



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

January 15, 2013

Mr. Steve Pankhurst
President
Olympic Pipe Line Company
150 W. Warrenville Rd.
Naperville, IL 60563

CPF 5-2013-5001W

Dear Mr. Pankhurst:

On October 30-November 1, 2012, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected your operations and maintenance (O&M) procedures and records in Renton, Washington and performed a field evaluation of your facility in Portland, Oregon.

As a result of the inspection, it appears that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The item inspected and the probable violation(s) are:

1. §195.573 What must I do to monitor external corrosion control?

(c) Rectifiers and other devices. You must electrically check for proper performance each device in the first column at the frequency stated in the second column.

Device

**Interference bond whose failure
would jeopardize structural protection.**

Check frequency

**At least six times each calendar year, but
with intervals not exceeding 2 ½ months**

Per §195.573, the operator must electrically check for proper performance each critical bond at least six times each calendar year, but with intervals not exceeding 2 ½ months. At the time of the inspection, records required by 195.589(c) indicated that the check for each critical bond was not performed within the required time interval referenced in 195.573(c). The PD-AR-14 (Portland Delivery) to ARCO records for 2010 show that a critical bond was checked on April 5, 2010 and August 25, 2010. The two and half month maximum time interval between test dates was exceeded by 65 days in 2010. Olympic Pipe Line Company must electrically check at the required time intervals.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 for a related series of violations. 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 item(s) identified in this letter. Failure to do so will result in Olympic Pipe Line 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 5-2013-5001W**. 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,



Chris Hoidal
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 D. Hubbard (#138089)