



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

1200 New Jersey Avenue, SE
Washington, DC 20590

June 30, 2022

VIA ELECTRONIC MAIL TO: eric.hietala@signatureflight.com

Mr. Eric Hietala
Senior Vice President, Airport Property Development
Signature Flight Support Corporation
13485 Veterans Way, Suite 600
Orlando, Florida 32827

Re: CPF No. 5-2022-024-NOPV

Dear Mr. Hietala:

Enclosed please find the Final Order issued in the above-referenced case. It makes a finding of violation and specifies actions that need to be taken to comply with the pipeline safety regulations. When the terms of the compliance order are completed, as determined by the Director, Western Region, this enforcement action will be closed. Service of the Final Order by e-mail is effective upon the date of transmission and acknowledgement of receipt as provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

ALAN KRAMER MAYBERRY
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KRAMER MAYBERRY
Date: 2022.06.30
10:57:44 -04'00'

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Enclosures (Final Order and NOPV)

cc: Mr. Dustin B. Hubbard, Director, Western Region, Office of Pipeline Safety, PHMSA
Mr. Jason Maga, General Manager, Signature Flight Support Corporation,
jason.maga@signatureflight.com

CONFIRMATION OF RECEIPT REQUESTED

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

In the Matter of

Signature Flight Support Corporation,

Respondent.

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CPF No. 5-2022-024-NOPV

FINAL ORDER

On April 27, 2022, pursuant to 49 C.F.R. § 190.207, the Director, Western Region, Office of Pipeline Safety (OPS), issued a Notice of Probable Violation (Notice) to Signature Flight Support Corporation (Respondent). The Notice proposed finding that Respondent had violated the pipeline safety regulations in 49 C.F.R. Part 195. The Notice also proposed certain measures to correct the violation. Respondent did not contest the allegations of violation or corrective measures.

Based upon a review of all of the evidence, pursuant to § 190.213, I find Respondent violated the pipeline safety regulation listed below, as more fully described in the enclosed Notice, which is incorporated by reference:

49 C.F.R. § 195.262(d) (**Item 1**) — Respondent failed to install pumping equipment on property that is under the control of the operator and at least 15.2 m (50 ft) from the boundary of the pump station.

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

Compliance Actions

Pursuant to 49 U.S.C. § 60118(b) and 49 C.F.R. § 190.217, Respondent is ordered to take the actions proposed in the enclosed Notice to correct the violation. The Director may grant an extension of time to comply with any of the required items upon a written request timely submitted by the Respondent and demonstrating good cause for an extension. Upon completion of the ordered actions, Respondent may request that the Director close the case. Failure to comply with this Order may result in the assessment of civil penalties under 49 C.F.R. § 190.223 or in referral to the Attorney General for appropriate relief in a district court of the United States.

Warning Items

With respect to Items 2, 3, and 4, the Notice alleged probable violations of 49 C.F.R. §§ 195.406(b); 195.428(a); and 195.581(b), respectively, but did not propose a civil penalty or compliance order for these items. Therefore, these are considered to be warning items. If OPS finds a violation of any of these items in a subsequent inspection, Respondent may be subject to future enforcement action.

The terms and conditions of this order are effective upon service in accordance with 49 C.F.R. § 190.5.

ALAN KRAMER
MAYBERRY

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KRAMER MAYBERRY
Date: 2022.06.30
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June 30, 2022

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Date Issued



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

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

**NOTICE OF PROBABLE VIOLATION
and
PROPOSED COMPLIANCE ORDER**

VIA E-MAIL TO MR. ERIC HIETALA

April 27, 2022

Mr. Eric Hietala
Senior Vice President – West
Signature Flight Support
13485 Veterans Way, Suite 600
Orlando, FL 32827

CPF 5-2022-024-NOPV

Dear Mr. Hietala:

From November 8 through 12, 2021, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code (U.S.C.), inspected break out tanks at your Sand Island Tank Farm and your 10-Inch and 6-8-6 Pipeline Systems in Honolulu, Hawaii.

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 (CFR). The items inspected and the probable violations are:

- 1. § 195.262 Pumping equipment.**

(a)

(d) Except for offshore pipelines, pumping equipment must be installed on property that is under the control of the operator and at least 15.2 m (50 ft) from the boundary of the pump station

Signature Flight Support installed the Lot 2 pump equipment within 50 feet of the station boundary in violation of § 195.262(d). The Lot 2 pumps, which transport jet fuel from the “Lot 2” tanks at the Sand Island Tank Farm via the 10-inch pipeline system, are located less than 30 feet from the Sand Island Access Road, a public road. The Lot 2 pump equipment was installed and put into service in the early 2000s. Section 195.262(d), with its 50-foot minimum requirement, was in force at the time of installation.

2. § 195.406 Maximum operating pressure.

(a)

(b) No operator may permit the pressure in a pipeline during surges or other variations from normal operations to exceed 110 percent of the operating pressure limit established under paragraph (a) of this section. Each operator must provide adequate controls and protective equipment to control the pressure within this limit.

