



May 3, 2023

Dear Sir and Madam Committee Members;

First off, I want to thank Senator Kiehl for listening to our side and vetting our story.

I represent 1- Call Alaska and Resolve Marine, one of the two OSRO organizations which is the subject of SJR11. We believe that SJR11 if passed as written will have a detrimental effect on preparedness and response capabilities in Western Alaska. It is our belief that SJR11 was written to serve one OSRO, the Alaska Chadux Network, at the expense of Alaska, its people and environment.

The verbiage in SJR11 is insincere and misleading. Alaskans are not the focal point of these endeavors; rather, the primary aim is to establish a monopoly in favor of ACN by legislating a competitive advantage. The goal is to prohibit companies from using assets for SMFF and OSRO planning and response purposes. 1-Call Alaska and Resolve Marine is the only response company that currently provides both SMFF and OSRO services to vessels transiting through Western Alaskan waters. However, we will provide reasoning why there are numerous examples of why comingling Salvage and OSRO assets are very beneficial particularly in remote areas.

ACN had previously attempted to introduce comparable language in the Don Young USCG Reauthorization Act, which was dismissed by the USCG, Senate, and House Committees. These committees saw through ACN's true intentions of securing a comfortable retirement. They saw the positive contributions 1-Call Alaska and Resolve Marine have made towards response readiness in Alaska.

I have been an employee of Resolve Marine for 24 years and have been a full time Alaska Resident since 2015. My 17-year-old daughter, a junior at Dimond High School hopes to attend University of Alaska - Anchorage. We're constantly bombarded with the fact that we're not an "Alaskan" company. We have been doing business in Alaska since 2005 and sent the Resolve Pioneer and RMG 300 Heavy Lift Barge to Dutch Harbor in 2014. Resolve Marine and 1-Call Alaska through acquisitions and investment has moved far beyond "Cheechako" status and certainly aren't the transient opportunists our competition claims. We believe in our Alaskan community and the beneficial service we provide, which is why we've continually diverted non-existent profits and time towards lobbying efforts to remain in business as ACN continually attempts to legislate us out.

Since 1-Call Alaska and Resolve Marine entered the market, there has been significant growth and investment in maritime emergency response. This investment has not only been made by Resolve Marine, but also by the Alaska Chadux Network – a perfect example of free markets working as they're intended. Although we still have work to do and there are still areas for

improvement, I am confident in saying that Alaska has never been better protected in its entire history from a major oil spill than it is today.

It should be known that we do agree with ACN regarding standards for Western Alaska Oil Spill Response, as we strive towards a stronger response regime and greater protections for Alaskan communities and wildlife. However, these changes must be developed in full transparency with consideration of all stakeholders. ACN's approach to provide draft regulatory language filled with half-truths, without stakeholder input raises red flags of ulterior motives and certainly isn't the way to initiate sustainable change.

After reading this letter and all the evidence I have presented in its entirety, I hope that you will agree that Resolve is working hand and hand with the USCG, and industry professionals like CISPRI and NRC to provide a robust response posture within Alaska while providing meaningful employment for AK locals.

The Alaska Legislator Should encourage the USCG to follow through on its rule making obligations as required by the Don Young Coast Guard Reauthorization Act of 2022 in an Open Transparent manner in accordance with U.S. Regulations and rulemaking procedures that considers all Stakeholders interests. Much work is left to be done to improve the response capabilities in Alaska, removing in region capabilities that have been proven successful because it gives another provider a competitive advantage is not the way to start the process and will certainly not protect the environment.

We respectfully encourage this SJR to be significantly amended. Despite our criticism of this SJR in its current form we stand ready to answer questions or provide input to set policy that benefits all stakeholders, including communities, industries, and partners. Please contact us to hear more about our concerns, as well as ideas for solutions. Our door is open, and we welcome a constructive conversation that leads to public policy we can all support and be proud of.

Best Regards

R. Todd Duke

Todd Duke
General Manger of Compliance Services
1-Call Alaska APC Administrator

An overview of Resolve Marine:

- We are a family-owned company that started in 1980 and has grown into a worldwide organization but is still led by a single family.
- Resolve has invested over 50 million in assets and operations in Alaska alone since 2015.
- Resolve has brought Ships, Barges, Cranes, Heavy Yellow Equipment, Planes, and other equipment into Alaska to protect the unique Alaskan Environment.
- We purchased two companies headed into bankruptcy and saved those jobs.
- We started 3 more companies in Alaska.
- We currently employ 65 people in the state of Alaska.
- We have conducted maritime emergency response operations on EVERY Continent including the High Arctic and Antarctic and in some of the most remote and environmentally sensitive areas of the world.
- Resolve has responded to and successfully managed salvage and spill responses with owned and contracted assets in many different countries around the world.
- Resolve has provided the Emergency Towing Asset in the Aleutians that is manned 24/7 365 as well as a salvage support, oil spill response vessel ALSO Manned 24/7 365 as recommended by the AIRA.
- Resolve has a proprietary Vessel Tracking and Monitoring system that has all the same data reception capabilities as the Marine Exchange of Alaska as recommended by the Aleutian Island Risk Assessment (AIRA).
- Resolve has provided the Helicopter Lightering package in the Aleutians as recommended by the AIRA.
- Resolve has Marine Fire Fighting Capabilities in Anchorage, Valdez, Aleutians and Juneau.
- Resolve has tank ship lightering equipment in Anchorage and the Aleutians
- Resolve has provided a subsurface lightering package in the Aleutians.
- Resolve has provided the spill response barge in the Aleutians recommend by the AIRA
- Resolve has provided Open water and Near Shore Mechanical recovery devices including the most efficient open oceans skimmer available on the market.
- Resolve has Spill Response Depots in 7 locations in Alaska and is augmented by 4 CISPRI locations Resolve Owned equipment in these depots include:
 - 13,000 barrels per hour of Pumping capacity
 - 30,000 barrels of OWNED temporary Storage and 1.3 million barrels of Temp storage under contract
 - 2 ocean going response vessels that are manned 24/7
 - A tank barge dedicated to emergency response.
 - 12,000 barrels per hour of oil skimming capacity, including an X-150 skimming system (BEST available technology)
 - 20 miles of containment boom
 - 1 Owned aircraft and 1 under contract.
- Resolve has over a dozen in house Naval Architects and Marine Engineers on Call 24/7

- Resolve has provided owned Aircraft for aerial observations and emergency response to marine incidents across Alaska.
- Resolve Aviation flew Dr. Anne Zinc and the COVID Vaccines to the Aleutians in March of 2021, as well as many other villages across Alaska.
- Resolve has handled and flown Sea Lions, Bears, Dogs, and assisted in several Whale rescues.
- Resolve owns and manages all these assets, a Single managing entity as recommended by the AIRA.

We regularly hear that Resolve Marine is not an “Alaskan company”. The only truth to this is that we are not an Alaska ONLY company. We take great pride in the fact that we are an international company with offices, warehouses, depots, and full-time employees in 8 different countries on 5 different continents. Starting as a small regional salvage company and reinvesting back into the response business has allowed for this organic growth. Being an international responder gives our clients access to the most experienced salvage masters, naval architects, and spill response specialists in the world. During a response to a marine emergency Resolve can put an experienced emergency response professional in the offices of the vessel owner or operator whether that office is in China, Singapore, Greece, Europe, South Africa, or the United States. This creates trust and faster decision making.

Why is the Senator not receiving the full story? The Senator stated in the House Transportation hearing that they weren’t presented all information prior to the SJR heading to the full senate. Why would this be? Our best guess is that it is because ACN lobbyists have attempted to pass the resolution, which favors their position with as little opposition as possible. It is curious that the Resolution calls on the USCG to conduct rulemaking with transparency and yet ACN lobbyist have never once engaged 1 Call Alaska CISPRI or other relevant stake holder prior to presenting proposed legislation or resolutions.

For example, the resolution calls for the need for oil spill responders to handle wildlife. Excerpt below. This was also proposed in the USCG authorization act, but was rejected. Reintroducing it here causes confusion and proves they’re continuing to legislatively push their agenda that will not serve or benefit Alaska.

“**FURTHER RESOLVED** that the Alaska State Legislature requests that the oil spill
 28 response regulations for Western Alaska and the United States Arctic under the Don
 Young
 29 Coast Guard Authorization Act of 2022 include use of local service providers with
 expertise
 30 in the capture, care, and rehabilitation of wildlife that is of critical importance to the
 31 communities of the region; and be it”

Currently, requirements for oiled wildlife response capabilities are well-established within Alaska's Area Contingency Plan and are the responsibility of those agencies with public trust responsibilities for fish, birds, and other wildlife. The proposed SJR 11 conflicts with existing authorities (federal and state), and potentially upends guidelines and practices established in the Alaska Regional Response Team's "Wildlife Protection Guidelines for Oil Spill Response in Alaska." So why is this necessary language in this SJR?

Selendang Ayu and the Aleutian Islands Risk Assessment

"Spill response to this incident must be considered a near total disaster where no spilled oil was contained at the grounding site and no oil was recovered on the water. Virtually no attempt was made to recover oil on the water for the months that oil was still leaking from the ship in recoverable quantities, even when sea conditions were very favorable to such efforts⁹⁰. Spill recovery equipment available in the region was wholly insufficient and inappropriate for ocean conditions.

"The contactor for virtually all of these plans, the Alaska Chadux Corporation, has voluntarily listed its resources in the Aleutian Subarea Contingency Plan and was contracted by IMC Shipping Co. to conduct the spill response in this instance. "

"The only tangible success was the lightering of approximately 140,000 gallons of fuel and oils, but it was sheer luck that the entire vessel was not entirely destroyed prior to the commencement of lightering on 1/4/05" **[Definition for clarity: Lightering is a Salvage service and is a primary method of keeping the oil from entering the environment.]**

"but much responsibility for spill damage must also fall at the doorstep of the United States Coast Guard, (USCG), and the Alaska Department of Environmental Conservation, (ADEC), for their failure to require or acquire the appropriate assets to prevent and respond to oil spills in the known severe Aleutian environment."¹

After the Selendang Ayu incident the US government funded an industry lead study called the Aleutian Islands Risk Assessment (AIRA). Contributions were made by the US Coast Guard, ADEC, ADFG, US Fish and Wildlife, NOAA, and the City of Unalaska.

http://aleutianriskassessment.com/images/150313_AIRA_SummaryReport_vFINAL_hr.pdf

¹ Parker Associates Inc. *Report on the Selendang Ayu Incident- Arlis.org*. 6 June 2005, <https://www.arlis.org/docs/vol1/62716851.pdf>.

Aleutian Island Risk Assessment (AIRA) indicates that spill response techniques are largely ineffective in Alaska and Salvage and Marine Firefighting Techniques in many cases are our only option. A strong case is made for comingling salvage and spill response assets. What has changed?

The “appropriate assets to prevent and respond to oil spills” according to the AIRA are a combination of salvage and spill response assets jointly deployed and managed.

Recommendation 4.1.2: The Optimal Response System for the Aleutian Islands “includes oil spill prevention through routing measures and real-time vessel monitoring, along with emergency towing, salvage, and oil spill response components. It also recommends an organizational structure and estimates annualized costs.”² (see figure below).

“The Advisory Panel agreed with the Analysis Team’s recommendation that the US Coast Guard should approve the optimal response system (see figure below), managed by **some future Managing Entity**, as compliant with federal Vessel Response Plan regulations for deep draft tank and non-tank vessels under the alternative compliance option granted in federal regulations. This approach is considered to be much better suited to the region than compliance with the regulations as written.”

It should be noted, that although the suggestion was a managing not-for-profit, it was still a single entity that should manage both spill response and salvage response assets.

² [160310 AIRA Phase B Final Program Report FOR FORMATTING-kg \(nukaresearch.com\)](#)

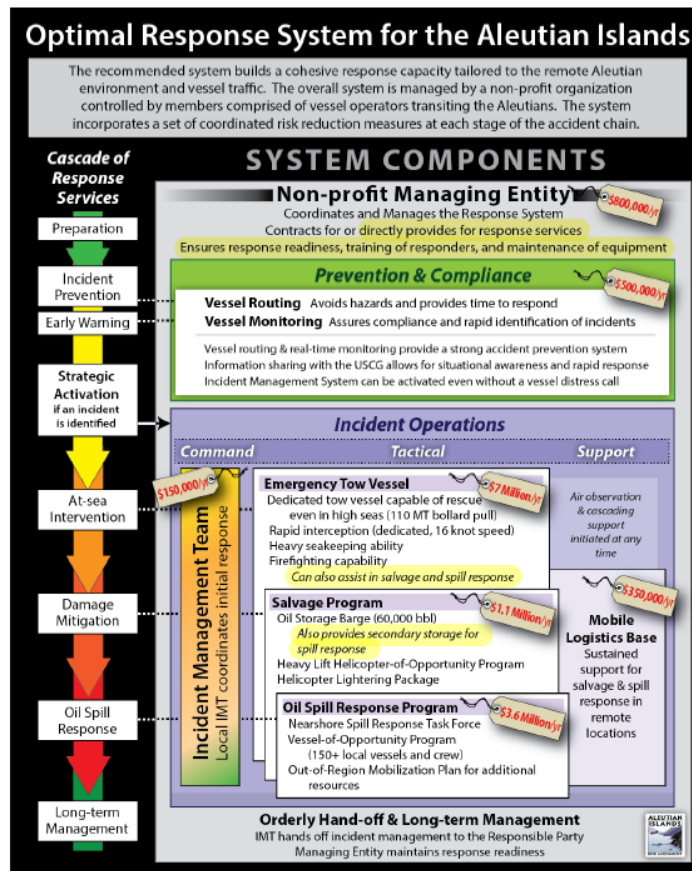


Figure 4. Summary of recommended optimal response system

The AIRA recognizes that an important resource in a response is a single dedicated oil storage barge that could provide an important resource for BOTH lightering a damaged vessel and supporting on-water spill recovery (excerpt from AIRA below).

“Salvage covers a wide range of services related to mitigating the risks of pollution in the event of a vessel accident and recovering the vessel and associated equipment and materials. Salvage services include: lightering, marine fire fighting, and salvage and wreck removal. Based on review of previous salvage operations in the region, including the response to the *Selendang Ayu*, lightering by heavy lift helicopter was identified as one of the key activities likely to be crucial to a response. A dedicated oil storage barge would provide an important resource both for lightering a damaged vessel and supporting on-water spill recovery”.

According to the AIRA spill response assets are secondary to salvage assets and response techniques.

Table 2 from the AIRA “summary of cumulative, year-round response gap estimate for four locations across the study area, show that emergency towing (a salvage service) is possible 98% of the time, whereas open water and nearshore recovery (spill response services) are effective only 28% and 48% of the time. During the Seledang Ayu, the USCG paid the Marine Exchange of Alaska to track the ship.

A flaw of SJR 11, is that it places considerable emphasis on vessel tracking and monitoring. Although it serves a purpose, emergency towing is the only strategy that can assist a vessel in distress. Resolve Marine/1-Call Alaska, an OSRO and SMFF company, is the only company in Alaska who actively monitors vessels and has experience providing emergency towing (salvage) services.

