

ALASKA LEGISLATURE SPECIAL COMMITTEE/SUBJECT FILES 8672

2829 SCOMM 123 TASK FORCE ON MOTORIZED OIL TRANSPORT, 2000

assessment with the State throughout -- different areas of the state, we're looking at risk assessments, it's a very time-consuming process. We're going to do it for Cook Inlet this fall. And those all identify prevention measures. We've done things over the past. Just recently we did one, the last couple of years.

Jim Carter is familiar with Cook Inlet. Worked with NOAA and then several things. The senator has helped us get some land even to put in extra aids in navigation and what have you, with prevention tools. Captain O'Hara has been working a lot on that. So it's an ongoing process that we're continually doing on the identifying prevention tools. And of course Valdez has been going through that, too. It's a tough nut to crack in a short time frame. There may be some low hanging fruit, such as Tote's efforts to put double-bottomed, or protectively locate their oil tanks, as the senator mentioned. Those types of things, you could almost say the amount of oil that could potentially be spilled from that vessel goes down dramatically so now the exposure is down in here, which would reduce their rate, I would suspect. Those are probably easy things to incorporate.

Some of the other things may be pretty tough in the aggressive time frame you have here, but there may be some easy ones. And I can certainly, again, in response to your inquiry, I can provide that if you like, Commissioner, I can provide that. I know it's out there right now.

GENE BURDEN: Just to follow up or clarify.

Even though you achieved prevention credits under existing law, translating that into something that puts something back on the bottom line is virtually not possible because the participation in, whether it's Chadux or whether it's CISPRI or other organizations, is based on volume and other issues and the ultimate planning standard that's applicable in the area. So I think we need to be thinking a little bit out of the box on some areas that if you do certain things, be it best available technology or be it whatever, that you have some benefit that you can see that equates to savings. And if that means a longer period for C-plan review or something like that, there may be some other items out there that would be of some benefit to everybody, including the Department, if we can identify some.

COMMISSIONER MICHELE BROWN: Yeah, actually, I agree with you. I was having the same thought. That if the intention is you want to have prevention credits because you really want to encourage people to do that, but your response planning standard is already so low that you'd end up wiping off resources off the table, maybe there's other arenas by which that incentive can be provided. And I think as the group thinks through those kind of prevention issues, we ought to be looking broader than simply, you know, membership in co-op. We ought to be looking at other ways that it can affect the bottom line positively.

SENATOR DRUE PEARCE: One of the issues that

came up during session that was always a difficult one for the Department to try to lay out specifics but is one that has been dealt with in the crude industry, is what to do with the spot charter vessel that might come once and not be seen again, maybe ever, maybe once a year or something. How do you bring them into a system in an efficient and effective way? So I'm not sure whether that should have its own -- I mean, that was a big question mark. Whether it should have its own subsection, as opposed to the railroad, or whether it's going to just automatically kind of fit in the streamlined contingency plan process. But it is certainly one that has engendered more than its fair share of questions. The spot charter industry probably isn't as familiar with how the spot tankers are dealt with as, obviously, the oil industry. So some of those things that have already been dealt with under 567, I think we want to look at to see how they fit.

PAUL FUHS: I have something, and Gene brought this up, and that's what I meant by implementing this with the response contractors. We do a prevention credit, they have to say, "Okay, that means something to us and here's what we're going to do if you meet that." So it takes both parties working together if something's going to be done on that end.

Just for your information, some of the things that we looked at, and the correct language is "noncontiguous fuel cells." It's not a double-hulled cell or, you know, vessel or tank. You locate it so

it's not next to the skin of the vessel. Now, these guys give up cargo space to do that and they lose revenue every time they sail because they've done that. It's a cost factor to them.

The other thing, redundant propulsion and steering systems. Redundant and advanced navigation systems. Taking on marine pilots if you're not required by law to have them. Jeff and I have been working on this Marine Exchange Alaska System where you can put transponders on every vessel and on every response vessel so you know exactly where they are, so you can dispatch them or -- you know, I think that would help. Bow thrusters, anti-collision radar. You know, these are just some of the elements that I think would be advanced above and beyond you got to have a tow line and a pump on board the ship. That these would be some of the prevention credit items. And there may be some others, too.

COMMISSIONER MICHELE BROWN: And then what kind of incentives can be provided to encourage them.

KRIS MULLAN: I mean, some of that is going to have to be able to fit the whole industry. Like for our example, there's no reason for us to have a pilot on board, you know. And bow thrusters, I hope everybody over 400 tons has a bow thruster, except for barges.

PAUL FUHS: A lot of vessels don't. A huge number of vessels don't have bow thrusters.

KRIS MULLAN: Really?

PAUL FUHS: Yeah. Almost all the bulk --

RICK HARRIS: Most ships don't have thrusters.

KRIS MULLAN: Well, you're talking about 7 to 900-footers, right?

RICK HARRIS: Yeah.

KRIS MULLAN: Although, they've got a tug system (inaudible).

CHARLOTTE MacCAY: Again, though, the spot charters are different because if you have a fleet that's constantly staying within Alaskan waters, that makes sense. When you're spot chartering, where do you find your prevention credits on people who come once, maybe five times? Some do repeat a lot, some don't ever. Again, very different.

ERNIE PIPER: The other thing about prevention credits is I think over the last ten years we've seen a greater depth of understanding about human factors involved in preventing spills, whether it's railroad or anything else, or vessels. And it would be interesting, in thinking out of the box on prevention credits, to see if there are things that are not required by federal or state law that we can do in terms of best practices that further reduce -- you know, for the railroad, railroads are on the cutting edge of 19th century technology. We don't have the kinds of, you know, sophisticated mechanisms that you put on a locomotive that you could put on a vessel. But probably your most significant derailment reduction program is your training and best practices. So we would be interested in seeing

something like that as well. But I think that's also applicable to the marine industry as well.

KRIS MULLAN: You guys don't have radars?

ERNIE PIPER: We still have flags.

COMMISSIONER MICHELE BROWN: And that impressively annoying horn.

Paul?

PAUL FUHS: There's one more thing I think needs to be a section here we talked quite a bit about, and that is drills and exercises. Now, these are all going to be costs to the industry. What is the Department going to require for drills and exercises? And, you know, there are just a whole wide range of things, you know, table top or actually in the water. You know, simulations, that type of deal. And they're going to have a big difference in the cost. And I think a lot of people want to know what's going to be required there, and hopefully we can do a whole bunch of people at once so we all get credit for doing the exercise, and you consider the cost factors of drills and exercises.

SENATOR DRUE PEARCE: A lot of that is actually done, though, by the response action contractors by definition, and they're already doing them. There will be some different ones, certainly, because you'll respond in a different manner. But I know that they've all exercised lots and often. But it will be interesting for new industries to come in and be a part of those and see what they're like. It might be your

ship that gets picked to be the vessel that gets surrounded by the response action contractor and see how (inaudible) is part of that system.

DAVID OWINGS: We use the Coast Guard and the prep program. If you need a copy of it, I would be glad to -

PAUL FUHS: And I'm just saying there's also a cost associated with that. We tried to get an idea of the cost of the drills and exercises so we could get an overall cost to industry, and there was such a wide range and they said, "Well, we don't know what the Department is going to require of drills and exercises for this class of vessels, so we can't answer your question." So if we could answer that, that would really be good.

COMMISSIONER MICHELE BROWN: And I think, you know, it looks like we actually have serial decisions to be made almost more than thematic. Because, you know, if it ends up as we set the statewide standards or the implementation measures, and if the co-ops are going to be the main implementers and if they choose to accept that role and the costs are effective and all that, then the primary burden is going to end up falling on them for the drills. So, I mean, a lot of these issues are going to flow from what this group decides on how to implement the standards. Statewide, and then say, okay, what does that mean in terms of drills. Because it will vary, depending on the roles the co-ops ultimately choose to do here.

CAPTAIN ED PAGE: The National Pollution

Exercise Program actually drills each responsible party. But you're envisioning -- to my understanding, this bill is more like a response action contractor, kind of steps in the shoes of sorts, and that's the person most likely to be exercising that each responsible vessel party, which can be a very costly thing.

PAUL FUHS: Right.

CAPTAIN ED PAGE: But that's something certainly that needs to be addressed. I understand that.

SENATOR DRUE PEARCE: The whole system is a little different in that at least when you're dealing with SERVS, they've got the first 72 hours and then they hand off to the shipper, and so you're dealing with the crude shippers who bring in all their own personnel and equipment. And in this industry, we would expect the response action contractors most likely to come in from the beginning and then they're there. So they are the responder and they continue to be the responder. They don't back away like a SERVS does and hand off to the responsible party.

COMMISSIONER MICHELE BROWN: And I think as Larry said earlier, at least during session it was our vision that we're not growing a bureaucracy here. So we want a streamlined contingency plan process, and we're not going to have staff doing 100 new drills a year. So we didn't envision this being an aggressive drill program like that. Our main goal is to bring these

vessels and the railroad into the safety net, not to create an enormous structure.

SENATOR DRUE PEARCE: The other thing is, the Legislature at least worked through this, and I know as the Department did, too, this state already has more spill equipment than any other -- certainly any other state on earth. We have more in Southcentral Alaska than any other single place on earth. There is no reason to recreate more warehouses where they're not needed. We have some areas of the state that may need some specific things. I can't imagine anything that one can't buy virtually off the shelf these days. But this is not something where the Department wants to create new depots of tons of equipment and people that have to try to keep them going. That's, frankly, why the response action contractors have sprung up. They've got the equipment, they have go teams and they go to, by definition, where they need to be with equipment and personnel in hand. It's more efficient in a lot of ways than having SERVS sitting there just kind of waiting around. Although, that's a whole different setup for the industry.

So we've already got a lot of efficiencies have been built in for the non-crude carriers for carrying petroleum products, and it's in no one's interest to just have more equipment sitting out in some unknown place in some lost warehouse and then we all forget where it is, forget how to use it when and if it's

needed to respond.

I've never envisioned that we're talking about a lot of additional costs in terms of purchasing equipment, other than there may be some -- certainly during discussions during session we talked about some need of some sort of probably single but fairly large, more like a Trans Rec size skimmer for Southwest Alaska. But I think everybody on the petroleum side has seen that coming anyway. And so sooner or later that will be deployed somewhere out there.

COMMISSIONER MICHELE BROWN: I think that's true during session. I mean, the sense was that there is an enormous amount of equipment; how do we now make it available to anyone who may need that, as well as the expertise to deploy it and get it on site and operational quickly. As well as more equitably spread the costs around and provide the co-ops who are willing, assurance that they're going to get paid if they respond to an event in their region. So you're absolutely right; I mean, no one was looking at a massive expenditure of funds for equipment.

