; the only other facilities are the IMTT backup locations (the 5th Street Terminal; Staten Island, NY; and Linden locations). . . Therefore, the IMTT Control Room and backup locations fall within the guidelines of the Rule.
>
> This Plan applies to any IMTT Controller who works in a control room monitoring and controlling all or part of a pipeline system via a Supervisory Control and Data Acquisition (SCADA) system.

During this inspection, IMTT indicated that it does move control room operation to the backup locations. However, the *CRMP* and *OM&E Section 402* did not describe a formal transfer of authority and responsibilities, define the actual time of transfer when moving operations to the backup locations, or when returning to the primary location, in accordance with §195.446 (b)(1).

2. **§195.446 Control room management.**

(a) *General.* This section applies to each operator of a pipeline facility with a controller working in a control room who monitors and controls all or part of a pipeline facility through a SCADA system. Each operator must have and follow written control room management procedures that implement the requirements of this section. The procedures required by this section must be integrated, as appropriate, with the operator's written procedures required by § 195.402. An operator must develop the procedures no later than August 1, 2011, and must implement the procedures according to the following schedule. The procedures required by paragraphs (b), (c)(5), (d)(2) and (d)(3), (f) and (g) of this section must be implemented no later than October 1, 2011. . .

(b) *Roles and responsibilities.* Each operator must define the roles and responsibilities of a controller during normal, abnormal, and emergency operating conditions. To provide for a controller's prompt and appropriate response to operating conditions, an operator must define each of the following:

(1) . . .

(4) A method of recording controller shift-changes and any hand- over of responsibility between controllers.

IMTT's *CRMP* does not contain an adequate description of a method of recording controller shift-changes and any hand- over of responsibility between controllers when moving operations to another location, in accordance with §195.446 (b)(4), as prescribed in §195.446(a). Pursuant to §195.446(a), each operator must have written control room management procedures that implement the requirements of §195.446.

During this inspection, IMTT indicated that there would be a period of time when the control room is scheduled to be unattended. IMTT mentioned that it leaves the control room unattended when product is not being pumped through the pipeline. Also, IMTT mentioned that it periodically shuts down the 5th Street Terminal to go to the back up control room (Bayonne Control Room or Linden Control Room).

IMTT's *CRMP, Section 2. Roles and Responsibilities, Subsection 2.6 Shift Turnover Tracking* refers to the *Shift Change Procedure* in the *OM&E*. IMTT's *OM&E Section 402, Section 4.3 Shift Change Procedures* does not address when and how the pipeline is operated when the control room is unattended. Also, *OM&E Section 402, Section 4.3 Shift Change Procedures* does not have information about shutting down the 5th Street Terminal to go to the backup control rooms. Consequently, the *OM&E Section 402, Section 4.3 Shift Change Procedures* does not include special provisions for shift change when face-to-

face communications between the departing and arriving controllers may not occur in accordance with §195.446 (b)(4).

Additionally, both the *CRMP* and *OM&E Section 402* do not include information about when the controller can leave the console/desk area and time allocated to complete shift hand-over in accordance with §195.446 (b)(4).

3. **§195.446 Control room management.**

(a) *General.* This section applies to each operator of a pipeline facility with a controller working in a control room who monitors and controls all or part of a pipeline facility through a SCADA system. Each operator must have and follow written control room management procedures that implement the requirements of this section. The procedures required by this section must be integrated, as appropriate, with the operator's written procedures required by § 195.402. An operator must develop the procedures no later than August 1, 2011, and must implement the procedures according to the following schedule. The procedures required by paragraphs (b), (c)(5), (d)(2) and (d)(3), (f) and (g) of this section must be implemented no later than October 1, 2011. . .

(c) *Provide adequate information.* Each operator must provide its controllers with the information, tools, processes and procedures necessary for the controllers to carry out the roles and responsibilities the operator has defined by performing each of the following:

(1) . . .

(2) Conduct a point-to -point verification between SCADA displays and related field equipment when field equipment is added or moved and when other changes that affect pipeline safety are made to field equipment or SCADA displays;

IMTT's *CRMP* does not adequately define safety related points in accordance with §195.446(c)(2), as prescribed in §195.446(a). Pursuant to §195.446(a), each operator must have written control room management procedures that implement the requirements of §195.446. Essentially, section 195.446(c)(2) requires verification of all safety-related points in Supervisory Control and Data Acquisition (SCADA) system.

The *CRMP, Section 1. Introduction, Subsection 1.7. Definitions* does not give a clear definition of safety-related points. Also, the *CRMP* and *OM&E Section 402* do not contain a process or criteria for determining points as safety-related.

4. **§195.446 Control room management.**

(a) *General.* This section applies to each operator of a pipeline facility with a controller working in a control room who monitors and controls all or part of a pipeline facility through a SCADA system. Each operator must have and follow written control room management procedures that implement the requirements of this section. The procedures required by this section must be integrated, as appropriate, with the operator's written procedures required by § 195.402. An operator must develop the procedures no later than August 1, 2011, and must implement the procedures according to the following schedule. The procedures required by paragraphs (b), (c)(5), (d)(2) and (d)(3), (f) and (g) of this section must be implemented no later than October 1, 2011. . .