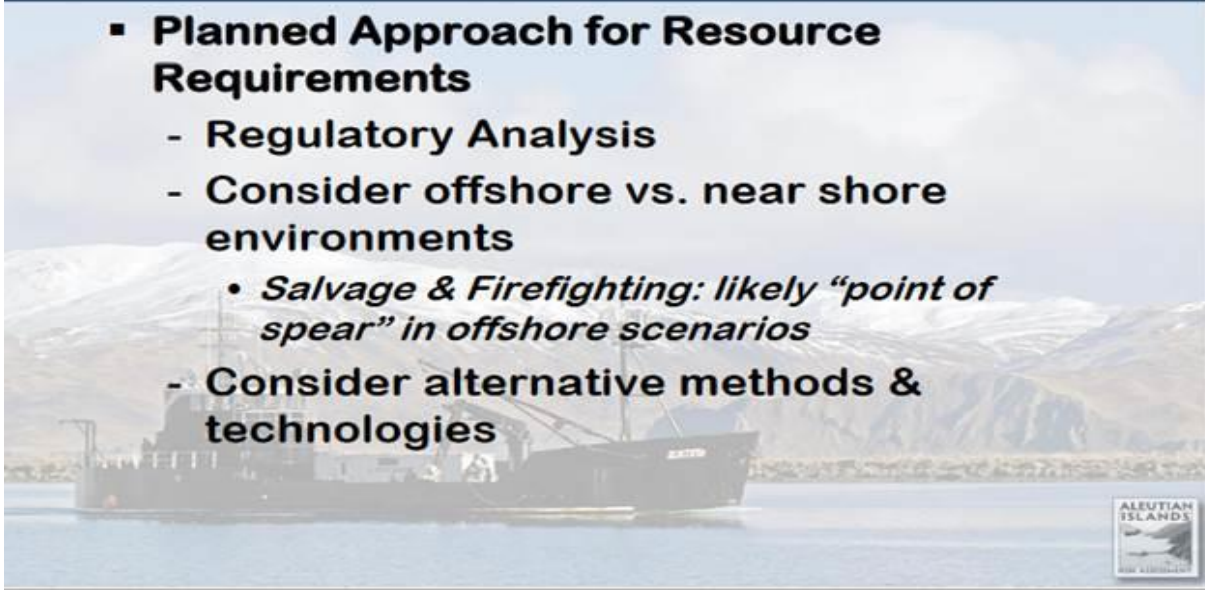
Below are just a few of the vessels Resolve Marine has provided emergency towing services on behalf of the Alaska Chadux Network. Without Resolve Marine’s 24/7 manned emergency response vessel, the Pioneer, these vessels could have ended up on the rocks, spilling considerable amounts of oil.

- Alaska Juris – 2016
- Champion Ebony – 2016
- F/V Katie Ann – 2017
- FV Akutan -- 2017
- FV Excellence -- 2019
- F/V Katie Ann – 2020

Furthermore, in a presentation overviewing the AIRA, committee members recognized that salvage was likely the “point of the spear” in offshore response situations.

Oil Spill Response Analysis

- **Planned Approach for Resource Requirements**
 - Regulatory Analysis
 - Consider offshore vs. near shore environments
 - *Salvage & Firefighting: likely “point of spear” in offshore scenarios*
 - Consider alternative methods & technologies



