



U.S. Department
of Transportation

**Research and
Special Programs
Administration**

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

JUN 22 2004

Mr. Leonard Mallet
Vice President of Operations
Texas Eastern Products Pipeline Company
2929 Allen Parkway
Houston, TX 77252-2521

RE: CPF No. 2-2000-5013

Dear Mr. Mallet:

Enclosed is the Final Order issued by the Associate Administrator for Pipeline Safety in the above-referenced case. It makes findings of violation, assesses a civil penalty of \$10,000, and acknowledges completion of corrective action.

All actions required in the Compliance Order have been completed. I acknowledge receipt of, and accept your wire transfer dated April 20, 2001, in the amount of \$10,000 as payment in full of the civil penalty. Based on the recommendation of the Director, Southern Region, this case is now closed and no further enforcement action is contemplated with respect to the matters involved in the case. Thank you for your cooperation in our joint effort to ensure pipeline safety.

Sincerely,

James Reynolds
Pipeline Compliance Registry
Office of Pipeline Safety

Enclosure

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

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

_____)
In the Matter of)
Texas Eastern Products Pipeline Company) CPF No. 2-2000-5013
Respondent)
_____)

FINAL ORDER

During the period of October 16, 2000 through November 2, 2000, pursuant to 49 U.S.C. § 60117, representatives of the Office of Pipeline Safety (OPS) conducted on-site pipeline safety inspections of Respondent's records and facilities in Arkansas. As a result of the inspection, the Director, Southern Region, OPS, issued to Respondent, by letter dated December 21, 2000, a Notice of Probable Violation, Proposed Civil Penalty, and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Respondent had violated 49 C.F.R. Part 195 and proposed that Respondent take certain measures to correct the alleged violations.

Respondent responded to the Notice by letter dated March 1, 2001 (Response). Respondent did not contest the allegations of violation but provided information concerning the corrective actions it has taken. Respondent did not request a hearing, consequently Respondent waived its right to one.

FINDINGS OF VIOLATION

Respondent did not contest the alleged violations in the Notice. Accordingly, 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. § 195.401(b) – failure to correct the existing conditions of the exposed area of line P-31 at the Lagrue Bayou River location.

49 C.F.R. § 195.402(c)(12) – failure to document program for establishing and maintaining liaison with public officials (within the southern area of Arkansas) as pertaining to the company's Operation and Maintenance Manual.

49 C.F.R. § 195.412(b) – failure to inspect Line P-31 at intervals not to exceed five years.

49 C.F.R. § 195.581 (formerly §195.416(i)) – failure to coat exposed pipe to prevent atmospheric corrosion at three locations: Line P74 at MP386 in White County, Arkansas, Line P31 at Dewitt Station in Arkansas County, and Line P31 at Lagrue Bayou MP107.2 in Arkansas County.

COMPLIANCE ORDER

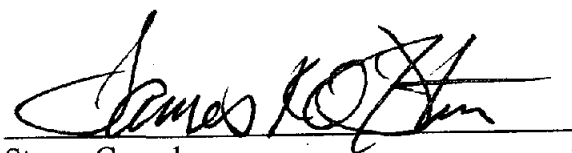
The Notice proposed a compliance order. Respondent has demonstrated corrective action addressing the items in the proposed compliance order. The Director, Southern Region, OPS has accepted these measures as adequately fulfilling the requirements of the regulations and no further action is needed with respect to a compliance order.

ASSESSMENT OF PENALTY

Under 49 U.S.C. § 60122, Respondent is subject to a civil penalty not to exceed \$100,000 per violation for each day of the violation up to a maximum of \$1,000,000 for any related series of violations.

49 U.S.C. § 60122 and 49 C.F.R. § 190.225 require that, in determining the amount of the civil penalty, I consider the following criteria: nature, circumstances, and gravity of the violation, degree of Respondent's culpability, history of Respondent's prior offenses, Respondent's ability to pay the penalty, good faith by Respondent in attempting to achieve compliance, the effect on Respondent's ability to continue in business, and such other matters as justice may require.

I assess a civil penalty in the amount of \$10,000, already paid by Respondent. The terms and conditions of this Final Order are effective upon receipt.



Stacey Gerard
Associate Administrator
for Pipeline Safety

JUN 22 2004

Date Issued