

WARNING LETTER

VIA UPS: (1Z WR2 588 03 9441 4894)

June 22, 2011

Mr. Mike Joynor
Senior Vice President
Alyeska Pipeline Service Company
900 East Benson Blvd.
P.O. Box 196606
Anchorage, Alaska 99519

CPF 5-2011-0014W

Dear Mr. Joynor:

On June 1-2, 2011, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected your Public Awareness Program in Anchorage, Alaska.

As a result of the inspection, it appears that Alyeska Pipeline Service Company (Alyeska) has committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violations are:

- 1. §192.616 (b) Public awareness**
(b) The operator's program must follow the general program recommendations of API RP 1162 and assess the unique attributes and characteristics of the operator's pipeline and facilities.

Alyeska did not consider or address the unique attributes and characteristics of their pipeline facility. Specifically, Alyeska's Public Awareness Program (PAP) does not address Alyeska's 149 mile Natural Gas Pipeline.

- 2. §195.440 Public awareness**
(f) The program and the media used must be as comprehensive as necessary to reach all areas in which the operator transports hazardous liquid or carbon dioxide.

A) Alyeska did not send out information targeting affected public or excavators before 2011, but relied on newspapers and magazine ads for public awareness. Alyeska's PAP must meet §195.44 (f) and API 1162 section 2.8.

- B) Alyeska did not conduct an evaluation to determine the effectiveness of their program. Alyeska's PAP must meet §195.440 (f), API 1162 section 8.4 and Appendix E.
- C) Alyeska did not track the number of individuals or entities reached within each intended stakeholder audience group. Alyeska's PAP must meet §195.440 (f), and API 1162 section 8.4.1.
- D) Alyeska did not determine the percentage of stakeholders reached. Alyeska's PAP must meet §195.440 (f), API 1162 section 8.4.2 and Appendix E.
- E) Alyeska did not conduct a survey to determine if their intended message was understood. Alyeska's PAP must meet §195.440 (f), API 1162 section 8.4.3 and Appendix E.
- F) Alyeska has not determined if stakeholders have learned or changed intended behaviors. Alyeska's PAP must meet §195.440 (f), API 1162 section 8.4.4 and Appendix E.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violation persists up to a maximum of \$1,000,000 for any 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 Alyeska Pipeline Service Pipelines Company being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, please send all documents to our office at 188 W. Northern Lights Blvd., Suite 520, Anchorage, AK 99503, and in your correspondence please refer to **CPF 5-2011-0014W**. 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,

Dennis Hinnah
Deputy Director, Western
Pipeline and Hazardous Materials Safety Administration

Cc: PHP-60 Compliance Registry
PHP-500 B. Flanders (#134623)