



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

October 26, 2016

Mr. Lawrence McMahon
Vice-President, Fuel Consortiums
Aircraft Services International Group
ASIG/LAX Fuel
9900 LAXfuel Road
Los Angeles, CA 90045

CPF 5-2016-6008W

Dear Mr. McMahon:

On August 1 through 4, 2016, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected Aircraft Services International Group (ASIG) jet fuel pipeline between your tank facilities at the Port of Anchorage and the Anchorage International Airport, and operation and maintenance records associated with that pipeline in Anchorage, Alaska.

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

1. **§194.113 Information summary.**
 - (b) **The information summary for the response zone appendix, required in §194.107, must include:**
 - (2) **The names or titles and 24-hour telephone numbers of the qualified individual(s) and at least one alternate qualified individual(s);**

Qualified Individual (QI) Trent Carbough's phone number was incorrect in the 2014 Facility Response Plan; PHMSA verified by call out.

2. **§195.452 Pipeline integrity management in high consequence areas.**
 - (g) ***What is an information analysis?*** In periodically evaluating the integrity of each pipeline segment (paragraph (j) of this section), an operator must analyze all available information about the integrity of the entire pipeline and the consequences of a failure. This information includes:
 - (2) **Data gathered through the integrity assessment required under this section;**

ASIG personal did not complete Exposed Metal Piping Report forms during 2005 and 2007 digs that resulted from the integrity assessment surveys (in-line inspections). Personnel did not document the dig location on the forms, and without spatial data it is impossible to correlate the results of the ultrasonic thickness and dent inspections done during the digs to results of the in-line inspections.

3. **§195.403 Emergency response training.**
 - (b) **At the intervals not exceeding 15 months, but at least once each calendar year, each operator shall:**
 - (2) **Make appropriate changes to the emergency response training program as necessary to ensure that it is effective.**

ASIG did not adequately review the Emergency Response Manual at the required intervals in 195.402(a), and did not make changes to the Emergency Response Plan as required by 195.403(b)(2). Records indicate that the Emergency Response Plan was last reviewed in December 2012 and revised February 2013.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$205,638 per violation per day the violation persists up to a maximum of \$2,056,380 for a related series of violations. For violation occurring between January 4, 2012 to August 1, 2016, the maximum penalty may not exceed \$200,000 per violation per day, with a maximum penalty not to exceed \$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 items identified in this letter. Failure to do so will result in ASIG 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 5-2016-6008W**. 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,

A handwritten signature in black ink, appearing to read "C. Hoidal". The signature is fluid and cursive, with the first letter of the last name being a large, stylized "H".

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

cc: PHP-60 Compliance Registry
PHP-500 J. Gano (#153333)