

**SEPTEMBER 8, 2014**

Mr. Clark C. Smith  
President and Chief Executive Officer  
Buckeye Partners, LP  
One Greenway Plaza  
Suite 600  
Houston, Texas 77046

**Re: CPF No. 1-2013-5019**

Dear Mr. Smith:

Enclosed please find the Final Order issued in the above-referenced case. It makes findings of violation, specifies actions that need to be taken by Buckeye to comply with the pipeline safety regulations, and assesses a civil penalty of \$69,100. This is to acknowledge receipt of payment of the full penalty amount on October 9, 2013. When the terms of the compliance order have been completed, as determined by the Director, Eastern Region, this enforcement action will be closed. Service of the Final Order by certified mail is deemed effective upon the date of mailing, or as otherwise provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Jeffrey D. Wiese  
Associate Administrator  
for Pipeline Safety

Enclosure

cc: Mr. Byron Coy, Director, Eastern Region, OPS  
Mr. Thomas S. Collier, Vice President, Performance Assurance and Asset Integrity,  
Buckeye Partners, LP

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

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

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<b>In the Matter of</b>	)	
	)	
<b>Buckeye Partners, LP,</b>	)	<b>CPF No. 1-2013-5019</b>
	)	
<b>Respondent.</b>	)	
	)	

**FINAL ORDER**

During the week of September 24-28, 2012, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the facilities and records of Buckeye Partners, LP (Buckeye or Respondent), between New Haven, Connecticut, and Springfield, Massachusetts. Buckeye owns and operates one of the Nation’s largest independent petroleum products common carrier pipeline networks, transporting refined products by pipeline principally in the Northeastern and upper Midwestern states.<sup>1</sup>

As a result of the inspection, the Director, Eastern Region, OPS (Director), issued to Respondent, by letter dated September 12, 2013, a Notice of Probable Violation, Proposed Civil Penalty, and Proposed Compliance Order (Notice), which also included a warning pursuant to 49 C.F.R. § 190.205. In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Buckeye had violated 49 C.F.R. §§ 195.428 and 195.412 and proposed ordering Respondent to take certain measures to correct the alleged violations. The warning item required no further action, but warned the operator to correct the probable violation or face possible enforcement action.

Buckeye responded to the Notice by letter dated October 10, 2013 (Response). The company did not contest the allegations of violation and paid the proposed civil penalty of \$69,100, as provided in 49 C.F.R. § 190.227, and submitted information concerning the corrective actions it had taken. Respondent did not request a hearing and therefore has waived its right to one. Payment of the penalty serves to close the case, with prejudice, as to those items for which a penalty was proposed.

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<sup>1</sup> <http://www.buckeye.com/AboutUs/tabid/54/Default.aspx> (last accessed July 3, 2014).

## FINDINGS OF VIOLATION

In its Response, Buckeye did not contest the allegations in the Notice that it violated 49 C.F.R. Part 195, as follows:

**Item 2:** The Notice alleged that Respondent violated 49 C.F.R. § 195.428(a), which states:

**§ 195.428 Overpressure safety devices and overflow 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 7½ 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.

The Notice alleged that Respondent violated 49 C.F.R. § 195.428(a) by failing to inspect and test each pressure limiting device, relief valve, pressure regulator, or other item of pressure control equipment during the 2011 calendar year. Specifically, the Notice alleged that Buckeye did not inspect and test five control valves on its Jet Lines during 2011. The records provided by Buckeye indicate that the valves were inspected in 2010 but not again until 2012.

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 195.428(a) by failing to inspect and test each pressure limiting device, relief valve, pressure regulator, or other item of pressure control equipment at the required interval.

**Item 3:** The Notice alleged that Respondent violated 49 C.F.R. § 195.412(a), which states:

**§ 195.412 Inspection of rights-of-way and crossings under navigable waters.**

(a) Each operator shall, at intervals not exceeding 3 weeks but at least 26 times each calendar year, inspect the surface conditions on or adjacent to each pipeline right-of-way. Methods of inspection include walking, driving, flying or other appropriate means of traversing the right-of-way.

The Notice alleged that Respondent violated 49 C.F.R. § 195.412(a) by failing to inspect the surface conditions on or adjacent to each pipeline right-of-way (ROW) at the required intervals. Specifically, the Notice alleged that Buckeye had been using aerial patrol exclusively for its ROW inspections, but that at the time of the OPS inspection, two areas of the ROW in the vicinity of the Center Street crossing in Wallingford, Connecticut, and the Nova valve site in Chicopee, Massachusetts, were obscured by the foliage canopy in such a manner that an aerial observer would be unable to effectively inspect the ROW.

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 195.412(a) by failing to inspect the surface conditions on or adjacent to each pipeline right-of-way at the required interval.

These findings of violation will be considered prior offenses in any subsequent enforcement action taken against Respondent.

### **COMPLIANCE ORDER**

The Notice proposed a compliance order with respect to Item 3 in the Notice for violation of 49 C.F.R. § 195.412(a). Under 49 U.S.C. § 60118(a), each person who engages in the transportation of gas, hazardous liquids, or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. Pursuant to the authority of 49 U.S.C. § 60118(b) and 49 C.F.R. § 190.217, Respondent is ordered to take the following actions to ensure compliance with the pipeline safety regulations applicable to its operations:

1. With respect to the violation of § 195.412(a) (**Item 3**), Respondent must implement one or more appropriate methods that will allow an adequate inspection of the pipeline ROW in the vicinity of the Center Street crossing in Wallingford, Connecticut, and the Nova valve site in Chicopee, Massachusetts. Respondent must submit documentation demonstrating completion of this item to the Director within 120 days of receipt of the Final Order.
2. PHMSA requests that Buckeye maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to the Director, Eastern Region, Pipeline and Hazardous Materials Safety Administration.

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.

Failure to comply with this Order may result in the administrative assessment of civil penalties not to exceed \$200,000 for each violation for each day the violation continues or in referral to the Attorney General for appropriate relief in a district court of the United States.

### **WARNING ITEM**

With respect to Item 1, the Notice alleged a probable violation of Part 195 but did not propose a civil penalty or compliance order for this item. Therefore, this is considered to be warning items. The warning is for:

49 C.F.R. § 195.49 (**Item 1**) – Respondent’s alleged failure to submit an accurate annual report.

Buckeye presented information in its Response showing that it had taken certain actions to address the cited items. If OPS finds a violation of this provision in a subsequent inspection, Respondent may be subject to future enforcement action.

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

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Jeffrey D. Wiese  
Associate Administrator  
for Pipeline Safety

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Date Issued