Signature Flight Support failed to ensure that pressure during surges or other variations from normal operations did not exceed 110 percent of the operating pressure limit established in paragraph (a), as required by § 195.406(b). Specifically, Signature Flight Support exceeded the 6-inch West B pipeline's 220 psi maximum operating pressure (MOP) by more than the 110%. In an attempt to free a stuck pig in the pipeline, the operator increased the discharge pressure on the Lot 3 pumps (the pressure-controlling element on the 6-inch west B) to 251 psi. The Engineer's Daily Field Report Memos describe the events leading up to the stuck pig and indicated that, on August 15, 2019, the operator "hit the tool with a surge" in a final attempt to dislodge the pig. Discharge charts for August 15, 2019, show the pump discharge pressure peaked at 251 psi. The Abnormal Operating Condition (AOC) log shows that the Lot 3 pumps discharge had been intentionally modified to exceed the MOP.

3. § 195.428 Overpressure safety devices and overfill protection systems.

(a) Except as provided in paragraph (b) of this section, each operator shall, at intervals not exceeding 15 months, but at least once each calendar year, or in the case of pipelines used to carry highly volatile liquids, at intervals not to exceed 7 ½ months, but at least twice each calendar year, inspect and test each pressure limiting device, relief valve, pressure regulator, or other item of pressure control equipment to determine that it is functioning properly, is in good mechanical condition, and is adequate from the standpoint of capacity and reliability of operation for the service in which it is used.

Signature Flight Support failed to test each overpressure safety device at intervals not to exceed 15 months but at least once each calendar, as required by § 195.428(a).

- The "6-8-6" pipeline system's pressure is controlled by the Lot 3 pumps and is protected by high-pressure shutdown switches on the discharge of those pumps. The Lot 3 pumps were put into service in 2017 - 2018 and, since that time, the operator has not tested them in

accordance with its procedure and the regulations. Signature Flight Support has twice hit the set point of the shutdown switch. However, each time it was unintentional and not in accordance with a written process, and the interval between the times the operator hit the set point exceeded 15 months:

- A pig was stuck on August 15, 2019. The operator raised the discharge pressure of the Lot 3 pumps to above the MOP, hitting the set point.
 - Flow was blocked due to a closed valve on discharge side of the pumps on April 12, 2021, hitting the set point.
- The "10-inch" pipeline system's pressure is controlled by the Lot 2 pumps and is protected by high-pressure shutdown switches on the pumps' discharge. Lot 2 HP shutdown switches were tested on March 12, 2020, and then again on August 18, 2021, which exceeded the 15-month interval. The thermal relief valve on the Lot 2 discharge pumps was tested on April 19, 2020, and then again on September 21, 2021, which exceeded the 15-month interval.

4. § 195.581 Which pipelines must I protect against atmospheric corrosion and what coating material may I use?

(a)

(b) Coating material must be suitable for the prevention of atmospheric corrosion.

Signature Flight Support failed to protect its 10-inch pipeline system against atmospheric corrosion by using a suitable coating, as required by § 195.581(b). During the November 10, 2021, on-site inspection, the coating had failed on the 10-inch pipeline in the "La Mariana" vault and the nuts and studs on the flanged valve connection were corroded beyond a light surface oxide. Following the inspection, the operator stated in a February 2, 2022, email that they had replaced the corroded nuts and studs and recoated the pipeline in the La Mariana vault.

Proposed Compliance Order

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to 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 propose a civil penalty assessment at this time.

With respect to item 1 pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Signature Flight Support. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

Warning Items

With respect to items 2 through 4, 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 promptly correct these items. Failure to do so may result in additional enforcement action.

Response to this Notice

Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Enforcement Proceedings*. Please refer to this document and note the response options. 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).

Following the receipt of this Notice, you have 30 days to submit written comments, or request a hearing under 49 CFR § 190.211. If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue a Final Order. If you are responding to this Notice, we propose that you submit your correspondence to my office within 30 days from receipt of this Notice. This period may be extended by written request for good cause.

In your correspondence on this matter, please refer to **CPF 5-2022-024-NOPV** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Dustin Hubbard
Director, Western Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration

Enclosures: *Proposed Compliance Order*
Response Options for Pipeline Operators in Enforcement Proceedings

cc: PHP-60 Compliance Registry
PHP-500 J. Gano (#21-218959)
Jason Maga, Signature Flight Support (via email)

PROPOSED COMPLIANCE ORDER

Pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Signature Flight Support a Compliance Order incorporating the following remedial requirements to ensure the compliance of Signature Flight Support with the pipeline safety regulations:

- A. In regard to Item 1 of the Notice pertaining to the location of the Lot 2 Pumping Equipment, Signature Flight Support must relocate their Lot 2 pumps so that they are at least 50 feet from the boundary of the facility within **180** days of receipt of the Final Order. Signature Flight Support must provide notification to the Director of the Western Region upon completion, and the notification must include photographs and as-built drawing showing that the Lot 2 pumps comply with § 198.262(d).
- B. It is requested that Signature Flight Support maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Dustin Hubbard, Director, Western Region Pipeline and Hazardous Materials Safety Administration. It is requested that these costs be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies and analyses, and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure.