WARNING LETTER

<u>CERTIFIED MAIL - RETURN RECEIPT REQUESTED</u>

June 29, 2023

Mr. Jeffrey P. Biegelsen
President
Starrett Building Company
740 S Andrews Avenue
Fort Lauderdale, FL 33316

CPF 2-2023-015-WL

Dear Mr. Biegelsen:

From April 4 to 5, 2023, a representative from the Pipeline and Hazardous Materials Safety Administration (PHMSA), Southern Region, Office of Pipeline Safety (OPS) conducted on-site pipeline safety inspections of the liquefied petroleum gas (LP-Gas) pipeline systems operated by Starrett Building Company (Starrett) in Fort Lauderdale and Hollywood, Florida, pursuant to Chapter 601 of 49 United States Code (U.S.C.).

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

1. § 191.22 National Registry of Operators.

(a) . . . .

(b) OPID validation. An operator who has already been assigned one or more OPIDs by January 1, 2011, must validate the information associated with each OPID through the National Registry of Operators at https://portal.phmsa .dot.gov, and correct that information as necessary, no later than June 30, 2012.

Starrett Building Company did not comply with the validation requirement outlined in 191.22(b) for its National Registry Entry. Specifically, the company did not validate the information associated with its OpID by June 30, 2012, and did not update the information in the registry thereafter. As a result, the company did not provide the required operator supplied information regarding PHMSA required safety programs, nor did it supply any contact information for basic Agency-Operator interaction.

2. § 192.603 General provisions.

(a) . . . .

(b) Each operator shall keep records necessary to administer the procedures established under § 192.605.

Starrett Building Company failed to maintain records required by 49 CFR §192.603(b) that showed the abandonment or deactivation of its 47 jurisdictional LP-Gas systems was done in accordance with procedures established under § 192.605, specifically the requirements of §192.727. Starrett Building Company owned, operated, and ultimately abandoned jurisdictional LP-Gas systems at properties owned by eight real estate holding companies. However, the company failed to keep detailed abandonment records for any of the 47 jurisdictional LP-Gas pipeline systems.

The following timeline of abandonments was constructed from the limited records Starrett maintained, which primarily consisted of planning documents from the pre-bidding process, supplemented by first-hand accounts and recollections of Starrett personnel.

In 2016, Starrett Building Company started the process of abandoning 17 jurisdictional LP-Gas pipeline systems at the Lenox and Wilson properties. The company hired a contractor to set up aboveground containers and replace the buried metallic piping with a minimal amount of new buried plastic lines. The work was completed by early 2018.

In early 2018, Starrett Building Company began the process of abandoning the remaining 30 jurisdictional LP-Gas systems it operated. The company hired two contractors to do this, using a process similar to the one used at the Lenox and Wilson properties. The first contractor was hired to abandon 20 jurisdictional LP-Gas pipeline systems at its Alden Manor, Barton, and Collins properties, and the second was hired to abandon 10 jurisdictional LP-Gas pipeline systems at its Alden Hotel, Linden, and Norristown properties. The contractors replaced the buried metallic piping with a minimal amount of new buried plastic lines and installed aboveground containers.

The first contractor completed the work at the Alden Manor, Barton, and Collins properties by early 2019, with the local permits for the work being closed soon thereafter. The second contractor completed the work at the Alden Hotel, Linden, and Norristown properties by the end of 2020. However, the contractor did not close the permits after the work was completed. Starrett was not aware that the permits had remained open until contacted by the local permitting authority to close them. At the time of inspection, Starrett was actively working to complete the necessary inspections and close the permits.

3. § 191.22 National Registry of Operators.

(a) . . . .

(b) Changes. Each operator of a gas pipeline, gas pipeline facility, UNGSF, LNG plant, or LNG facility must notify PHMSA electronically through the National Registry of Operators at https://portal.phmsa.dot.gov of certain events.

(1) . . . .

(2) An operator must notify PHMSA of any of the following events not later than 60 days after the event occurs:

(i) . . . .

(ii) A change in the entity (e.g., company, municipality) responsible for an existing pipeline, pipeline segment, pipeline facility, UNGSF, or LNG facility;

Starrett Building Company did not comply with the notification requirement outlined in 191.22(c)(2)(iii) for 47 jurisdictional LP-Gas systems that it no longer operates, including 36 in Fort Lauderdale, Florida and 11 in Hollywood, Florida. Specifically, for the abandonment of these LP-Gas systems, Starrett failed to report the change in the entity responsible for an existing pipeline, pipeline segment, or pipeline facility to PHMSA not later than 60 days after the event, as required by 49 CFR 191.22(c)(2)(iii). This reporting requirement is essential for PHMSA's oversight to accurately track and assess the performance of individual operators and ensure the safety of pipeline maintenance and operations, including abandonment activities.

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed $257,664 per violation per day the violation persists, up to a maximum of $2,576,627 for a related series of violations. For violation occurring on or after March 21, 2022 and before January 6, 2023, the maximum penalty may not exceed $239,142 per violation per day the violation persists, up to a maximum of $2,391,142 for a related series of violations. For violation occurring on or after May 3, 2021 and before March 21, 2022, the maximum penalty may not exceed $225,134 per violation per day the violation persists, up to a maximum of $2,251,334 for a related series of violations. For violation occurring on or after January 11, 2021 and before May 3, 2021, the maximum penalty may not exceed $222,504 per violation per day the violation persists, up to a maximum of $2,225,034 for a related series of violations. For violation occurring on or after July 31, 2019 and before January 11, 2021, the maximum penalty may not exceed $218,647 per violation per day the violation persists, up to a maximum of $2,186,465 for a related series of violations. For violation occurring on or after November 27, 2018 and before July 31, 2019, the maximum penalty may not exceed $213,268 per violation per day, with a maximum penalty not to exceed $2,132,679. For violation occurring on or after November 2, 2015 and before November 27, 2018, the maximum penalty may not exceed $209,002 per violation per day, with a maximum penalty not to exceed $2,090,022.

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 items identified in this letter. Failure to do so will result in Starrett Building Company 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 2-2023-015-WL.** 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,
James A. Urisko
Director, Southern Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration