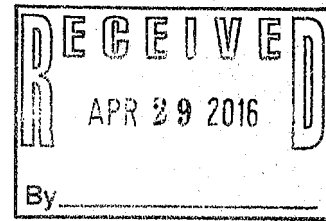


**Before the
U.S. Department of Transportation
Pipeline and Hazardous Materials Safety Administration
Office of Pipeline Safety**



In the Matter of)

Phillips 66 Pipeline LLC,)

Respondent.)

CPF No. 4-2016-5002

Notice of Probable Violation and
Proposed Compliance Order

STATEMENT OF ISSUES

In connection with its Request for a Hearing and in accordance with the requirements of 49 C.F.R. Part 190.211(b), Phillips 66 Pipeline LLC (Phillips 66 or the Company), hereby provides the Statement of Issues that it intends to raise at a Hearing, in response to the above referenced Notice of Probable Violation and Proposed Compliance Order (NOPV). The NOPV contains a single item, alleging that Phillips 66 failed to develop written specifications to ensure that the operation of pulling multiple pipes through a single HDD bore could be done without damaging the pipes in compliance with applicable Part 195 requirements. Phillips 66 believes its existing procedures fully comply with applicable law, standards and guidance, and that the proposed compliance order would require significant costs to implement, with no benefit.

This Statement of Issues incorporates by reference the Company's Response to the Notice of Probable Violation and Proposed Compliance Order (Response).

Without admitting any facts or conclusions set forth in the NOPV, Phillips 66 intends to raise the following issues at a Hearing, which include questions of both fact and law:

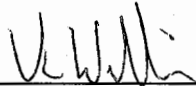
1. *Whether Phillips 66 has developed a comprehensive written specifications and procedures for performing a multiple line bundled Horizontal Directional Drilling (HDD) crossing to comply with applicable 49 C.F.R. Part 195 requirements and specifically 49 C.F.R. Part 195.202, 195.246 and 195.653:*
 - (a) *whether the specifications and procedures included in P66PL-TIP-4010 and the Specification Deviation Request satisfy the requirements of Part 195.202; and*
 - (b) *whether the specifications and procedures included in P66PL-TIP-4010 and the Specification Deviation Request satisfy the requirements of Part 195.246; and*

- (c) *whether the specifications and procedures included in P66PL-TIP-4010 and the Specification Deviation Request satisfy the requirements of Part 195.653 and whether the inclusion of this probable violation is premature.*
2. *Whether PHMSA has satisfied the requirements of 49 C.F.R. Part 190.217 whereby PHMSA may only issue a compliance order if the nature of the violation and the public interest so warrant.*
3. *Whether the proposed compliance order is arbitrary and capricious because it goes beyond the scope of the alleged violation. Whether the proposed compliance order is vague and ambiguous.*

For all of these reasons, and other matters as justice may require, the Company respectfully requests that PHMSA withdraw the NOPV.

Respectfully submitted,

PHILLIPS 66 PIPELINE LLC



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Date: April 28, 2016