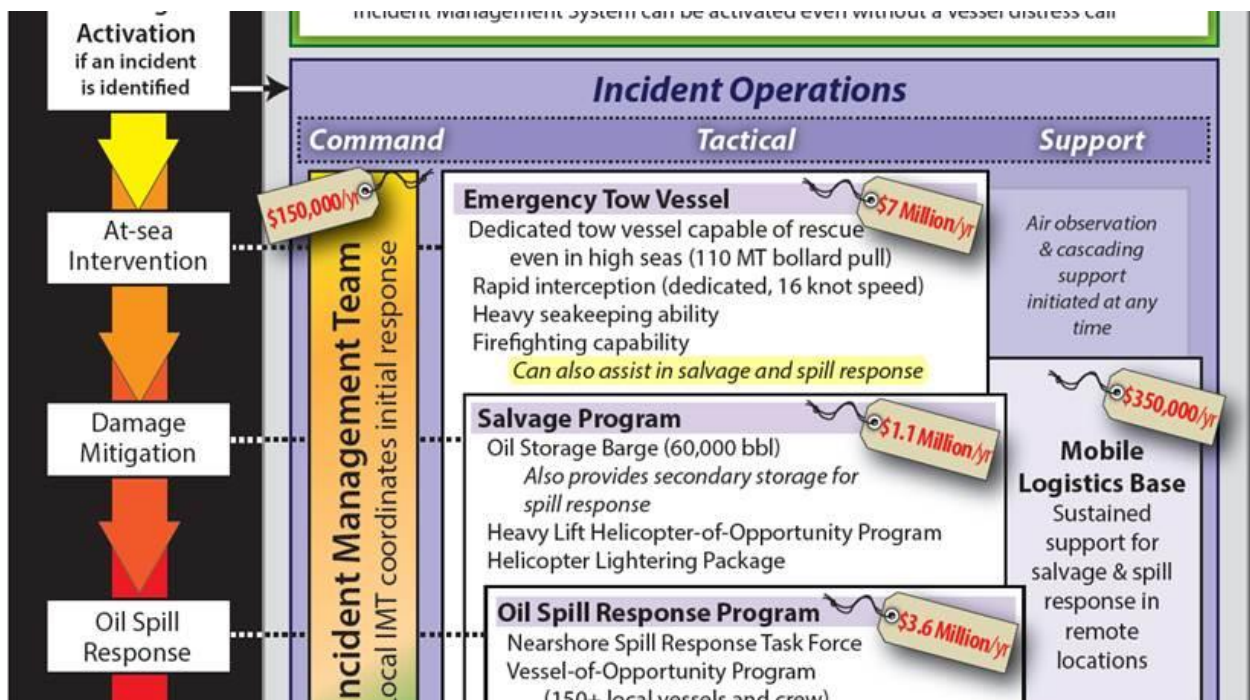
The recently proposed SJR11 now contradicts what was previously proposed in the AIRA. The image below shows text taken directly from SJR 11, which suggests that vessels for spill response should only be used for spill response and not any other purpose.

The below snip taken was taken from SJR 11 and most likely written by ACN Lobbyist is in direct contrast with the recommendations of the Aleutian Islands Risk Assessment. Foot note 13 and highlight in the graphic

13 **WHEREAS** these challenges require specialized and unique planning and response
 14 resources that are tailored to respond to oil spills from vessels and that are not subject to being
 15 diverted for other regulatory purposes; and

AIRA however suggests that “dedicated here does not intend to preclude the use of the vessel for harbor assist or other services to help offset costs. It is intended that the vessel would be based within the region and the operators would design its daily work and contractual relationships to allow for prompt re-deployment to a rescue if needed.”

https://www.nukaprojects.com/files/ugd/183bd6_50cb064060164d258820053e8a3f40a4.pdf_page22



Internationally, ITOPF representatives have witnessed firsthand how Salvage and Oil Spill Response comingle particularly in remote areas of the world.

“ The provision of OSR services by salvage companies is not a new concept and a number of small salvage companies have well established OSR branches to respond to domestic incidents. However, the development of capacity for international salvage companies to provide global OSR services is relatively emerging. The key benefits of doing so are seen by some in the salvage industry as the ability to provide their clients a “turnkey” solution to emergency response.

