

4/13/10
INFORMA-
TIONAL
HEARING:
ARCTIC
INDUSTRIAL
ACTIVITY...

ALASKA STATE LEGISLATURE

SENATOR DONALD C. OLSON, CHAIR

SENATOR ALBERT KOOKESH
SENATOR JOE THOMAS
SENATOR HOLLIS FRENCH
SENATOR LINDA MENARD



ALASKA STATE CAPITOL
ROOM 514
JUNEAU, ALASKA 99801-1182
907) 465-3877
FAX: (907) 465-4821

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

TO: All Committee Members
FROM: Senator Donald Olson
RE: Committee Agenda
LOCATION: Beltz Rom 105 (TSB)
DATE/TIME: Tuesday April 13 – 3:30 p.m.

AGENDA

I. Committee Hearings

1. Arctic Industrial Activity & Prevention Systems, Informational Hearing

TESTIMONY BY INVITATION ONLY

North Slope Borough

OFFICE OF THE MAYOR

P.O. Box 69
Barrow, Alaska 99723
Phone: 907 852-2611 or 0200
Fax: 907 852-0337 or 2595
email: edward.itta@north-slope.org



Edward S. Itta, Mayor

April 4, 2008

Board of Marine Pilots:

Robert J. Arts, Agent/Manager, Alaska Maritime Agencies
Joe Austerman, Commissioner/DCCED/Designee, Department of Commerce
Dale O. Collins, Pilot, SouthEast Alaska Pilot's Association
Leslie A. Cronk,, Agent, Southeast Stevedoring Corporation
Joseph V. Miller, Public
Michael J. O'Hara, Pilot/SWAPA
Jack G. Poulson, Public

Dear Sirs:

The North Slope Borough has a long record of opposition to offshore development in the Chukchi and Beaufort Seas. As Mayor of the North Slope Borough, protection of the cultural and subsistence resources, and our Inupiat heritage are my greatest priorities when considering both the short- and long-term views on outer continental shelf activity off Alaska's Arctic coastline. Two major concerns are the impacts this industrial activity will have on the migratory path of the bowhead whale and the risk of oil spills associated with both increased shipping activity, and oil exploration and development.

With regard to spills, I find no comfort in today's technology of responding to and cleaning up oil once it gets released into our oceans. This task becomes impossible when you factor in the remoteness of our region and the presence of sea ice that occurs in the Arctic waters. I feel that a focus on prevention is imperative for protecting the environment and our traditional culture. While continuing to oppose offshore development I would ask that this state do all within its jurisdiction to implement preventive measures that will help reduce the risk of incidents associated with the increased shipping activity being experienced from increased energy exploration.

Having met the members of Alaska Marine Pilots we have learned about the importance of state pilotage and the level of protection and independent oversight it brings to commercial shipping operations throughout the state. In my opinion, having marine pilots serving aboard commercial vessels that will operate in the Arctic will greatly reduce the risks associated with offshore oil and gas exploration and development. We support the current proposed regulation by the Board of Marine Pilots that seeks to expand the State of Alaska's compulsory pilotage waters.

Further, the state currently requires Compulsory Marine Pilotage in all areas of the state where there is commercial marine traffic. If oil and gas exploration goes forward in the Arctic, that will

lead to commercial marine traffic in one of the most sensitive marine environments on earth. I urge the Board of Marine Pilots to adopt regulations to compel the use of Alaska based marine pilots.

In the unfortunate event you elect not to expand current boundaries in Arctic waters I would request that you provide the North Slope Borough with a response as to why compulsory pilotage cannot be implemented to protect our waters as it does elsewhere in this state.

Please consider our concerns as you discuss measures that will protect our waters. Again I feel that compulsory pilotage is a good first step toward implementing policies that will continue to preserve our traditional way of life.

Sincerely,



Edward S. Itta
Mayor

cc: Robert J. Arrts, Board of Marine Pilots, State of Alaska
Joe Austerman, Board of Marine Pilots, State of Alaska
Dale O. Collins, Board of Marine Pilots, State of Alaska
Leslie A. Cronk, Board of Marine Pilots, State of Alaska
Joseph W. Miller, Board of Marine Pilots, State of Alaska
Michael J. O'Hara, Board of Marine Pilots, State of Alaska
Jack G. Poulson, Esq., Board of Marine Pilots, State of Alaska
Jun Maiquis, Regulations Specialist, Department of Commerce
Sarah Palin, Governor, State of Alaska
Emil Notti, Commissioner
Joe Balash, Special Staff Assistant
Donald Olson, State Senator, Nome
Reggie Joule, State Representative, Kotzebue

**NORTH SLOPE BOROUGH
RESOLUTION SERIAL NO. 5-2009**

**A RESOLUTION SUPPORTING THE EXPANSION
OF COMPULSORY MARINE PILOTAGE IN AREAS
OFFSHORE OF NORTHERN ALASKA.**

WHEREAS, commercial and all other shipping operations in arctic waters carry with them increased risks to human life and property and the marine environment; and

WHEREAS, commercial shipping operations in the Beaufort and Chukchi Seas are becoming more frequent and intensive; and

WHEREAS, marine pilotage provides a high level of protection and independent oversight to commercial shipping operations; and,

WHEREAS, compulsory marine pilotage helps to protect the environment and our traditional Iñupiaq culture; and,

WHEREAS, the Alaska Board of Marine Pilots (Board) has jurisdiction over marine pilotage and the licensing of marine pilots, to prevent the loss of lives and property and to protect the marine environment of the state; and,

WHEREAS, in January, 2009, the Board will consider proposed regulatory changes which would expand the state's compulsory pilotage areas, to include sections of prospective OCS lease sale areas in the Beaufort and Chukchi Seas; and,

WHEREAS, the expansion of the boundaries of compulsory pilotage waters of Alaska would help protect our waters and so our way of life.