SENATOR DRUE PEARCE: There is also a lot of research that's been done since 1989, whether it's burning of product on the surface, broken ice response measures, bioremediation, what works, what doesn't. That we know a lot more about how to respond than we did in 1989. We don't need to reinvent any of those wheels either. And so we're building on a base of expertise that should make our efforts, and certainly the efforts

of figuring out -- you know, it's interesting because we're sitting here and we're not fighting over how clean is clean, we're not fighting over what does "contain" or "control" mean. We've kind of moved on into, okay, how do we do it in the most efficient and effective manner. I got to tell you, we've come so far since 1990. And those of you who are just now being brought in under this big tent or the umbrella, it may seem very new to you; but for a lot of us, at least we've gotten through most of those and we're moving forward, and that's actually real good to see.

COMMISSIONER MICHELE BROWN: On that note, why don't we take the break that we've got scheduled here, and then come back and try to figure out how we move forward and solve this last piece.

(Short break in proceedings.)

COMMISSIONER MICHELE BROWN: Thank you, everybody. Are we all ready? We've got most of our Task Force back.

The first thing I want to mention is people in the back of the room are having a hard time hearing, so those of us at the table need to yell. Is that better, Susan?

SUSAN HARVEY: Yes.

COMMISSIONER MICHELE BROWN: Some of us have a hard time with that.

The other issue I just wanted to lead off with is, I heard a number of discussions at the break of the

fear that the response plan standard of 15 percent in 48 hours is impossible to meet in Western Alaska. And I just want to reiterate what a response planning standard is. It is not a mandate that you be out at a certain -- you know, the site of this spill within 48 hours or else. What it is is basically a check on the agency, really. It gives us guidance on when we're approving a contingency plan, we have a standard of how much equipment do we need to be looking for. So that we know what needs to be the best plan to be able to give you your best shot at tackling 15 percent within 48 hours. If there's a weather problem or something that prevents you from being out there, it doesn't mean you're in trouble. It is literally what it's called, a planning standard, so that when we review contingency plans we have some basis to determine how much equipment is necessary. And so I just want to say that because, you know, we've talked a lot about that during the session, but I still hear that people are saying it's absolutely impossible in some areas to be out there in 48 hours. We're talking about planning here to give us the best shot at trying to be quickly on site wherever there's a spill.

Larry, you had one other technical.

LARRY DIETRICK: Just a follow-up on that. The current law actually distinguishes between a planning standard and a performance standard, and that's what Commissioner Brown is getting to here. The planning

standard is just that. It's the standard equipment that you plan and design to have in place ahead of time. If you can't get out there when an actual spill occurs, within the 48-hour time frame, are you held to that as a performance standard? And the answer -- you know, because the weather was bad or the waves were big, or whatever; and the answer to that is no. And they made a very clear distinction on that back in 1990. So I think that's a good point to clarify.

The other thing here, just a technical thing, I understand some of the copies -- we had extra copies of the bill in back there, and I guess there's a bonus for those who forgot yours and picked that one up, because apparently that one has a copy of the King Salmon Landfill Remediation Plan on the back. So if you're one of the ones that needed the extra and didn't bring it, the collating job there goofed up a little bit.

COMMISSIONER MICHELE BROWN: We will accept comments on that, however.

LARRY DIETRICK: I apologize for that.

COMMISSIONER MICHELE BROWN: Well, to bring us back, I hope people have been having good conversations at the break. The reason why we wanted to talk a lot about how to get organized is because these issues are not linear. They're chicken and egg issues, you know. How much equipment do you need to meet the response planning standard, and what's it going to cost? And you can't know what it's going to cost until you know how much you need. So you've got those circular things.

But the primary interests that I'm hearing raised are people wanting to be involved in actually setting what that RPS is. We have the level, but how do you implement that RPS in the sense of what equipment is currently available, what equipment is still needed in particular areas of the state, if any. How would people be able to access it. What roles are to be done during a spill response. That's one area of issues.

And the second one is the prevention measures and credits that a number of people have talked about. Some of the other issues like streamlined contingency plans and what kind of inspection authority, things like that will, I think, flow really after we hone in on the implementation of the RPS and prevention.

And the thought, to help give us a little better sense of maybe some ways to tackle those issues, I was going to ask Lee if he'd be willing to share his experience, because he's been through this hot and heavy for the noncrude operators, who have many of the same concerns and have figured out with us a way to get good coverage at a cost that's affordable.

LEE EGLAND: Sure, I'd be happy to.

I'll try and keep it brief because I can get into this in great detail since it's been a big part of my life since 1991, when we started this endeavor. So I'll try and hit the high points, and then certainly once I get done if anyone has any questions, I'll try and answer the question. I don't know if I've probably

forgotten more than I remember, since there's been so much work that's been done on this front since early 1991, when we formed the Alaska Petroleum Distributors & Transporters group, of which, you know, Captain Ed Page was directly involved with after we got the program nod from U.S. Coast Guard headquarters back in Washington, D.C. And then at that time we also worked with ADEC, as well as some local entities, to present the program, and kind of got the wink and the nod to implement the program. But it was real clear early on that when we looked at the OPA 90 requirements, that the tank barge industry operating throughout the state of Alaska, there was no way that we were going to be able to comply with those requirements, just because of the sheer geographic area involved in trying to meet those strict planning standard requirements, it was just not feasible.

So, we set out on this endeavor, we put together an ad hoc group, we had numerous meetings, we used a lot of existing materials such as the Arthur D. Little report, looking at different regions of the state, where did we transit, where were some of the higher risk areas based on environmental sensitivities or the amount of product that we transfer. And we put together our first alternative compliance program, and it was based on three primary elements, two of which were really I think what we were talking about here earlier, was, you know, prevention credits. And that was one thing that the Coast Guard, right from headquarters on down, were really key to us

implementing, and that was reducing the risk of a worst case spill, just because of the areas that we operated in. I mean, very remote, almost inaccessible at times.

So reducing the risk of a spill, or prevention, was a key component. And there was many aspects of that, and I'll just kind of summarize them briefly. For example, we committed to these elements back in 1991, which are somewhat the industry practice today. But just going down the shopping list real quick. By reducing the risk of a worst case spill, we committed to using only twin screw tugboats when we're towing our barges coastwide. We committed to putting in emergency tow wires on our petroleum barges. Retrieval hooks on our tugboats for picking up petroleum barges, you know, if we broke the tow wire. Which also required, you know, training, for the individuals that were involved with that. And a very strict tow wire maintenance and inspection program for our tow wires, because we know that that tow wire was the most important link between the tugboat and that barge, other than the personnel, that, you know, we got to make sure that that piece of equipment is top notch and always in ready state.

As part of that reducing the risk, we also committed to increasing the on-board response capability. At that time prior to this we had contingency plans in accordance with the State requirement, but we kind of went one step further and we said, okay, we're going to make our vessel personnel,

now we're going to make them the first responders.

We're going to increase the on-board response capability to be the immediate responders because of where we operate. And what went along with that is we were going to carry sufficient equipment to meet -- and this was a Coast Guard term -- to the maximum extent practicable, the maximum most probable discharge planning standard. That is the volume of product that you were required to contain, control and pick up within the specific time frame. We said that we were going to have containment boom on board the barges that was at least three times the length of the barge, so as we could contain a spill and/or use it for protecting environmentally sensitive areas.

We also had, we put on board skimmers with a capability of recovering that maximum most probable discharge planning standard volume that we were going to meet. We had on board, placed on board self-contained portable lightering pumps for removing product from damaged tanks. So if we had a hull fracture, we had a portable pump of sufficient size to offload a cargo compartment within 24 hours, which was, you know, a Coast Guard standard, to hopefully an acceptable receptacle. Whether it was, hopefully, a tank on board the barge that we might be able to move it to or some other particular barge.

And then also, what goes hand in hand with all of this was the appropriate training for the crews to deploy the on-board equipment, which really was pretty

significant, because now we're talking about meeting all the OSHA standards. So we had to have all of our vessel personnel, and this is ongoing, you know, trained to Hazwopper technician level, with the refreshers and PP and the whole nine yards. So that was reducing the risk or, you know, getting back to the prevention credits.

The third element was we committed to increasing our shore-based response capability. And we were going to do that by, A, participating in SEAPRO, the Southeast Alaska Spill Prevention and Response Organization. And then we're going to increase our shore-based response capability outside Southeast Alaska by pre-staging equipment in Anchorage, Kenai, Kodiak, Dutch Harbor, Valdez, Cordova, and stockpiling additional equipment in Anchorage, so that we had a first strike capability in these remote locations, and then followed up by bringing in, you know, a larger equipment cache from Anchorage.

As a result of that requirement, that's where the Chadux Corporation was born. Back in 1993, once the program was finalized, I mean we started this, the Chadux Corporation, with three members, a part-time general manager, who is here today, did a fine job, I might add, and, you know, was envisioned at that time it was going to be -- we got a bunch of Conexes out in all these remote locations and everybody's going to have a key to it and if you have a problem, you're going to go open the door and deploy this equipment. Well, that

kind of changed rather rapidly based on the need, and not only of ourselves at that time but additional members that were continuing to be more so force fed into the Chadux Corporation as a result of the regulations, quite frankly.

The Chadux Corporation grew from four members to, like Bob mentioned, the 15 and 18, respectively, and that alternative compliance program is ongoing. It's something that in 1995 we obtained a reapproval for that program, which basically reinstated that we're going to maintain everything that we had currently in place, and we are going to increase those response capabilities as well as the prevention type program elements that were in place. More or less all of the same, so to kind of save you all the detail.

In 1997, we worked with both DEC and the Coast Guard to develop an industry agency partnering agreement and put together a work group so that we could come up with a final compliance program. Because what we were faced with is that every couple of years, as an industry group we were saying, okay, well, we've met the initial alternative compliance, and it just seemed like the limbo barges kept getting ratcheted down to where we needed to come up with, both I think from a regulatory and an industry standpoint, of how do we kind of get to an ending point so as it meets the regulatory community, the local community needs, as well as our own, so that we could make this a very meaningful process. And that's where it took some time to put together a

partnering agreement, where everyone formally signed the document, and then renegotiated kind of a final compliance program which basically adopted all of the program elements that were already in place, and expanded on them one more time. Which also included, you know, increasing the environmental management programs from a prevention standpoint. I mean, one thing that we all committed to do was to, you know, obtain some sort of ISO 9000 into a responsible carrier, certification so as that, you know, we're looking at the people side of our process to again help minimize the potential for a worst case spill.

Again, increased our shore-based response capabilities at key location hubs in select regions, in addition to what we currently had. And as part of that, also we developed a program to train and to exercise response personnel and equipment in those regions. So, for example, right now what we are in the process of doing is bringing those regions on line throughout a time period, which I believe is four to five years, after which, you know, we bring in a couple of new regions into this program and then the following year we do the training and drills. Which also, in those particular regions it's just not putting equipment out; it's identifying local responders that we can look to to be the logistics capability and the initial support to get our equipment out that will be located in those regions until we can bring in the Calvary from Anchorage

or wherever it may be with the additional support and equipment in order to meet the need.