(c) *Provide adequate information.* Each operator must provide its controllers with the information, tools, processes and procedures necessary for the controllers to carry out the roles and responsibilities the operator has defined by performing each of the following:

(1) . . .

(2) Conduct a point-to -point verification between SCADA displays and related field equipment when field equipment is added or moved and when other changes that affect pipeline safety are made to field equipment or SCADA displays;

IMTT's *CRMP* lacks an adequate, detailed process for point-to-point verification in accordance with §195.446(c)(2), as prescribed in §195.446(a). Pursuant to §195.446(a), each operator must have written control room management procedures that implement the requirements of §195.446.

The *CRMP, Section 3. Adequate Information, Subsection 3.3 Point-to-Point Verification* states that "IMTT conducts point-to-point verification testing any time a change is made in the field (emphasis added)." It is unclear whether or not IMTT conducts point-to-point verification literally "any time" a change occurs. Otherwise, IMTT should define the types of field changes that require point-to-point verification. *Subsection 3.3 Point-to-Point Verification* also states that "[a]ll point-to-point verification testing is performed in accordance with IMTT OM&E."

OM&E Section 402, Subsection 4.5.6 Point-to-Point Verification states that "IMTT conducts all point-to-point verification testing in accordance with IMTT Procedure for Point-to-Point Verification and the IMTT SCADA Change Analysis Report and using Master Safety Related List of safety-related points." However, IMTT was unable to provide those supplemental documents. Therefore, the *OM&E Section 402, Subsection 4.5.6 Point-to-Point Verification* lacks information about how point-to-point verification is conducted to ensure it is done properly and in a timely manner. Overall, the *CRMP* and *OM&E Section 402* do not ensure thoroughness of the point-to-point verification in accordance with §195.446(c)(2).

In addition, neither the *CRMP* nor *OM&E* addresses like-for-like replacement in accordance with §195.446(c)(2).

5. **§195.446 Control room management.**

(a) *General.* This section applies to each operator of a pipeline facility with a controller working in a control room who monitors and controls all or part of a pipeline facility through a SCADA system. Each operator must have and follow written control room management procedures that implement the requirements of this section. The procedures required by this section must be integrated, as appropriate, with the operator's written procedures required by § 195.402. An operator must develop the procedures no later than August 1, 2011, and must implement the procedures according to the following schedule. The procedures required by paragraphs (b), (c)(5), (d)(2) and (d)(3), (f) and (g) of this section must be implemented no later than October 1, 2011. . .

(c) *Provide adequate information.* Each operator must provide its controllers with the information, tools, processes and procedures necessary for the controllers to carry out the roles and responsibilities the operator has defined by performing each of the following:

(1) . . .

(3) Test and verify an internal communication plan to provide adequate means for manual operation of the pipeline safely, at least once each calendar year, but at intervals not to exceed 15 months;

IMTT's *CRMP* does not contain sufficient information on how it will continue operation when SCADA and/or communication fails in accordance with §195.446(c)(3), as prescribed in §195.446(a). Pursuant to §195.446(a), each operator must have written control room management procedures that implement the requirements of §195.446. Section 195.446(c)(3) requires test and verification of an internal communication plan to assure it will be effective during an emergency involving loss of all SCADA system functions, or other systems relying on SCADA data.

According to the *CRMP, Section 3. Adequate Information , Subsection 3.4 Communication Plan for Manual Operation*, "[t]he IMTT OM&E Manual and Emergency Response Plan (ERP) addresses specific requirements for communication and actions taken in the event of an emergency that results in manual operation." *Subsection 3.4 communications Plan for Manual Operation* states that "IMTT policy is to conduct an orderly shutdown manually, with no attempt to continue operations (emphasis added)." It is unclear whether IMTT operates manually or shuts down its pipeline during a SCADA failure/outage.

IMTT provided *Section 408 Communications* dated June 2010 from the *OM&E*. However, this procedure does not provide a detailed process on how IMTT communicates while operating manually, or address the safe manual shutdown of the pipeline in accordance with Section 195.446(c)(3).

If IMTT does not intend to operate in a manual mode, then that should be addressed in the *CRMP*, and a basic plan that describes an orderly shutdown should be included in the *CRMP*.

6. **§195.446 Control room management.**

(a) *General.* This section applies to each operator of a pipeline facility with a controller working in a control room who monitors and controls all or part of a pipeline facility through a SCADA system. Each operator must have and follow written control room management procedures that implement the requirements of this section. The procedures required by this section must be integrated, as appropriate, with the operator's written procedures required by § 195.402. An operator must develop the procedures no later than August 1, 2011, and must implement the procedures according to the following schedule. The procedures required by paragraphs (b), (c)(5), (d)(2) and (d)(3), (f) and (g) of this section must be implemented no later than October 1, 2011. . .

(c) *Provide adequate information.* Each operator must provide its controllers with the information, tools, processes and procedures necessary for the controllers to carry out the roles and responsibilities the operator has defined by performing each of the following:

(1) . . .