NOW, THEREFORE, BE IT RESOLVED:

That the North Slope Borough Assembly supports the proposed expansion of the compulsory pilotage boundaries for the State of Alaska, in order to preserve the safety of arctic waters and preserve our traditional Iñupiaq culture.

INTRODUCED: January 6, 2009

ADOPTED: January 6, 2009

C. Eugene Brower
C. Eugene Brower, President
Date: 01-06-09

ATTEST:

Sheila H. Burke
Sheila H. Burke, Borough Clerk
Date: 1-6-09

Edward S. Itta
Edward S. Itta, NSB Mayor
Date: 1-6-09

APR 23 2008



STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT

Office of the Commissioner

SAL # 50606

Sarah Palin, Governor *SP*
Emil Notti, Commissioner
Andy Muel

April 24, 2008

Mayor Edward S. Itta
North Slope Borough
P.O. Box 69
Barrow, Alaska 99723

RECEIVED
JUN 23 2008
NORTH SLOPE BOROUGH

Dear Mayor Itta:

Thank you for your letter expressing concern for increased oil and gas exploration in the Chukchi and Beaufort seas. For many years we have witnessed the expansion of development into remote places. The offshore oil and gas exploration into the Arctic is another example.

I appreciate your concerns regarding the environmental risks associated with the development off Alaska's arctic coast line.

The extension of Alaska's marine pilotage boundaries to include the area of the new exploration is a responsible step toward assuring protection of the marine environment.

At this point, the Board of Marine Pilots has voted to consider the expansion of compulsorily waters. This proposed regulatory change is currently under review and the public comment period has been extended to October 15th.

DCCED will be monitoring the progress of the board's initiative and we are hopeful for a positive outcome that is mutually beneficial for all parties concerned.

Thank you once again for including me in you letter.

Sincerely,

Emil Notti
Emil Notti

Cc: Lynne Smith, Special Assistant, Office of the Governor

550 W. 7th Avenue, Suite 1770, Anchorage, Alaska 99501-3510
Telephone: (907) 269-8100 Fax: (907) 269-8125 Text Telephone: (907) 465-5437
Website: <http://www.commerce.state.ak.us/>

APR 23 2008



STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT
Office of the Commissioner

FILE # 50606
Sarah Palin, Governor *SP*
Emil Notti, Commissioner
Andy Black

April 24, 2008

Mayor Edward S. Itta
North Slope Borough
P.O. Box 69
Barrow, Alaska 99723

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ALASKA STATE LEGISLATURE

SENATOR DONALD C. OLSON



ALASKA
STATE CAPITOL
ROOM 514
JUNEAU, ALASKA 99801 1182

(907) 465 3707
FAX (907) 465 4821

February 8, 2010

Dear Honorable Governor Parnell,

Given the great potential for finding and developing new energy resources in Alaska's offshore waters of the Arctic Ocean, we believe it would be prudent for this state to implement compulsory marine pilotage (CMP) within these areas. Please allow us to explain.

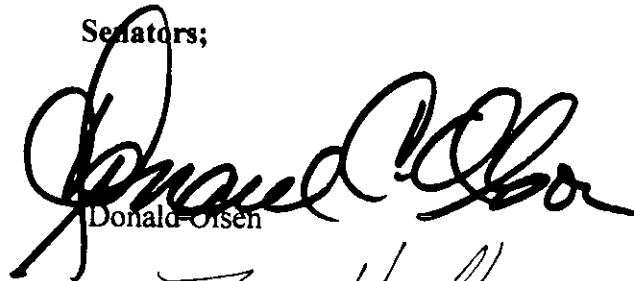
Having worked with the members of Alaska Marine Pilots over the years we have learned about the importance of state pilotage and the level of protection and independent oversight it brings to commercial shipping operations throughout the state. In our collective opinion, having marine pilots serving aboard commercial vessels that will operate in the Arctic will greatly reduce the risks associated with offshore oil and gas exploration and development. With this in mind we support the current proposed regulation by the Board of Marine Pilots that seeks to expand the State of Alaska's compulsory pilotage waters.

Compulsory marine pilotage is currently limited, by administrative rule, to waters within three-miles of the coast of Alaska. In general a state has considerable authority to regulate the waters off its coast, even beyond this traditional three-mile boundary. In fact, courts in other jurisdictions have allowed states to assert their pilotage regulations as far as 50 miles offshore, and beyond. The main consideration in these cases has been the courts' consideration of local needs and conditions. As Alaska addresses the development in the arctic that is on the horizon, we feel that it must keep in mind the intimate connection that many of the state's residents have with the Beaufort and Chukchi Seas. While the extension of CMP to cover the vast area that will see economic development is admittedly unprecedented, so is the development of this fragile and important marine environment.

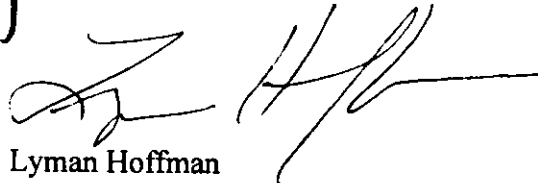
Protection of life, property and the marine environment must go hand in hand with any future development in our offshore waters. To that end we respectfully ask that your administration give its full support to the expansion of CMP in the Arctic.

Thank you,

Senators;



Donald Oisen

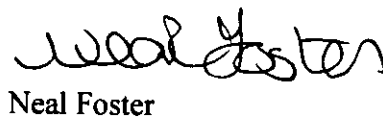


Lyman Hoffman

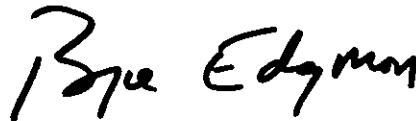
Representatives;



Reggie Joule



Neal Foster



Bryce Edgmon

Bryce Edgmon



Bob Herron

CITY OF UNALASKA

P.O. BOX 610
UNALASKA, ALASKA 99685-0610
(907) 581-1251 FAX (907) 581-1417



March 5, 2010

Sean Parnell, Governor
Third Floor State Capitol
P.O. Box 110001
Juneau, Alaska 998811-0001

Dear Governor Parnell,

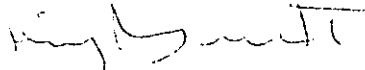
The purpose of this letter is to introduce you to the skills, experience and mission of the Alaska Marine Pilots (AMP). I have become professionally very well acquainted with these gentlemen over the past 20 years and can speak with firsthand experience about the extraordinarily high value of the service they provide the State of Alaska, the City of Unalaska, and the entire Aleutian Island Chain, from Cold Bay to Attu.

Their mission is simple: "To be good stewards over the waters which we are licensed to protect." I can state unequivocally that this mission statement is the foundation upon which they collectively stand here in Western Alaska. The AMP have been passionate and productive participants in the Potential Ports of Refuge (PPOR) study conducted by ADEC, and the current Aleutian Island Risk Assessment (AIRA) conducted by ADEC, the USCG, and the Fish and Wildlife Service as a result of the *Selendang Ayu* grounding in 2004. AMP was instrumental in the successful design and implementation of the Aleutian Island Emergency Towing System (ETS) in August 2007 and has been a leader in the planning and co-ordination of the annual towing exercise every year since. AMP offers their time and service to this effort on a volunteer basis, and, along with the USCG and our local emergency response tugs, has become an integral part of the ETS response plan for Unalaska's near-shore waters and the greater Aleutian Islands.

Setting Arctic Policy is going to be complex, both politically and operationally, for many different reasons. As Mayor of the only deep-water, ice-free port in Western Alaska from Nome to Adak, I know that my community will have a role to play in the response and support arena as that policy is designed. In the past 30 years, I have worked directly with vessels of tonnages under and over 50,000 dwt with crews at various levels of local maritime experience, and I have learned a very essential and straightforward lesson: without the Marine Pilots' direct involvement in marine shipping activities, safety is compromised. They are the gate watcher, the hall monitor, the coach, and the cop. Here in the Western Aleutians they make the decisions that protect the marine environment yet do not stifle economic activity – a sometime delicate balance to achieve. They are the most familiar with the weather patterns, the sea state, and the underwater characteristics of many moorage/anchorages that often have outdated or inadequate information listed in the charts available to mariners. This is their backyard, and they know every inch of it.

I absolutely believe that the experience and mission of the Alaska Marine Pilots in Western Alaska will be uniquely and significantly useful regarding Arctic Policy discussions in the near future, and I encourage the State of Alaska to give them their full consideration as you move forward. I have seen the independent and successful promotion of safe shipping practices and prevention measures from the members of the AMP work in tandem with a thriving maritime transportation sector to everyone's satisfaction, and I strongly believe the same is possible in the Arctic.

Respectfully,



Shirley Marquardt
Mayor, City of Unalaska/Port of Dutch Harbor

CC: Senator Lisa Murkowski
Senator Mark Begich
Congressman Don Young
John Katz, Office of the Governor
Kin Elton, Dept. of the Interior

*Ltr. to Gov. Parnell-AMP
Page 2 of 2*

**SENATE COMMUNITY &
REGIONAL AFFAIRS HEARING**

Juneau, Alaska
Tuesday, April 13th



OVERVIEW

▶ OPERATIONS

- Location, Type
- Agency Involvement / Jurisdiction
- Marine Resource

▶ PREVENTION

▶ MITIGATION

- People, Procedures, Equipment
- Regulatory, Industry & Shell Standards



OPERATIONS

LOCATION

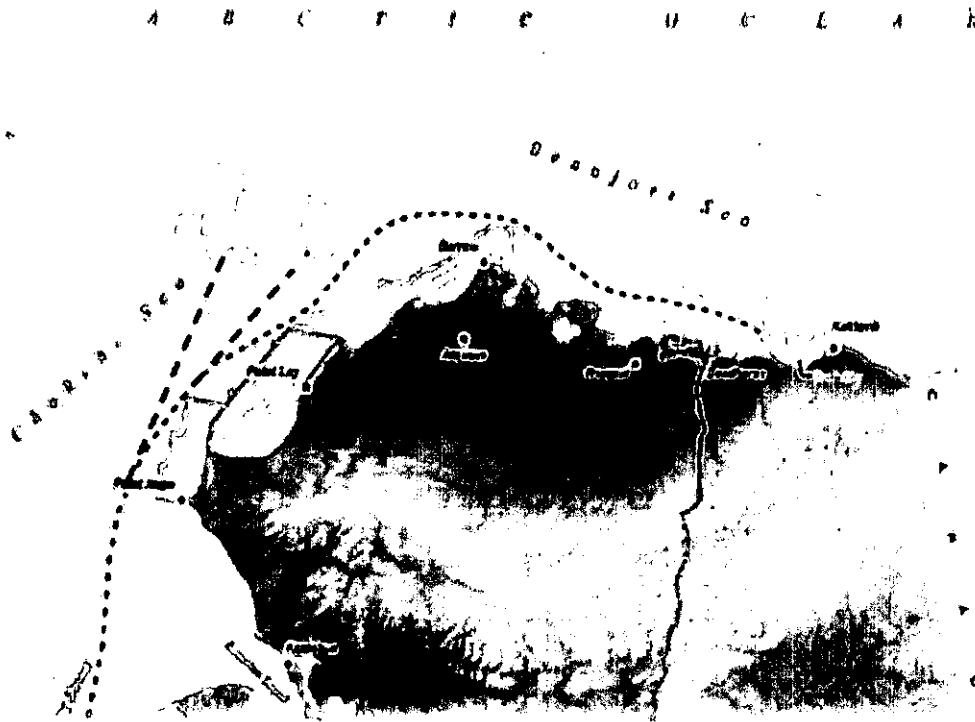
- Offshore – between vessels offshore assets
- In ports - Dutch Harbor, Nome

ACTIVITIES

- Rig moves
- Supply
- Science/Research

SUPPLY TYPES

- Fuel
- Water
- People
- Cargo



OPERATIONS

AGENCY INVOLVEMENT / JURISDICTION

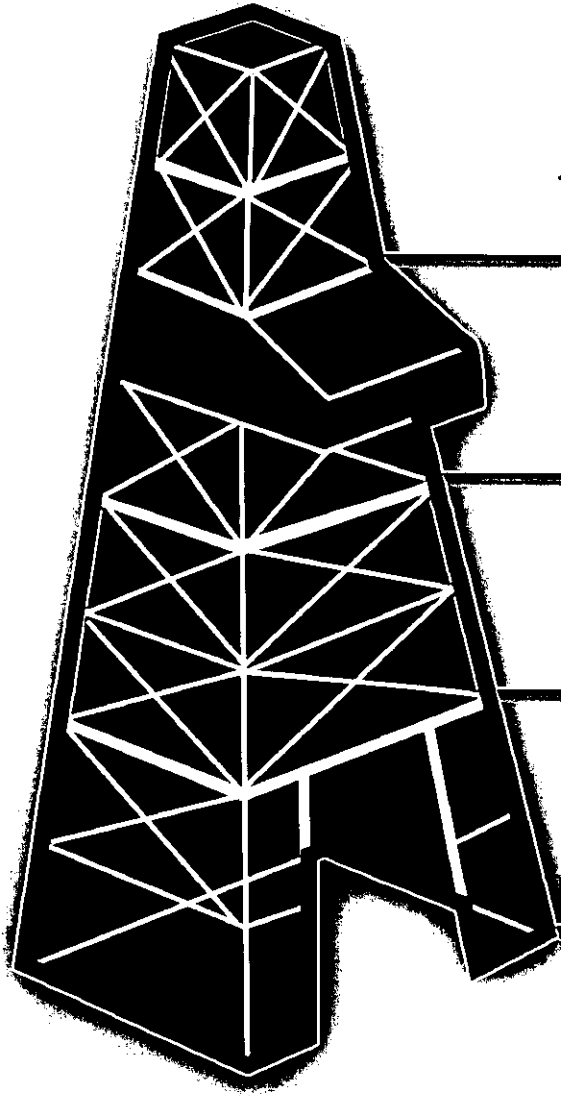
- < 3 Nautical Miles – State, Federal
- > 3 Nautical Miles – Federal (U.S. Coast Guard)
- Other – International Maritime Organization

MARINE RESOURCE

	2007	2008	2009	2010
Vessels	26	17	5	approx 26
Communication Centers	Point Lay Point Hope Wainwright Barrow Deadhorse Kaktovik	Point Lay Point Hope Wainwright Barrow Deadhorse Kaktovik	Non-Shell	Shared Communications Centers Based on Operations
Weather	Impact Weather ASRC Ice Forecast Vessel Specific Forecasts	Impact Weather ASRC Ice Forecast Vessel Specific Forecasts	Impact Weather ASRC Ice Forecast Vessel Specific Forecasts	Impact Weather ASRC Ice Forecast Vessel Specific Forecasts
Oil Spill Response	New Build - Nanuq Shell Specific Equipment	Shell Specific Equipment	No Operations	Offshore, Nearshore, Onshore Shell Specific Equipment
Aviation	3 Fixed Wing 2 Helicopters	3 Fixed Wing 2 Helicopters	1 Fixed Wing 2 Helicopters	4 Fixed Wing 3 Helicopters
Missions	2 SAR	6 SAR 3 SAR Support	1 SAR	0

PREVENTION

LAYERS OF PREVENTION



Layer IV – On-site Response

Contingency plans in place for Beaufort & Chukchi

Layer III – On-site Mechanical Barriers

Including special arctic barriers and booms (Nanuq)

Layer II – Procedures and Standards

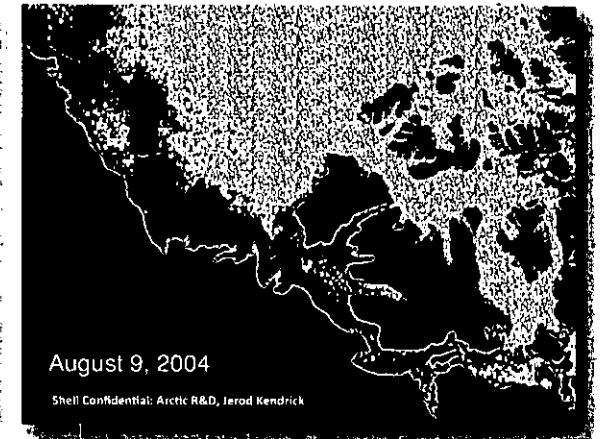
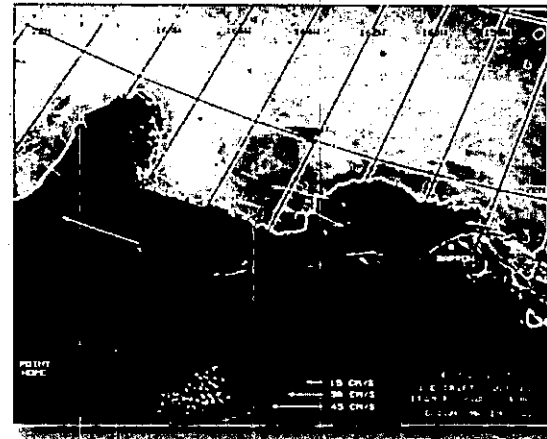
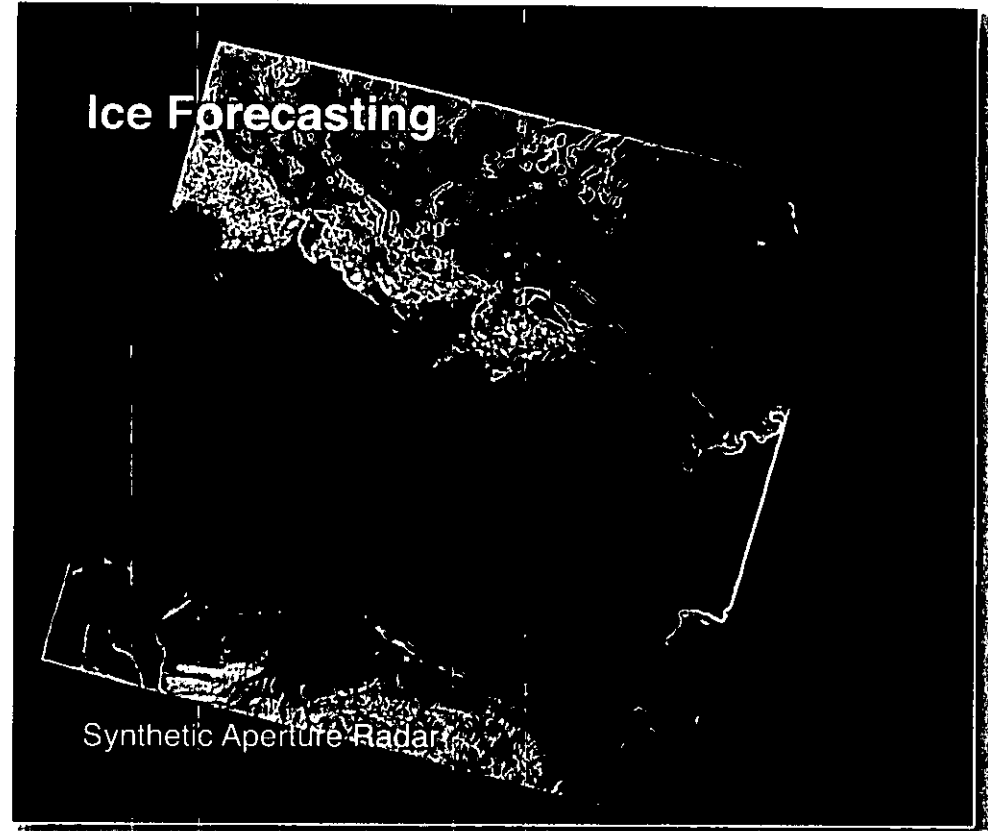
DP Vessels, 500 meter safety zone, weather state

Layer I – Planning, Training and Preparation

Hazard Identification

PREVENTION

- **Long Range Forecast (4-6 Months)**
Breakup Prediction
- **Short Range Weather**
Daily Forecasting
- **Ice Motion Tracking with GIS**
software
- **Real-Time Ice Positioning**
- **Short Range Ice Edge**
Predictions
- **Blue Sky Vessel Tracking**
- **Visual Reporting**
- **Marine Mammal Observers on Every Vessel**



MITIGATION

PEOPLE

- **Beaufort Response/ASRC**
- **Chukchi Response/UIC**
- **Vessel Crews and Ice Advisors**
Marine Mammal Observers – trained, experienced, competent
- **Oil Spill Response personnel are local hires via Village or Regional Corporations**
- **Alaska : Incident Command to include:** Shell, Coast Guard, State of Alaska, North Slope Borough
- **People/Vessel Crews** – Alaska specific regime including training and vetting



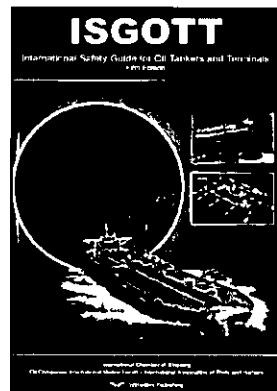
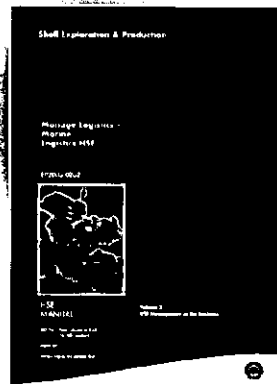
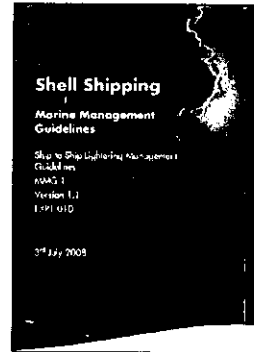
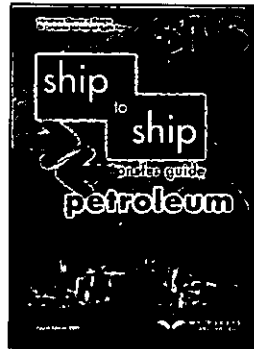
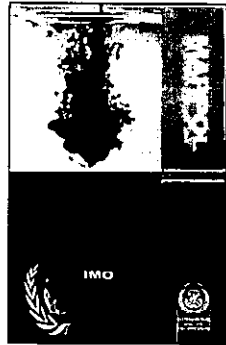
MITIGATION



PROCEDURES

- Vessel Owner Requirements and prequalifications – flag state, classification society approved, inspections
- Shell – multiple stakeholder input and agency approvals by Coast Guard
- Emergency – Oil Discharge Prevention and Contingency Plans (C-Plans) State and Federal Approved
- Emergency Response Plans, including dedicated Search and Rescue helicopter

MITIGATION



Regulatory, Industry, Shell Standards

- INTERNATIONAL MARITIME ORGANISATION (IMO): MARPOL
- US : 33CFR156 – Oil or Hazardous Material Transfer Operations
- US : 46CFR35 – Tank Vessel Regulations
- US : Other CFR's – 3, 7, 9, 14, 29, 30, 47 (C-Plans)

Industry Guidance

- ISGOTT
- Ship to Ship Transfer Guide
- NWEG (Offshore Oil & Gas Industry)

Shell Standards - General

- EP2005-0262 : Marine Standard
- OPS0011 – Marine Transportation Standard
- Ship to Ship Lightering Management Guidelines

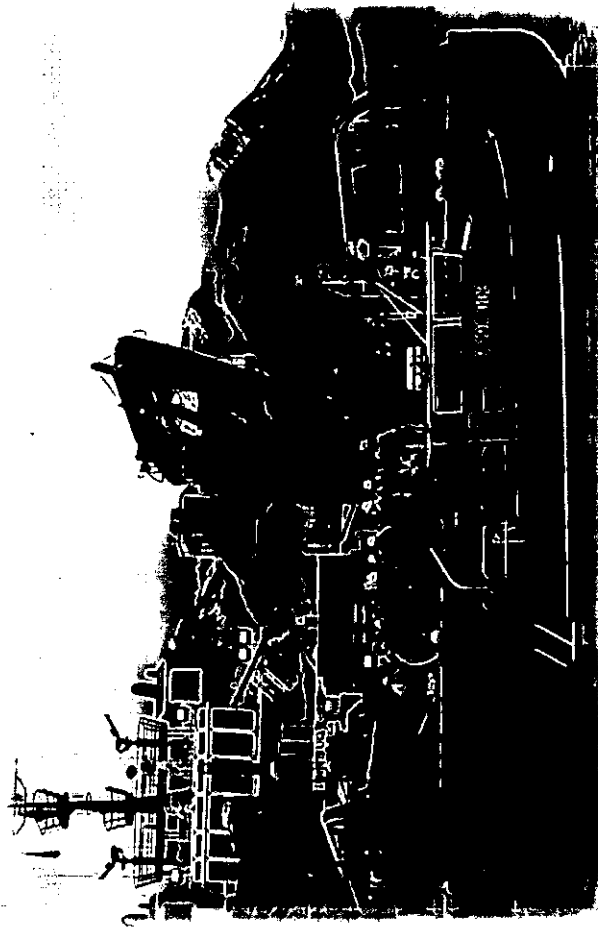
Shell Standards - Alaska – Specific

- Fuel Transfer, Ice Management
- Vessel Minimum Specification
- HSE 0101 – Alaska Venture Emergency Response Plans

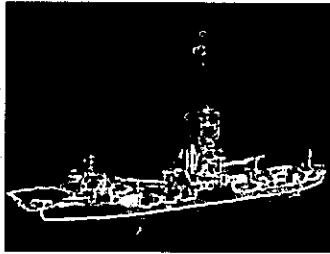
MITIGATION

EQUIPMENT

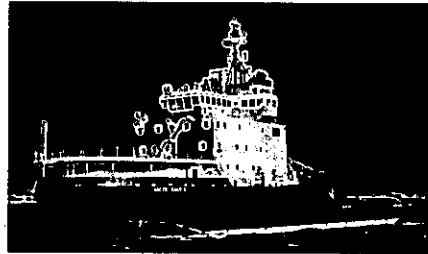
- Purpose-built vessels and onboard equipment – modern, ice-class, inspected
- On-scene Oil Spill Response
- Communications Centers
- Onshore Response base (Wainwright)



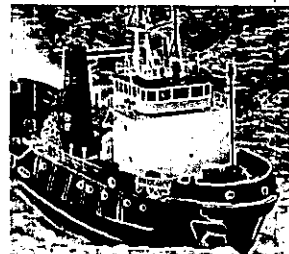
2010 ALASKA PROJECT VESSEL DATA SHEET



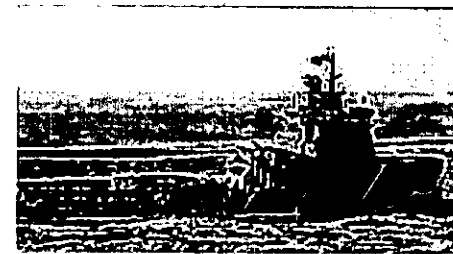
Frontier Discoverer, a drillship



Vladimir Ignatyuk, an ice-breaker



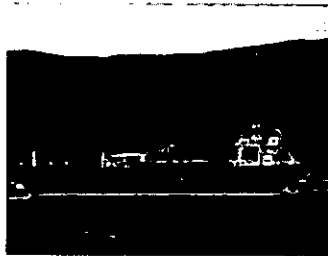
Harvey Gulf Spirit



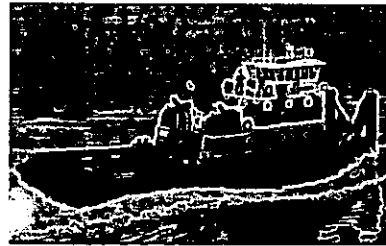
*Tor Viking, an anchor-handling tug/
supply boat*



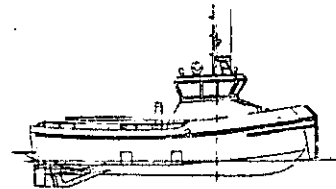
*Nanuq, a contingency response
and anchor handling vessel*



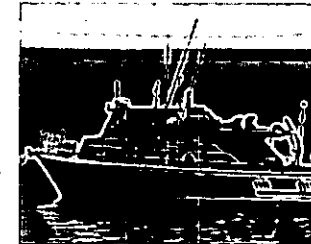
*Affinity, an Arctic tanker (This is
a picture of a similar vessel, the
Marilee)*



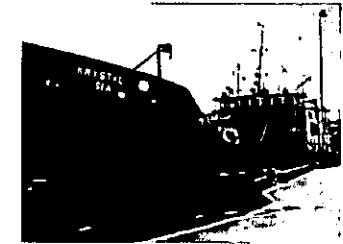
*Arctic Endeavor barge and Point Barrow
tug, a storage platform for oil spill
response*



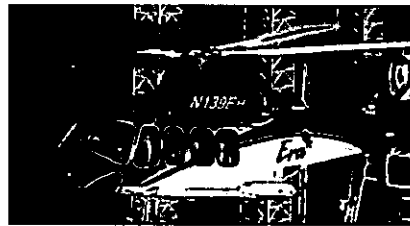
Oil Spill Response workboats



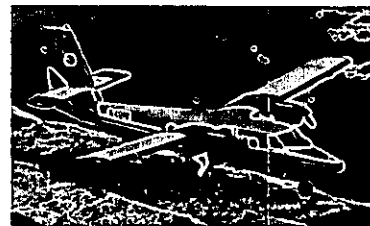
Annika Marie, a research vessel



Arctic Seal, a landing craft



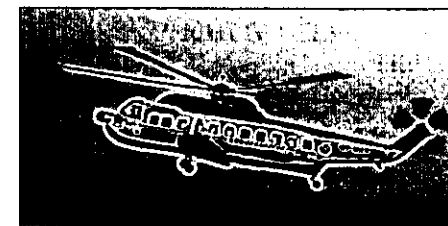
Sik S-92, personnel transportation



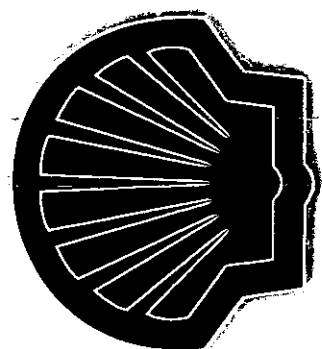
*Twin Otter, MMO overflight fixed-wing
aircraft*