But that program also included wildlife response capability, and manuals, similar to the type of things we're talking about, maybe identifying -- and one point I was asked at the break maybe to mention is that, you know, as far as a couple of areas of consideration for the group to kind of think about is to, A, stay focused on meeting what was talked about in the introduction. That is, the implementation of the response planning standards. I understand cost is a significant issue, and it always is. That's the driving force. But until we can identify how much equipment, where it needs to be located, and what other ancillary services are going to be required, are you going to be able to -- is anybody going to be able to come up with how much do we think an entity, whether it's a cooperative, whether it's a new private industry that may come into the marketplace, or a different industry group that may decide to do it themselves, to provide it, can even begin to get their arms around it.

So that's kind of just a real quick snapshot of what we did, and just again a couple strong advices that lessons learned through the process we went through, and it was probably going to be a lot easier, although it took a long longer, based on the time frame we have here, but we had a lot less people and interested parties that were, you know, involved with the process. But stay focused on what the main mission of this Task

Force is, and that is to determine how we're going to implement and achieve those response planning standards. Because if you don't, I can all but assure you, you're not going to get down the road far enough in order to meet your end goal. So that's just kind of a quick snapshot. I'm happy to try and answer any questions that anyone might have.

COMMISSIONER MICHELE BROWN: Thank you. That's very helpful. Questions?

KRIS MULLAN: What kind of product is that based off of, on your barges?

LEE EGLAND: It's all nonpersistent product.

KRIS MULLAN: You guys had all the deck space you needed, or a lot of deck space to keep equipment on board?

LEE EGLAND: That was a challenge for some of the operators that had smaller barges. They had to get pretty creative on how they were going to package that gear. But on the larger barges, it basically took a 20-foot container in order to, you know -- on the Crowley barges, it's 2,000 feet of boom, plus the skimmers, plus the anchors, plus the absorbent material, plus the PB and so forth. So it was a challenge

GENE BURDEN: What range of capacity did the vessels have, say from smallest to the largest that you're talking about?

LEE EGLAND: The largest barges are certainly the Crowley barges that had probably an operating -- the

largest operating range was about 135,000 barrels, to the smallest being, you know, some of the river barges that may be, you know, 1,000 or 2,500 barrels.

COMMISSIONER MICHELE BROWN: Drue and I were just talking before, people start getting nervous. The response planning standards are somewhat different, so that, you know, we're not looking at a system where you're going to have to have massive equipment on board.

KRIS MULLAN: I understand that.

LEE EGLAND: But see, what we ended up with here is an alternative compliance. Because while the intent is to meet the 15 percent contain, control and clean up in shortest possible time that we're talking about here, but from a Coast Guard perspective it is truly an alternate compliance, because we cannot meet the worst case discharge planning standards for the state -- I mean, excuse me, for the Coast Guard.

CAPTAIN ED PAGE: Not in the state of Alaska with the huge coastline. That was our challenge. Larry Dietrick was very involved in the process, and it's a good solution. I thought.

LEE EGLAND: The risk reduction measures I think that we took, now the history speaks for itself. I mean, knock on wood, we've been very fortunate, but we spent a lot of time, money and effort in order to get where we are today. And not to say accidents are not going to happen, but, you know, I think Paul's issue of trying to come up with some feasible way to -- and Gene's ideas of coming up with tangible ways of

identifying a means of recognizing prevention credits is important. But as Captain Page mentioned, it's going to be a very difficult animal to get your arms around, because the co-ops today are not geared towards identifying -- they don't want to be in the decision-making process of, you know, what's your RPS, what's your response planning standard volume today, is your, you know, your cost going to go up or down. So that's not the way they're geared to provide, you know, fee structure for their membership. Not to say that it can't be done, but it's certainly, it's a change in the way that they would have to do business. And I'm fairly familiar with most of the cooperatives. Lower 48. And I'm unaware of any that offer a reduction in your costs as a result of prevention credits. So that's going to be a challenge. But I think it can be met. I think there's some other potential creative ways that you might be able to recognize those measures in order to give them some incentive, because it's very important.

CAPTAIN ED PAGE: I think as a practical matter, in most cases we've been using that equipment cache -- and the senator knows very well, and the commissioner -- the equipment that's been cached by the oil industry has actually been used by the non-oil industry when they have oil spills in most cases. In not all cases is that equipment in the right place. For instance, if you don't have an oil barge going to Seward, you have bulkers and other vessels, there's no

equipment provided in Seward. Another problem, as Bob and I were discussing, in some cases -- in most cases -- your equipment is geared towards nonpersistent oil, while some of the larger vessels being persistent oil. So these are some of the issues that we'll have to work around and discuss at the next couple sessions. It's Rubrik's Cube.

COMMISSIONER MICHELE BROWN: Yes. Paul.

PAUL FUHS: Could I ask a question, just responding to Lee in this. I know none of the other contractors have done it, but one of the things we're looking at here is, you know, your membership could go up very substantial. We're talking 200 or 300 more vessels, up to 400 vessels going into the system. So that should be able to help carry your administrative overhead, and if we don't need a lot of new equipment, it should result in some pretty substantial savings to your existing members. You should be able to lower your own fees to your tank operators through this. So there's some room in there to work with, where even you could end up with substantial savings. And if a policy we say we're going to go partly for prevention, that's what creates the space to do that. You'd still have savings. We don't know what those numbers are yet.

