

PI-04-0100

U.S. Department of Transportation
Research and Special Programs Administration
400 Seventh Street, S.W.
Washington, D.C. 20590

January 22, 2004

Mr. Tad Schell, P.E.
Senior Regulatory Compliance Coordinator
Marathon Ashland Pipe Line LLC
Environmental, Safety & Regulatory Compliance
539 South Main Street
Findlay, OH 45840-3205

Dear Mr. Schell:

This is in response to your e-mail of November 21, 2003, in which you request an interpretation of 49 CFR 195.1(b)(3)(iii) as it applies to low-stress, highly volatile liquid (HVL) pipelines. Specifically, the question arises for a proposed Marathon Ashland Pipe Line LLC (MAPL) pipeline transporting HVL less than one mile between the MAPL Texas City refinery and a Dow Chemical plant. MAPL states that the pipeline is low stress and does not cross any waterway used for commercial navigation.

Section 195.1(b)(3)(iii) of the hazardous liquid pipeline safety regulations addresses one of nine exceptions to the applicability of Part 195 to hazardous liquid pipelines. Section (b)(3) states that this part does not apply to--

- (1)** Transportation through any of the following low-stress pipelines:
 - (I) An onshore pipeline or pipeline segment that --
 - (A) Does not transport HVL;
 - (B) Is located in a rural area; and
 - (C) Is located outside a waterway currently used for commercial navigation;
 - (ii)** A pipeline subject to safety regulation of the U.S. Coast Guard; **OR**
 - (iii) A pipeline that services refining, manufacturing, or truck, rail, or vessel terminal facilities, if the pipeline is less than 1 mile long (measured outside facility grounds) and does not cross an offshore area or a waterway currently used for commercial navigation.

To be exempt from regulation under Part 195, a hazardous liquid pipeline must meet only one of these three criteria. Based on MAPL's description of the proposed pipeline, it would be exempt from regulation under § 195.1(b)(3)(iii).

If you have any further questions about the pipeline safety regulations, please contact me at (202) 366-4565.

Sincerely,
Richard D. Huriaux, P.E.
Manager, Regulations
Office of Pipeline Safety

Request for interpretation of 49CFR195

Huriaux, Richard

From: Schell, Tad A. [TASchell@MAPLLC.conn)
Sent: Friday, November 21, 2003 2:28 PM
To: Huriaux, Richard
Cc: Lowry, Allen D.; Rinehart, Harold E.; Kiracofe, Bill
Subject: Request for interpretation of 49CFR195

Dear Mr. Huriaux:

As we discussed by telephone November 21, 2003, MAPL has been discussing with the Railroad Commission of Texas the regulatory language used at 49 CFR 195.1(b)(3)(iii) as it applies to low-stress HVL lines.

Our company reading of 195.1(b)(3)(iii) leads us to believe that this exception applies to low-stress HVL lines, however Commission personnel insist that 195.1(b)(3)(iii) cannot be used by HVL lines.

Our contact at the Railroad Commission of Texas is Mr. Lee Thying, 512-463-7052.

Would you please provide MAPL and the Railroad Commission of Texas with an interpretation as to whether the exception of 195.1(b)(3)(iii) applies to HVL lines?

A copy of correspondence that we have sent to the Railroad Commission of Texas is attached. Thank you for your consideration in this matter.

Tad A. Schell, P.E.
Senior Regulatory Compliance Coordinator
Marathon Ashland Pipe Line LLC
419-421-3201

Marathon Ashland Petroleum LLC
539 South Main Street
Findlay, OH 45840-3295

October 22, 2003

Ms. Mary McDaniel
Director, Safety Division
Railroad Commission of Texas P.O. Box 12967
Austin, TX 78711

RE: Interpretation of 49 CFR 195.1(b)(3)(iii)

Dear Ms. McDaniel:

As you may be aware, representatives of Marathon Ashland Pipe Line LLC (MAPL) have been in contact with your staff concerning a proposed HVL (Highly Volatile Liquid, propane in this instance) connection between the Marathon Ashland Petroleum LLC Texas City refinery and a neighboring DOW Chemical facility.

This connecting line will:

1. Be less than 1 mile in length,
2. Be constructed such that the pipeline would be a low-stress pipeline as defined by 49 CFR 195.2 (i.e. the line would operate at an internal pressure that produces an internal wall stress of 20% or less of specified minimum yield strength (SMYS) of the pipe),
3. Serve a plant customer, and
4. Not cross any waterway used for commercial navigation.

We note that 49 CFR 195.1(b)(3)(iii) reads as follows:

(b) This part does not apply to- ...

(3) Transportation through any of the following low-stress pipelines:.....

(iii) A pipeline that serves refining, manufacturing, or truck, rail, or vessel terminal facilities, if the pipeline is less than 1 mile long (measured outside facility grounds) and does not cross an offshore area or a waterway currently used for commercial navigation;

Your staff has advised MAPL that the exception written into 49 CFR 195.1(b)(3)(iii) cannot be used by HVL pipelines.

Our own reading of the section 195.1 indicates that 49 CFR 195.1(b)(3)(iii) does except HVL pipelines of this nature from Part 195 regulation. In addition, we have consulted with Messrs. Richard Huriaux and L.M. Furrow at OPS Headquarters on this matter, and they concur with our view of 49 CFR 195.1(b)(3)(iii).

Based on the above, MAPL respectfully requests that you please reconsider the position taken by your staff on the applicability of 49 CFR 195.1(b)(3)(iii) to HVL lines.

In closing, we realize that the Railroad Commission of Texas has an important mission to ensure the safety of hazardous liquid pipeline systems in Texas. While MAPL may have a difference of opinion with the RCC from time to time, we intend to comply fully with all applicable Federal and State regulations. Be assured that MAPL is committed to responsibly operating our pipeline systems to safeguard the community in which we operate.

Please contact me at 419421-3201 if you require further information to consider this matter. Your prompt attention in this matter would be appreciated.

Sincerely,
Tad Schell, P.E.
Senior Regulatory Compliance Coordinator
Marathon Ashland Pipe Line LLC