



U.S. Department  
of Transportation

**Research and  
Special Programs  
Administration**

400 Seventh St. S.W.  
Washington D.C. 20590

FEB 10 2005

Mr. Bobby J. Talley  
President  
Olympic Pipeline Company  
BP Amoco Corporation  
2319 Lind Avenue SW  
Renton, WA 98057

Re: CPF No. 5-2000-5013

Dear Mr. Talley:

Enclosed is the Order of Settlement issued by the Associate Administrator for Pipeline Safety in the above-referenced case. Enclosed is the Order of Settlement issued by the Associate Administrator for Pipeline Safety in the above-referenced case. It provides for payment of \$ 250,000 in settlement of this case. Upon payment, this case closes automatically.

Thank you for your cooperation in our joint effort to ensure pipeline safety.

Sincerely,

James Reynolds  
Pipeline Compliance Registry  
Office of Pipeline Safety

Enclosure

cc: Chris Hoidal, Region Director  
Western Region, OPS

**VIA CERTIFIED MAIL (RETURN RECEIPT REQUESTED) AND TELECOPY**

DEPARTMENT OF TRANSPORTATION  
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION  
OFFICE OF PIPELINE SAFETY  
WASHINGTON, DC 20590

In the Matter of

Olympic Pipe Line Company,

Respondent

CPF No. 5-2000-5013

**ORDER OF SETTLEMENT**

Pursuant to 49 U.S.C. § 60117, representatives of the Western Region, Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the Olympic Pipe Line Company's ("Olympic") facilities and records at Renton, Washington. As a result of the inspection, the Director, Western Region, OPS, issued to Mr. Carl Gast, Vice President and General Manager, Equilon Pipeline Company LLC, Olympic, by letter dated June 2, 2000, a Notice of Probable Violation and Proposed Civil Penalty (Notice). In accordance with 49 C.F.R. §190.207, the Notice proposed finding Equilon and Olympic in violation of 49 C.F.R. Part 195 and proposed assessment of civil penalties for those violations.

Equilon Pipeline Company LLC (now Shell Pipeline Company LP) specifically denied that it was an appropriate respondent and that it and/or Equilon was the owner or operator of Olympic within the meaning of 49 C.F.R. Part 195 at the time of the alleged violations. On June 18, 2003, following plea agreements that addressed some of the same violations as alleged here, Equilon and Olympic were sentenced to pay a total of \$21 million in fines. In order to avoid further litigation or expense, OPS and Shell resolved this case as it pertained to Equilon/Shell without further hearing by entering into an Agreement of Settlement on December 31, 2003. Under that agreement, Shell paid \$250,000.

At the time, Olympic was in bankruptcy proceedings and did not participate in the settlement. On November 12, 2004, the bankruptcy court approved a plan of reorganization for Olympic that allows liquidation of the claims pending in this case and, more importantly, that provides for future compliance with the Final Amendment to the Corrective Action Order issued by OPS in CPF No. 59505. The Final Amendment consolidated several prior orders by OPS directing safety measures on Olympic's pipeline.

Olympic recognizes the importance of compliance with the pipeline safety regulations and with the Final Amendment to the Corrective Action Order.

Respondent Olympic does not admit that it contributed to the commission of any of the alleged violations or that the facts are as alleged by OPS in the Notice. Payment of the amount provided in this Order is not an admission of any fact, fault or liability with regard to any matters alleged in the Notice. In order to avoid further litigation or expense, OPS and Olympic resolve this case as it pertains to Olympic without further hearing by payment of a liquidated amount as provided below.


Accordingly, it is ordered as follows:

1. Olympic will pay to OPS the amount of Two hundred fifty thousand dollars (\$250,000). Payment is due within 30 days of issuance of this order if consents required in Olympic's plan of reorganization are obtained. If the consents are not obtained, and court approval is required, payment is due within 60 days.
2. Upon payment of this amount, this case closes automatically with prejudice to any further proceedings against Olympic Pipeline Company arising out of the alleged violations set forth in the Notice of Probable Violation and Proposed Civil Penalty.

Payment may be made by sending a certified check or money order (containing the CPF Number for this case) payable to "U.S. Department of Transportation" to the Federal Aviation Administration, Mike Monroney Aeronautical Center, Financial Operations Division (AMZ-120), P.O. Box 25082, Oklahoma City, OK 73125.

Federal regulations (49 C.F.R. § 89.21(b)(3)) also permit this payment to be made by wire transfer, through the Federal Reserve Communications System (Fedwire), to the account of the U.S. Treasury. Detailed instructions are contained in the enclosure. Questions concerning wire transfers should be directed to: Financial Operations Division (AMZ-120), Federal Aviation Administration, Mike Monroney Aeronautical Center, P.O. Box 25082, Oklahoma City, OK 73125; (405) 954-8893.

This Order is effective upon receipt.

  
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Stacey Gerard  
Associate Administrator  
for Pipeline Safety

FEB 10 2005

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Date Issued