

NOTICE OF AMENDMENT

OVERNIGHT EXPRESS DELIVERY

December 6, 2019

Mr. Michael Burgett
Chief Operating Officer
IMTT - Bayonne
321 St. Charles Ave
New Orleans, LA 70130

CPF 1-2019-5011M

Dear Mr. Burgett:

From May 14, 2018 – May 18, 2019, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code (U.S.C.), performed an integrated inspection of IMTT - Bayonne (IMTT)'s records and procedures in Bayonne, NJ.

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

1. **§ 195.202 Compliance with specifications or standards**
Each pipeline system must be constructed in accordance with comprehensive written specifications or standards that are consistent with the requirements of this part.

IMTT's written specifications or standards for constructing each pipeline system in accordance with Part 195 were inadequate. Specifically, IMTT's Construction Manual, dated February 2018, and other referenced procedures failed to include adequate detail for hydrostatically testing new, repaired, altered or reconstructed breakout tanks in accordance with § 195.307.

Section 195.307 states:

“(a) For aboveground breakout tanks built into API Specification 12F and first

placed in service after October 2, 2000, pneumatic testing must be in accordance with section 5.3 of API Specification 12 F (incorporated by reference, see § 195.3).

(b) For aboveground breakout tanks built to API Standard 620 and first placed in service after October 2, 2000, hydrostatic and pneumatic testing must be in accordance with section 7.18 of API Standard 620 (incorporated by reference, see §195.3).

(c) For aboveground breakout tanks built to API Standard 650 (incorporated by reference, see §195.3) and first placed in service after October 2, 2000, testing must be in accordance with sections 7.3.5 and 7.3.6 of API Standard 650 (incorporated by reference, see §195.3).

(d) For aboveground atmospheric pressure breakout tanks constructed of carbon and low alloy steel, welded or riveted, and non-refrigerated tanks built to API Std. 650 or its predecessor Standard 12 C that are returned to service after October 2, 2000, the necessity for the hydrostatic testing of repair, alteration, and reconstruction is covered in section 12.3 of API Standard 653 (incorporated by reference, see §195.3)

(e) For aboveground breakout tanks built to API Standard 2510 and first placed in service after October 2, 2000, pressure testing must be in accordance with ASME Boiler and Pressure Vessel Code, Section VIII, Division 1 or 2.”

During the inspection, IMTT’s written procedures for testing breakout tanks were reviewed. The Construction Manual, Section 13.3 Testing Procedures for New Breakout Tanks, and IMTT Operations, Maintenance and Emergency Manual, dated June 2017 (OM&E Manual), Section 10.5.4, each repeated the code language of § 195.307 regarding new tanks, but failed to specify detailed requirements for how new breakout tanks will be tested. The OM&E Manual, Section 3.4.12.1., also repeated the requirements of § 195.307(d), but failed to specify a detailed procedure for the hydrostatic testing of repaired, altered or reconstructed breakout tanks to meet the requirements of API 653, Section 12.3.

Therefore, IMTT’s written specifications or standards were inadequate regarding hydrostatically testing new, repaired, altered or reconstructed breakout tanks in accordance with § 195.307.

2. § 195.202 Compliance with specifications or standards

Each pipeline system must be constructed in accordance with comprehensive written specifications or standards that are consistent with the requirements of this part.

IMTT’s written specifications or standards for constructing each pipeline system in accordance with Part 195 were inadequate. Specifically, IMTT’s Construction Manual, dated February 2018, and other referenced procedures failed to include adequate detail for testing pumping equipment safety devices in accordance with § 195.262(c).

Section 195.262(c) states:

(c) Each safety device must be tested under conditions approximating actual operations and found to function properly before the pumping station may be used.

During the inspection, IMTT's Construction Manual, Section 15, was reviewed and stated in part:

"IMTT provides the following equipment items in each pump station:

- ♦ Safety devices that prevent over pressuring of pumping equipment, including the auxiliary pumping equipment within the pumping station
- ♦ A device for the emergency shutdown of each pumping station
- ♦ If power is necessary to actuate the safety devices, an auxiliary power supply

IMTT-Bayonne tests each safety device under simulated operating conditions to determine if they function properly before the pumping station is used."

IMTT's OM&E Manual, Section 10.12 was also reviewed and found to repeat the code language. It stated:

"Each safety device shall be tested under conditions approximating actual operations and found to function properly before the pumping station may be used".

No additional details were provided in these manuals on how this testing is conducted, and no record keeping requirements were established in the procedures, standards or specifications to ensure IMTT can demonstrate compliance to the requirements of § 195.262(c).

Therefore, IMTT's written specifications or standards were inadequate regarding testing pump equipment safety devices in accordance with § 195.262(c).

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206. Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Enforcement 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).

Following the receipt of this Notice, you have 30 days to submit written comments, revised procedures, or a request for a hearing under §190.211. 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 an Order Directing Amendment. If 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. § 190.206). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 30 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 - Bayonne maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Robert Burrough, Director, PHMSA Eastern Region, 840 Bear Tavern Road, Suite 300, West Trenton, NJ 08628. Please refer to **CPF 1-2019-5011M** on each document you submit, and whenever possible provide a signed PDF copy in electronic format. Smaller files may be emailed to robert.burrough@dot.gov. Larger files should be sent on USB flash drive accompanied by the original paper copy to the Eastern Region Office.

Additionally, if you choose to respond to this (or any other case), please ensure that any response letter pertains solely to one CPF case number.

Sincerely,

Robert Burrough
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration

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