*Saab 340, land-based transportation
aircraft*

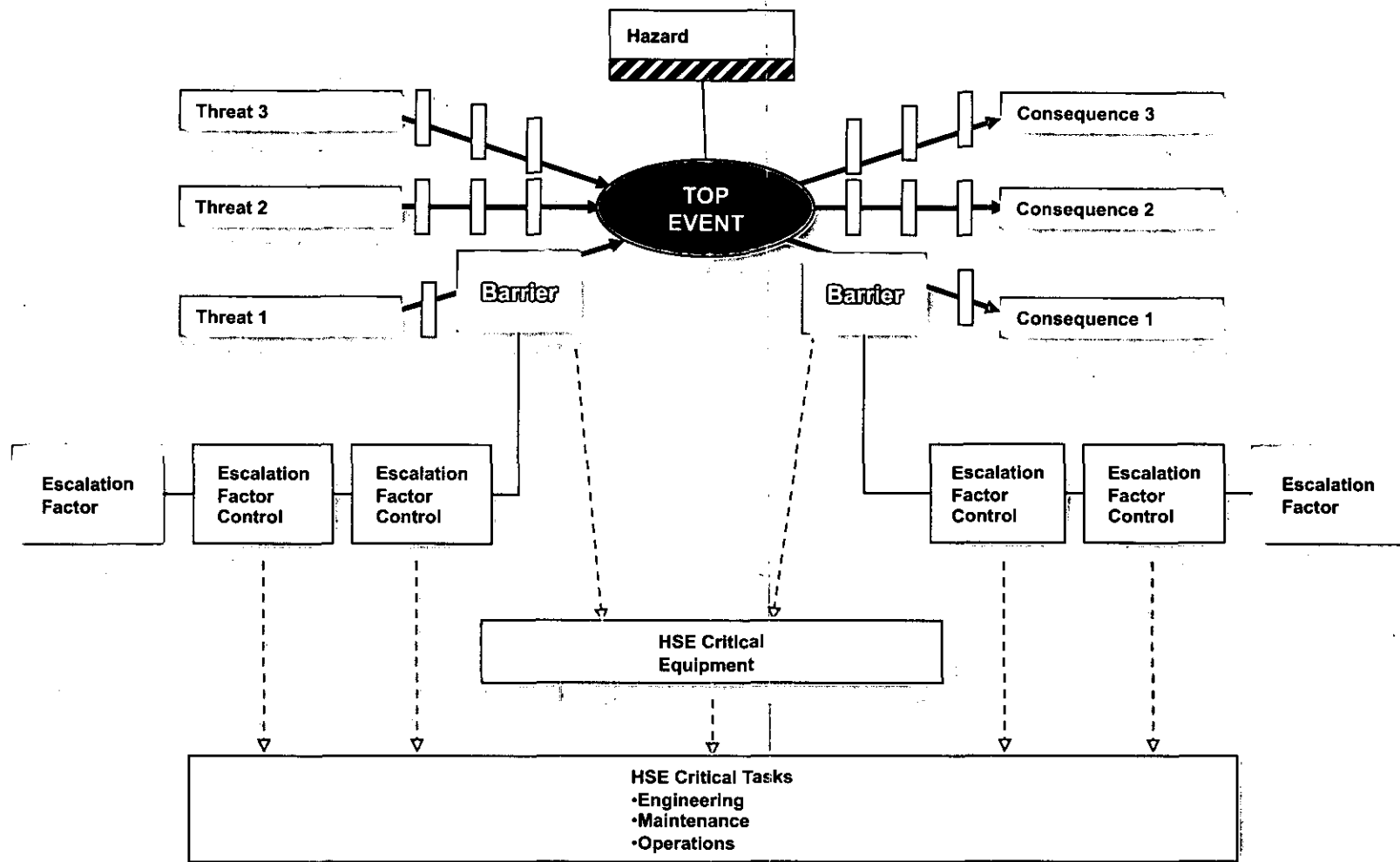


*Sikorsky S-61, search and rescue rotary wing
aircraft*



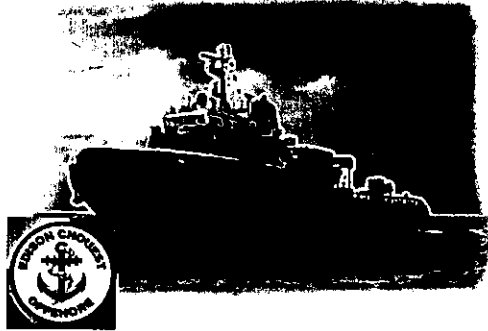
MARINE RISK IDENTIFICATION

General Bowtie *Used to ID risks and mitigation in all operations*

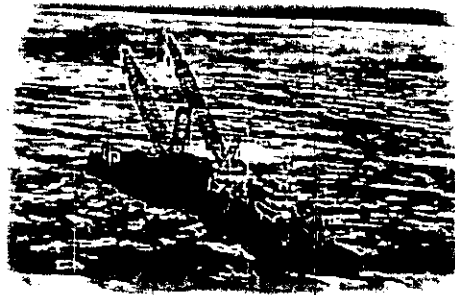


PREVENTION

Immediate Response Equipment



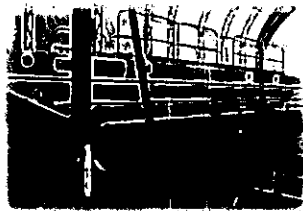
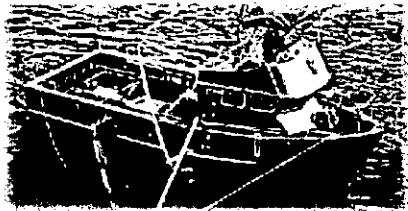
Nanuq



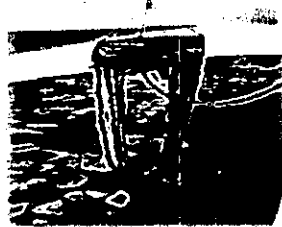
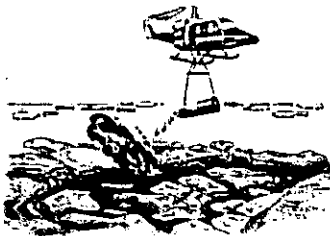
Arctic Endeavor



Arctic Tanker



Vessels Stored on Deck



Skimmers, Boom, Heli-torch, etc.