In countries where there is an established and implemented framework for salvage and oil spill response operations such as North America and Europe, the scope for new OSROs entering the market is limited. However, in countries where there is a lack of infrastructure, a lack of implementation of international frameworks (e.g. those generally at low risk of suffering an oil spill or without an oil and gas industry), or those that are geographically remote and difficult to access, there is potential for a salvage contractor to provide an effective response to spills when they do occur.”³

Under LOF, salvors have a duty to deploy “best endeavors” to minimize damage to the environment. Under this definition, traditionally salvors were required to deploy measures to attempt to keep oil and pollutants inside the vessel, or at least out of the marine environment.

Salvors have been called upon by authorities to prioritize response to the release rather than refloating a casualty, despite this falling outside the remit of their contractual obligations. This lack of clarity and shifting expectations on salvors to consider OSR, especially if they have already mobilized the necessary assets as part of their pollution prevention contingency plan.

Resolve has responded to and successfully managed with owned and contracted assets both salvage and spill response to 5 separate marine casualties in 4 different countries since 2020. It can be done, it has been done and it is a proven method particularly in remote areas.

³ Cariglia, Nicky. “Salvage Companies as Osros: Benefits and Limitations.” *International Oil Spill Conference Proceedings*, vol. 2021, no. 1, 2021, <https://doi.org/10.7901/2169-3358-2021.1.689610>.

Hypocrisy at its Finest

From the original SJR118

- 13 **WHEREAS** these challenges require specialized and unique planning and response
- 14 resources that are tailored to respond to oil spills from vessels and that are not subject to being
- 15 diverted for other regulatory purposes; and

How would you as a legislator view the concept of the 17 Alaska Chadux Depots which are deployed around Alaska for protection of oil transfer facilities and serve as the response inventory for fuel facility Federal and State Facility Plans are ALSO being named in numerous vessel response plans? ACN wants to Claim that 1-Call Alaska is “Double Dipping” on resources when clearly by Alaska State Code they have over extended their capabilities.

18 AAC 75.470 states that in order to utilize resources staged for another facility, Alaska Chadux will need permission from the state, the facility will have to develop a contingency plan for operations, and only 60% of all resources can be used for response.

Our analysis of these depots when compared to facility response plans indicate that:

- Boom cannot be deployed from 3 of these depots because any boom deployed would drop it below 60%
- Skimmers cannot be deployed from 8 depots because a single skimmer deployment would drop below 60%
- 3 depots where neither boom nor skimmers can be deployed without exceeding the 60% regulatory requirement.

In essence no equipment can move from 14 of the 17 depots with the Anchorage hub being the primary cache where ACN can deploy response resources without having to ask for ADEC approval and the protected facilities violating Alaska State Code.

I wish to point out that Resolve and 1 Call Alaska does not offer Federal or State facility coverage. Our Oil Spill Response Equipment is 100% dedicated to vessel response.

Consider if you will the November 30, 2018 magnitude 7.1 earthquake that struck just north of Anchorage, Alaska and caused over \$75 million in damage to private and public facilities.

ACN was named in all three facility Response Plans for the APD&T Members at the port of Anchorage and yet they only have capabilities of handling a single incident according to state and federal requirements. How much damage would be done to the entire state, the citizens of Western Alaska and the Environment of Cook Inlet because ACN is named as the sole responder in All of the Facility Response Plans? **Which terminal gets the Response Gear?** Had this quake

occurred in Tsunami prone areas that damaged both facilities and vessels, Which Plan holder would get ACN equipment and Which plan holders would continue to pollute the environment?

Barge of Opportunity Program

Alaska Chadux Network claims 31 barges of opportunity that have established agreements with ACN for a collective capacity of over 900,000 barrels. These same barges are listed as part of Every Salvors Emergency Lightering Plans. Is it the legislature intent to make every single Vessel Response Plan for every single ship sailing in Alaska noncompliant because ACN believes that Oil Spill Response and Salvage Services cant be comingled and managed properly.