And that's one thing I wanted to ask the commissioner or Larry, how do you think you're going to go about this equipment identification process? You know, because that's the big question right there. We should do that pretty soon on, is just sit down and say,

I mean, preliminary discussions we had, Southeast looks real good, especially with the setup down there now with the tour boats coming in. Southcentral has a lot. We probably need a heavy oil skimmer in Dutch Harbor. Lee said that costs about 50,000 bucks. Roughly something like that, you know. But other than that, I mean, how can we determine that equipment issue? Because we've all kind of said this, but we've never officially put it on the record. If we can do that, say have persistent oil skimmer in Dutch Harbor fixes it, or something else, then we've got something to go by. So how do you see that process taking place?

CHARLOTTE MacCAY: And I see it dove-tailing into that, if from the response contractors we could get a preliminary proposal up front of what the costs would be, say just based on there is no additional equipment, what would the base be, so we would have something to work from that equipment would be incremental on that. If we could have that within the next month or so, that would allow us to have something to work with in this process. But if it stays to the very end, we really don't know what we're working around. Kind of an unnamed beast.

COMMISSIONER MICHELE BROWN: I think some of that is up to the co-ops and how much they're willing to provide. But, you know, again, it's a chicken and egg one. And also, I mean, although we all look to the co-ops as most likely the solution here, there are

market forces at issue here and the co-ops may compete among each other. There may be private people that want to come in, or maybe a certain industry sector says, "We don't want to deal with the co-op that is most like our region. We'd like to create our own response entity." So I think, I mean, while we want to cost it and we certainly need to know what it costs, we don't want to be preclude market options and the choice that any particular industry has of how they're going to compete. And so, you know, I think the focus, as you point out, Paul, of laying out what equipment is available, what might be needed in order to meet that RPS, and then people, you know, co-ops, private, anyone who wants to engage in this market, can start sharpening their pencils and saying, well, we could do it for this, we could do it for that. I mean, that may be a little simplistic, but at least that's the theory. Do people want to react to that? Larry, is that --

LARRY DIETRICK: Just in response to Paul's question about the equipment inventories. We've actually met with the co-op tankers who are all here today about the equipment, because there's actually a move, we're trying to find ways to pool the databases statewide on equipment so it's all in one. And there's actually, Alaska Clean Seas helped put together a proposal to do that. We're not quite there yet. So equipment in the state right now is in individual inventories. It exists and it's there. It would be a little bit of work, we just need to pull them together,

but that's a doable task.

COMMISSIONER MICHELE BROWN: Does that include equipment that's run in private companies, in the private response contractors as opposed to co-ops?

LARRY DIETRICK: I think so, to the extent probably any big capital items that are held by private response action contractors that they're representing to a regulated entity that this is part of their capability, then it should be included in the inventory. And, yeah, we should be able to assemble that. It would take some work and we would have to define some parameters by area or by type of equipment to break it out, but that should be something with some work we could get, yes.

PAUL FUHS: If I could also, one more thing. I know we talked a little bit about this, but I don't know if everyone else heard it or knows what streamlined contingency plan process means. Because we understand like for the tank vessels and crude operators, well, that's huge, your plan is what, a foot high or something? How long did it take to do Alyeska's? Five years or something like that, or more?

What the commissioner told me they were talking about, and I just want to put it before the Task Force here, is it would be fairly simple. Your contingency plan would be we're going to have the mandatory response equipment on board, an extra tow line or a pump or whatever; we're going to have a certificate showing our

financial responsibility; and we're going to have a contract with the response contractor of some type.

So this could be like a two-page document or something like that, to say we've got that in place. What that really simplifies is the inspection process. When you come on, a DEC inspector is not going to come on and say, "I want to look at your engine room and your rudder to see if your vessel is seaworthy." It's, "You said you got this tow line and pump on board. Where is it? Show it to me. Show me your COFR."

So I just kind of want to put that on the table so that people know what we're talking about here. I think people might be imaging a similar process to what oil companies had to go through. And if people could kind of understand that, I think that helps simplify things a lot.

COMMISSIONER MICHELE BROWN: And I think the bottom line is the goal is to bring the vessels that aren't covered into the safety net, but not to recreate the system that's already in place for the crude industry. Because that works for the crude industry, but it's not what we're looking for here. We don't want to see plans like this that are going to take us a long time. We want a very -- just like the goal is, if there's an incident from one of the vessels, you will immediately know who to call and kick into gear. We want it to be very simple from our perspective, too. We're not having a lengthy plan review.

Larry, do you want to expand on that?

LARRY DIETRICK: Yeah. I think the discussion coming out of the session last year, we ended up looking at essentially what Paul was saying, a four-part plan. Part 1, the other one was an on-board plan. And since the threshold of who was captured under the bill switched to 400 gross tons, it coincides perfectly with the requirement under international law when you have to have an on-board plan, or a SOPEP. And so it fit that kind of nicely. And a SOPEP is an on-board plan, but it doesn't require that you have contracted resources. So it's possible that the SOPEP plan would fit the shoe of having an on-board plan and not be a tremendous additional burden.

And then Part 2, basically an affidavit that you have the mandatory prevention measures. A certificate of financial responsibility. And then verification you have a contractual relationship to provide the RPS through a co-op, private, or industry co-op, new co-op, or whatever it might be. So very simple, very streamline. We even talked to Jeff Thompson about how to broker that and whether or not the existing infrastructure for spot charters could be used by capitalizing on ship's agents which, you know, for the COFRs they're coming in on, got quite a few that come in on short notice, and so can the ship's agent play a role here in terms of brokering then the acquisition of those approvals from the State. And we had some discussions on that. Jeff, I'd punt to you

there if you had any further thoughts on that aspect.

