



U.S. Department
of Transportation

**Pipeline and Hazardous
Materials Safety Administration**

400 Seventh Street, S.W.
Washington, D.C. 20590

DEC 11 2015

Mr. William J. Evans
President
Airport Group International, Inc.
200 Rogers Blvd.
Honolulu, Hawaii 96819

Re: CPF No. 5-2004-5004

Dear Mr. Evans:

Enclosed is the Final Order issued by the Acting Associate Administrator for Pipeline Safety in the above-referenced case. It makes findings of violation and assesses a civil penalty of \$5,000. I acknowledge receipt of and accept your cashier's check of \$5,000 as payment in full of the civil penalty assessed in the Final Order. The Final Order also acknowledges your completion of the proposed compliance order items to comply with the pipeline safety regulations and finds that you have addressed the inadequacies in your procedures that were cited in the Notice of Amendment. This case is now closed. Your receipt of the Final Order constitutes service under 49 C.F.R. § 190.5.

Sincerely,

James Reynolds
Pipeline Compliance Registry
PHMSA-Office of Pipeline Safety

Enclosure

cc: Mr. Chris Hoidal, P.E., Director, Western Region, PHMSA

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

**DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, DC 20590**

In the Matter of)	
Airport Group International, Inc.,)	
Respondent)	CPF No. 5-2004-5004

FINAL ORDER

On March 16, 2004, in accordance with 49 C.F.R. § 190.207, the Director, Western Region, Pipeline and Hazardous Materials Safety Administration's (PHMSA's)¹ Office of Pipeline Safety, issued to Respondent a Notice of Probable Violation, Proposed Civil Penalty, Proposed Compliance Order, and Notice of Amendment (Notice). The Notice proposed finding that Respondent committed violations of 49 C.F.R. Part 195, proposed assessing a civil penalty of \$5,000 for the alleged violation, and proposed ordering Respondent to take certain measures to correct the alleged violations. The Notice also proposed that Respondent amend its procedures for Operations, Maintenance, and Emergency.

Respondent responded to the Notice by letter dated April 21, 2004 (Response) and submitted a check in the amount of the proposed civil penalty (\$5,000), waiving further right to respond and authorizing the entry of this Final Order.

Pursuant to 49 C.F.R. § 190.213 and 49 U.S.C § 60122, I find that Respondent violated the following sections of 49 C.F.R. Part 195, as more fully described in the Notice:

49 C.F.R. § 195.402(d)(1)(ii) (Notice Item 2a) – failing to identify and respond to abnormal events in accordance with the regulation; and

¹ Effective February 20, 2005, the Pipeline and Hazardous Materials Safety Administration (PHMSA) succeeded Research and Special Programs Administration as the agency responsible for regulating safety in pipeline transportation and hazardous materials transportation. See, section 108 of the Norman Y. Mineta Research and Special Programs Improvement Act (Public Law 108-426, 118 Stat. 2423-2429 (November 30, 2004)). See also, 70 Fed. Reg. 8299 (February 18, 2005) re delegating the pipeline safety authorities and functions to the PHMSA Administrator.

49 C.F.R. § 195.406(b) (Notice Item 2b) – failing to provide adequate controls and protective equipment to control the pressure in the pipeline within the limits allowed by the regulation.

These findings of violation will be considered prior offenses in any subsequent enforcement action taken against Respondent. Having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of \$5,000 for violation of 195.402(d)(1)(ii), already paid by Respondent.

The Notice also proposed a compliance order with respect to Item 2b in the Notice for violation of 49 C.F.R. § 195.406(b). Under 49 U.S.C. § 60118(a), each person who engages in the transportation of hazardous liquids or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under Chapter 601. The Director, Western Region, PHMSA has indicated, and one of his PHMSA inspectors confirmed during a November 7, 2005 standard inspection, that Respondent has taken the following actions specified in the proposed compliance order:

With Respect to Notice Item 2b, Respondent installed high pressure switches set to 185 psig for the pump at Lot 3 Sand Island in July 2004, and it installed pressure control switches set to 180 psig at its Lot 2 Terminal in February 2005.

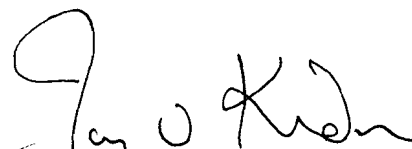
Accordingly, since compliance has been achieved with respect to this violation, the compliance terms are not included in this Order.

The Notice alleged inadequacies in Respondent's Operations, Maintenance, and Emergencies Manual and proposed to require amendment of Respondent's procedures to comply with the requirements of 49 C.F.R. §§ 195.402(c)(3) and 195.432(b) as fully described in Notice Item 1. Respondent submitted amended procedures for the Region to review. Accordingly, based on the results of this review, I find that Respondent's original procedures as described in the Notice were inadequate to ensure safe operation of its pipeline system, but that Respondent has corrected the identified inadequacies. No need exists to issue an Order Directing Amendment.

WARNING ITEMS

The Notice did not propose a civil penalty or correction action for Items 3, 4, and 5 in the Notice; therefore, these are considered warning items. With respect to Notice Item 3, in its Response, Respondent explained that the record given to the inspector at the time of the inspection was for another purpose. Nevertheless, Respondent did not present an adequate record at the time of inspection nor in its Response. With respect to Notice Items 4 and 5, Respondent admitted the oversight and submitted records of an ultrasonic examination on the removed pipe section conducted May 20, 2003 along with other information. Respondent is again warned that if PHMSA finds a violation for any of these items in a subsequent inspection, enforcement action will be taken.

The terms and conditions of this Final Order are effective on receipt.



Theodore L. Willke
Acting Associate Administrator
for Pipeline Safety

for

DEC 11 2006

Date Issued