(5) Implement section 5 of API RP 1168 (incorporated by reference, see § 195.3) to establish procedures for when a different controller assumes responsibility, including the content of information to be exchanged.

IMTT's *CRMP* does not include sufficient guidance on what information should be exchanged and formally documented between outgoing and incoming controllers in accordance with §195.446 (c)(5), as prescribed in §195.446(a). Pursuant to §195.446(a), each operator must have written control room management procedures that implement the requirements of §195.446. Section 195.446(c)(5) requires implementation of section 5 of API RP 1168 to establish procedures for when a different controller assumes responsibility, including the content of information to be exchanged.

Section 5, Subsection 5.3 Information to Exchange of API RP 1168, lists items to be addressed during shift turnover, which includes but is not limited to: (1) incident and/or safety conditions; (2) changes to physical assets, practices, and responsibilities; and (3) third-party incidents with potential direct or indirect impact on operations.

The *CRMP*, *Section 3. Adequate Information, Subsection 3.6 API RP 1168 Requirements* refers to the *Shift Change Procedure* in the *OM&E* for a detailed process and procedure to meet Section 5 of API RP 1168 requirements. *OM&E Section 402, Section 4.3 Shift Change Procedure, Subsection 4.3.2. Information Requirement* does not clearly require information of "third-party incidents with potential direct or indirect impact on operations (emphasis added)" to be documented in accordance with API RP 1168, Section 5.3.

Moreover, during the inspection, IMTT indicated that the outgoing controller verbally communicates with the incoming controller the shift turn-over. IMTT produced a log book which does not include the information that should be exchanged as described in API RP 1168 Section 5.

7. **§195.446 Control room management.**

(a) *General.* This section applies to each operator of a pipeline facility with a controller working in a control room who monitors and controls all or part of a pipeline facility through a SCADA system. Each operator must have and follow written control room management procedures that implement the requirements of this section. The procedures required by this section must be integrated, as appropriate, with the operator's written procedures required by § 195.402. An operator must

develop the procedures no later than August 1, 2011, and must implement the procedures according to the following schedule. The procedures required by paragraphs (b), (c)(5), (d)(2) and (d)(3), (f) and (g) of this section must be implemented no later than October 1, 2011. . .

(f) *Change management.* Each operator must assure that changes that could affect control room operations are coordinated with the control room personnel by performing each of the following:

(1) Implement section 7 of API RP 1168 (incorporated by reference, see § 195.3) for control room management change and require coordination between control room representatives, operator's management, and associated field personnel when planning and implementing physical changes to pipeline equipment or configuration; and

IMTT's *CRMP* does not have sufficient instructions to address the requirement in §195.446(f)(1), as prescribed in §195.446(a). Pursuant to §195.446(a), each operator must have written control room management procedures that implement the requirements of §195.446. Section 195.446(f)(1) requires implementation of section 7 of API RP 1168 for control room management change and coordination between control room representatives, operator's management, and associated field personnel when planning and implementing physical changes to pipeline equipment or configuration.

Section 6 Change Management of the *CRMP* includes an outline of Section 7 of API RP 1168, but does not give details on communication, notification and training, instances when temporary changes are no longer necessary, recordkeeping, and so forth to assure changes are managed appropriately. *Section 6 Change Management* of the *CRMP* is general, and lacks the necessary details to assure changes that could affect control room operations are coordinated with the control room personnel.

Additionally, *Subsection 6.3 IMTT Management of Change Process* "[refers] to the Change Management Procedure in the IMTT OM&E Manual for the detailed procedure and workflow diagram", however the *OM&E* does not have such procedure or workflow diagram.

8. **§195.446 Control room management.**

(a) *General.* This section applies to each operator of a pipeline facility with a controller working in a control room who monitors and controls all or part of a pipeline facility through a SCADA system. Each operator must have and follow written control room management procedures that implement the requirements of this section. The procedures required by this section must be integrated, as appropriate, with the operator's written procedures required by § 195.402. An operator must develop the procedures no later than August 1, 2011, and must implement the procedures according to the following schedule. The procedures required by paragraphs (b), (c)(5), (d)(2) and (d)(3), (f) and (g) of this section must be implemented no later than October 1, 2011. . .

(f) *Change management.* Each operator must assure that changes that could affect control room operations are coordinated with the control room personnel by performing each of the following:

(1) . . .

(2) Require its field personnel to contact the control room when emergency conditions exist and when making field changes that affect control room operations; and

IMTT's *CRMP* does not contain sufficient guidance and information that fulfill the requirement in §195.446(f)(2), as prescribed in §195.446(a). Pursuant to §195.446(a), each operator must have written control room management procedures that implement the requirements of §195.446. Section 195.446(f)(2) requires field personnel to contact the control room when emergency conditions exist, and when making field changes that affect control room operations.

Section 6 Change Management of the *CRMP* restates §195.446(f)(2). There is no further information about how IMTT will fulfill the requirement in §195.446(f)(2).

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. 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). If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue a Final Order.

If, after opportunity for a hearing, your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.237). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within **90 days** of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

It is requested (not mandated) that IMTT maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Byron Coy, PE, Director, Eastern Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 1-2015-5020M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Byron Coy, PE
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*