

COPY

NPAVG

25 May 1956

SUBJECT: Pipeline - Haines to Fairbanks

Ref & la of ltr ENG MW-dtd 22 Jan

TO: Division Engineer
North Pacific Division
Portland 9, Oregon

1. The problems arising after the take-over on 8 October 1955 of the operation of subject project by the using agency, have resulted in certain actions on the part of the District, principally in connection with removal of ice plugs. The District, by this letter, is covering the other actions so as to keep the Division, and Office, Chief of Engineers, advised.

2. Since the turn-over, a number of verbal discussions have taken place between the operator's staff and elements of the District office covering these problems, ultimately resulting in a meeting held on 19 April 1956 between the District Engineer and some of his staff, and representatives of Hq. USARAL. Copies of minutes of this meeting, together with letter of transmittal dated 24 April 1956, are attached. The review mentioned in paragraph 2 of this letter was cursory and limited in scope, neither the District engineering staff nor the Architect-Engineer being represented, and it therefore does not cover the careful review necessary for a matter of this importance. The findings, therefore, do not constitute the District's position in the conclusions reached.

3. There is also inclosed cover letter dated 14 May 1956, subject: "Construction and Design Deficiencies, Alaska Petroleum Pipeline System Contract", together with inclosed lists. Again this office desires to point out that regardless of any inferred language of subject letter, the District does not concur that these lists are representative of responsibility within construction or design categories listed, or that they necessarily represent obligations. With limited time available for review, there appear to exist very large areas of misunderstanding of concept and fact. Several examples are given to illustrate this point.

4. All items covering performance of the Chicago pneumatic Diesel drives for pumps and generators, represent lack of contractor equipment and manufacturer's ability so far to perform in accordance with the specifica-

NPAVG

SUBJECT: Pipeline - Haines to Fairbanks

tions. The engines have been under constant rebuild since installation, and belong in a construction defect category and not in a design deficiency category. Item 5 on page 2; Item 46 on page 6; Item 65 on page 9; Item 81 on page 10; Item 87 on page 11; Item 90 on page 11; Item 117 on page 14; and Item 122 on page 16, cover some of these references. This matter has been and still is in the hands of the supply source of the contractor.

5. Many items listed are either construction deficiencies or the result of maintenance. To mention a few: Item 22 on page 3; Items 36, 39, and 40 on page 5; Item 59 on page 8; Item 64 on page 8; and the full page 2 on "Contract 767".

6. The complaints on parts lists have no basis in fact. Operations manuals, including separate file of catalogs and manufacturers' parts lists, were delivered in four or five sets to stations of the Pipeline about two months prior to turn-over, with instructions to keep intact and make available to operators of the contractor and trainees for USARAL operations. Aside from a few items not yet received from the contractor by the Architect-Engineer, and as-built plans, these were complete.

7. In regard to ventilation of pumprooms, improvement of this situation was indicated during check of construction work, and plans made and given to the contractor to adjust. Negotiations for this work were not successful, and the work was put under advertisement for accomplishment.

8. A considerable portion of the listings also appear to be a matter of opinion. It is planned to thoroughly check these lists with District Engineer engineering staff and to allow the contractor and the Architect-Engineer, respectively, full opportunity to examine them as they pertain to their relative positions of responsibility.

9. The lists and the other material herein contained are not being held and checked prior to forwarding because of the fact that high level representatives of the Quartermaster Corps and a representative of the Petroleum Board are scheduled to visit USARAL in the immediate future, and it is felt that full, up-to-date understanding of the situations surrounding this project should be a matter of ready resource to the staffs of North Pacific Division and Office, Chief of Engineers.

10. As a matter of further interest, we are inclosing as Exhibit 2, correspondence relative to pig traps. Briefly, pig traps, on the advice of industry, were initially installed at station points of the line, which meant that in places, maximum pig travel would be about 200 miles. Upon contractor operations check that pigs, as they were built today, could not stand that travel without excessive wear, additional traps were installed, again with advice from the pipeline industry and manufacturers, to cut the maximum

NPAVG

SUBJECT: Pipeline- Haines to Fairbanks

travel to 100 miles. No pigs have been run in the line since this installation, which was done last year before turn-over of the line to the using agency. It was the recommendation of the District to the Command that the pigs be run and tried out before additional traps were installed. The cost of the traps installed is about \$25,000 to \$30,000 per installation.

11. By letter dated 22 May 1956, USARAL has forwarded to North Pacific Division and Office, Chief of Engineers, a request for \$330,000 to provide Dorr Oliver type filters at eight locations on the system. These will be installed in new building structures, and will be paid for only if, on trial, they prove successful. There is some question in the Contracting Officer's mind as to the propriety of installing any of the units on the down-stream side of the Eielson and Ladd tank farms, and still be an appropriate charge to Pipeline funds. Under present thinking, two of the units will be so installed.

12. In view of possible new work resulting from review of the above, and because of the request from USARAL for filters, it is recommended that all funds for the Pipeline project held either in OCE or the District office be frozen pending the outcome of such review.

3 Incl

1. USARAL Memo dtd
24 Apr 56 w/incl (in dupe)
2. Ltr APPS to NPA 14 May 56
w/incl
3. Exhibit 2 (in dupe)

CARL Y. FARRELL
Colonel, CE
District Engineer

015736

cc: George
Lee/Ludlow/Kreitlow
Const Divn