ACN is being Hypocritical

Moreover, during the response to FV St Patrick in Womens Bay Kodiak AK; Global Diving conducted all diving, lightering and salvage operations from the deck of the ACN Spill Response Vessel Ocean Liberty. An example of the successful comingling of Salvage and Oil Spill Response equipment being managed by a single entity.

Aleaska SERVS

Another clear example of successful merging of OSRO and SMFF equipment and tactics is routinely seen by SERVS in Prince William Sound. SERVS is arguably the most prepared OSRO for their operating area and has available four purpose built tugs, an offshore supply vessel, and many other smaller support vessels. Through the use of these tugs, SERVS provides Marine Firefighting, emergency towing, tanker escort, pollution cleanup, lightering and other services.

If these tugs are classified as oil spill response assets, should they be able to use their fire monitors for a vessel fire? Should they be allowed to provide emergency towing to keep an oil spill from occurring? It is incredibly preposterous and irresponsible to Alaskans and our environment to say that a vessel can be used only for a single purpose.

United States Navy

The United States Navy's Emergency Ship Salvage Material (ESSM) bases further acknowledge the cohesion of oil spill and salvage equipment. Naval Sea Systems Command states "Since pollution response is an integral part of any salvage operation, the co-location of salvage and spill response equipment to support Navy casualty incidents (collisions, groundings, etc.) provides the basis of an exceptional spill response capability with substantial cost savings. ESSM oil spill response equipment is pre-assembled into systems to ensure transportability and sustainability."⁴

⁴Naval Sea Systems Command. "ESSM." *Naval Sea Systems Command > Home > SUPSALV > Environmental > Equipment*, <https://www.navsea.navy.mil/Home/SUPSALV/Environmental/Equipment/>.

Yet the focus is on the Resolve Pioneer being a dual-purpose vessel for Emergency Towing and Oil Spill Response. WHY? Because we have been successful in preventing environmental damage in the Aleutians! Every OSRO strives to keep oil out of the environment, and should use any equipment available to limit impact to our sensitive ecosystems and way of life, should a release of product occur.

Some known facts about Alaska Chadux Company.

- Alaska Chadux Network's President is the senior Shell Official in Alaska in Dec of 2012 who signed off on the Kulluk tow to, As reported by Alaska Daily News, avoid paying Alaska state taxes leading to a major Marine Disaster in Alaska Waters.
- Alaska Chadux Network President was VP of HSE for Shell Alaska the year that [Sierra Club Executive Director Michael Brune issued the following statement](#): "In just one year, Shell has proven over and over again that they are completely incapable of safely drilling in the Arctic. Their ships have caught fire and lost control, they've damaged their own spill containment equipment, and they've been caught entirely unprepared for the challenges of the Arctic...This is the last straw. We should judge Shell not by their assurances or their PR tactics, but by their record – and Shell's record clearly demonstrates that letting them operate in the Arctic is an invitation for disaster."
- Alaska Chadux Network President was Chief of Staff at USCG District 17 during the Selendang Ayu
- Alaska Chadux Network owns No Open Ocean skimming systems or current busters These are leased from T&T Marine, another SMFF provider in the United States.
- Alaska Chadux Network owns no Ocean-Going Vessels or Barges These are leased from Paradigm Marine.
- Alaska Chadux Network owns no aircraft
- Alaska Chadux Network/ Paradigm vessels are NOT Manned
- Alaska Chadux Network has no salvage and or marine firefighting capabilities
- Alaska Chadux Network does not employ Naval Architects or Marine Engineers.

The above leased items were only acquired in 2017-2019 AFTER 1 Call Alaska had been in operation for several years and the USCG threatened to not reauthorize their APC unless they provided open oceans response capability, a FULL 12 years after the Parker report had pointed out numerous deficiencies in the Chadux Response capabilities.

If Resolve is successfully driven out of the market through the intense lobbying effort and Resolve removes all its equipment from Alaska, will Chadux let its short-term leases on equipment expire? Will Alaska be prepared to handle a significant marine casualty?