



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 25, 2019

Mr. Thomas Barrett
President and CEO
Alyeska Pipeline Service Company
PO Box 196660
Anchorage, AK 99519

CPF 5-2019-5005W

Dear Mr. Barrett:

Between January 11, 2018 and July 23, 2018, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code (U.S.C.), inspected your Alyeska Pipeline Service Company (Alyeska) records, procedures and facilities associated with the Trans-Alaska Pipeline System.

Based on our inspection findings, PHMSA determined that Alyeska committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The deficiency noted and the probable violation is:

1) §195.583 What must I do to monitor atmospheric corrosion control?

(a) You must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows:

If the pipeline is located:	Then the frequency of inspection is:
Onshore	At least once every 3 calendar years, but with intervals not exceeding 39 months.
Offshore	At least once each calendar year, but with intervals not exceeding 15 months.

At the time of the inspection, Alyeska personnel stated that an atmospheric corrosion inspection on Check Valve 00-CKV-8 was not conducted on the required three year inspection interval for onshore facilities per CFR §195.583(a). Alyeska staff provided a record of an atmospheric corrosion inspection that was conducted on July 21, 2014 on Check Valve 00-CKV-8 during the inspection. Alyeska personnel scheduled and conducted an atmospheric inspection of Check Valve 00-CKV-8 on March 13, 2018 and provided records of the inspection to PHMSA on April 9, 2018. The interval between atmospheric corrosion inspections on Check Valve 00-CKV-8 is approximately three and a half years.

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$209,002 per violation per day the violation persists, up to a maximum of \$2,090,022 for a related series of violations. For violations occurring prior to November 2, 2015, 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. 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 Alyeska Pipeline 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 5-2018-5005W**. 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 "Chris Hoidal", written in a cursive style.

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

cc: Mr. Rod Hanson, Senior Vice President Operations and Maintenance
PHP-60 Compliance Registry
PHP-500 R. Guisinger (#158238)