JEFF THOMPSON: Larry, thank you. I think it's going to be very important, particularly for those vessels that come off the world charter market on short notice, that there is a streamlined process that can be submitted to DEC and the State. Obviously, we feel, as vessel agents, because we're involved with the transactions of these vessels coming, leaving Alaska anyway, that we're in a good position to facilitate that process. Both from the financial responsibility standpoint application, as well as C-plan compliance. And I've been encouraged from the very beginning that as far as what I've been hearing from the Department is a template style plan that is broken down into parts that can be more or less prepared ahead of time; and then as vessels come into the system, they can be vetted very quickly. That information can be passed to your department. And then hopefully approved within a short period of time. And really just to -- we, from the very earliest indications of SB273, we felt that we were in a good position as vessel agents to really help with this process, both on behalf of our principals and obviously on behalf of the State. And I'm encouraged that I think we're working toward that direction.

BOB HEAVILIN: I agree with what Jeff said, and I certainly think that some of the co-ops have discussed that, and I know that amongst the board of directors for Chadux that's been discussed. And, you know, there's a way that you could probably qualify or grant some kind

of qualified membership to the agents who would in turn -- you know, you're the ones that know where everything's at, and somehow then I guess you would try to -- you would collect a fee and be able to remit that to the co-op for the area where the tramper was going to be transitting, and then there would have to be some type of -- we presently have response action contracts with all of our members, and I think the idea could be where we would have a response action contract through you that could then immediately be assigned to the company in the event they had a spill.

JEFF THOMPSON: Yeah. We haven't had substantive discussions along this. I know from talking to our own corporate attorneys, of course we're not looking to encounter more liability in this regard. However, we are in a very, very good position to augment this -- it's basically a communication process, and to notify our principals way in advance, and even to those principals considering coming to Alaska what the requirements are going to be and the procedures they're likely to follow. So that even if a vessel does come in off the top of the market in a three- to five-day time frame, which is very common, that there's enough notification and things in place that will accommodate that vessel trading to Alaska without a lot of delay or cost to that in complying with the legislation.

So like I said, we haven't gotten to the nuts and bolts of it as far as assuming the responsibility

and the liability as representing our principals directly in this regard with the T-Recs and such, but that's the next step for us, to look at our role in that and to obviously -- this is what we do as agents, is we streamline the entire vessel transaction coming to and from Alaska. So this just, it's very consistent with things we already perform.

SENATOR DRUE PEARCE: Do we have a good inventory of the vessels we're talking about? Because we're asking the SEAPROs and Chaduxes of the world to say to us what would this cost. It's volume based to an extent in terms of what the requirements that are in the law for the response planning standard. If we could even identify of the, I don't know, however many odd ships we decided we thought we were catching under this 400 gross ton definition, understanding that we're not going to pick up all the charter vessels. But when you go out and let a charter, when he lets a charter vessel for you, when you go for a charter you're looking for a specific kind of vessel that can fit the water conditions and the places that you're going to be bringing it to pick up whatever you're going to be bringing to pick up. Is there a way that we could inventory what we're talking about in terms of the vessels, how much fuel do they carry of what kind? Because I don't think SEAPRO, Chadux and the others can really start answering some of these questions until they know what all the vessels look like. And certainly the architecture on -- marine architecture on a cruise

ship is very different than some of the spot vessels that I've seen coming in and out of Dutch Harbor. Frankly, some of those are accidents waiting to happen. But, you know, I don't know who should be responsible for trying to pull it together. But until we have that, it's really hard for me, the nonmariner in the crowd, to conceptualize some of the differences that we're really trying to attack. And I don't know quite who should take that on, but I think all of us need to bring the information about our specific vessels as best we can so we know. Besides, what volume are we talking about? Because 15 percent of one of your ships is probably very different from 15 percent of, I don't know about one of Chadux's --

JEFF THOMPSON: Senator, if I may. This speaks to the two imperatives, what we're really talking about, and that is vessel types and trades.

SENATOR DRUE PEARCE: Right.

JEFF THOMPSON: And then the geography or regions where that's transpiring. And I've thought of this a lot, and trying to build models for myself and how I, as vessel agent, would deal with this on behalf of my principal. For example, I'm dealing with a charterer of vessels -- we're going to just build an example here, build a quick model -- that deals with fishery exports from Western Alaska. And this company is located in Japan and it charters ships on a time charter basis. Extended period. So these vessels are

going to come -- as opposed to a voyage charter or a spot charter, which is a one-trip deal. And it could be very easy to establish with that charter and that owner the protocols necessary for this.

Now, an example where they will go out and find another vessel to bring in, because there's more fish to take out, hopefully, or they find themselves getting more capacity. So we have a new vessel come in. How do we deal with that? Well, we've already established a couple real important parameters. Number one, we have established communication with the owner/operator charter. So that's a given. The thing that makes it even simpler is when you analyze a vessel trade and type, you have a roughly 5,000-ton reefer vessel with three to four hatches. You know this because these are the only vessels that are really suitable for this trade. So you already have more or less the physical parameters of the vessel type. And that extends right down to fuel capacities, within a given range, obviously.

And then everything else comes together in terms of your communication with the insurance carrier for the vessel, because the owner probably has already made those arrangements with the charter, and then pass that information on to me as the vessel agent, and then on to DEC as far as the proof of financial responsibility.

So, by looking at these in terms of vessel types and trades, it makes it a lot easier. Where it

becomes a lot more difficult, obviously, is when you try to go across those lines and you do try to somehow promulgate something that is going to be consistent with a cruise vessel in Southeast versus a fish vessel, fisheries tramper in Western Alaska. And that, what I'm hearing here at this Task Force is we're prepared to filter this information and to apply it as such. I'm confident we're going to be able to do that. Because once you are able to categorize these things, it gets a lot simpler. In the big picture of it, it looks a lot more complicated. Once you start breaking it down to vessel types and trades in particular, and then by region, I think we come up with some pretty manageable mandates here.

SENATOR DRUE PEARCE: You had to do some of that because you're doing different --

LEE EGLAND: Absolutely. But I think that information, Senator, I think is extremely important, that we're going to need to know that for three specific reasons. And they're different. A -- and I don't want to go here, because I've already said it, I don't think we want to go there -- is price. If you're going to look to the cooperatives after we define what it's going to cost to do it, somebody's going to have to put a pencil to what's the business aspects of the requirement? What's the market? Okay? And what do we reasonably think the membership is going to increase by to come up with what do we think the rate is going to

be? Because let's face it, there isn't any existing member of any of these co-ops that are going to want to -- the members are not going to want to offer this service to anybody if their price isn't going to go down. Right? So we've got to be able to define -- that's why this whole issue, what's it going to cost, is the chicken and the egg. Because it's not only how much is it going to cost; it's a matter of how far are you going to be able to spread the costs out? So it's not an exact science. So that's one reason I think ultimately that the industry is going to need to know.

But more importantly, from our perspective, from a response planning standpoint, we need to know where are these vessels going, how big are they, so we can determine where we're going to have to -- where's the holes in our safety net and what type of equipment are we going to need.

And I think, you know, Paul's done a pretty good job when we started this endeavor, you know, many months ago, about trying to figure out, okay, well, what's it going to cost, and we all put blindfolds on and put a dart board up on the wall and started throwing darts to try and figure that one out. And we gave it our best shot because we know how important that is. But I mean, we, as the co-ops, and I was working with the Chadux Corporation on that particular issue, we don't know, because of all of what was just stated. So, I agree, you know, the issue of where the vessels are -- and it doesn't have to be an exact science, but at least

forget the cost for right now, but to get to where we ultimately want to go with the first work group, which is defining the response planning standard, we need to know, what are we talking about? What's the locations, and at least what's the biggest vessel. We don't necessarily need to know how many. Right? I mean, it doesn't really matter how many. The pricing issue is going to be more of a how many issue. We just need to know where and how big, and what type of product.

CAPTAIN ED PAGE: Probably looking at port calls. Although transits in the Aleutians, but I think Sea-Land in some cases go to Kodiak and Anchorage and Dutch Harbor.

LEE EGLAND: Right, some of them are pretty clear. I mean, we've got a pretty good handle on most of them. But, I mean, where else? Sand Point? I mean, the Aleutians? I mean, where are we talking about?

GENE BURDEN: Just a question. Is that information available to somebody?

MIKE O'HARA: Yes, it is.

GENE BURDEN: Let's get that information and look at it.

COMMISSIONER MICHELE BROWN: I was going to ask Susan. She's made a fair start on a lot of it.

SUSAN HARVEY: We did some research with the Coast Guard, and the Coast Guard has a very extensive database of knowing that a vessel exists and the different categories. One of the troubles that we have

with the database is knowing how many port calls it makes and where it transits. We know a vessel exists. It may normally reside in Washington, but how often it comes into Alaska waters is not something that the Coast Guard tracks in great deal. So we have all the industry members here, we've got a great source of data and repository. I guess I would echo everyone's comments here that we do need a better database, and then all the people around the table that have that depth of knowledge and have their own databases, they could bring it forward.

We did use, in preparing some research for Senator Pearce, we also used spill statistics, is an area that we started to look at risk. We have a database that tracks all the vessels that have actually had spills, and looked at them and the category of spills that we were seeing as to what vessels are spilling in the state waters. So we have that database. We also have a fishing processors database. So we have a few things, but I think we could get a much more substantial database pulled together if everybody at the table could bring their own requisite data set and we can coordinate that.

MIKE O'HARA: The pilots submit a quarterly report to the Department of Commerce, been doing it for years. In the quarterly report it states the name of the ship, where it went, time of travel, who the pilot was. So all that data is available. It's all on computer, too.

PAUL FUHS: So, Mike, I mean like the Coast Guard data, they're going to show the ship clearing in Dutch Harbor and exiting in Dutch Harbor. It doesn't show where they were in the meantime. Your report would say --

MIKE O'HARA: Went to Shemya.

PAUL FUHS: -- it went to Bristol Bay and -- okay, all right.

SIMON LISIECKI: It seems if we could agree on, say Dutch Harbor was going to be a location where you're going to keep equipment, it would be pretty easy to find out what was the biggest ship that went there, and your response planning standards would determine how much equipment you would have to have there. Then later on when a ship's coming on a spot charter, it would report in and say, "I've got X tons of fuel on board." I mean, I think from an agent's perspective, it could be fairly easy to say, well, his fee would be based on that quantity. So I think the systems are in place. We have spill cooperatives, which I've been members of all up and down the west coast and, you know, those are created to handle the bigger size spill for that area. And ships that come just in a voyage basis, reporting how many barrels or tons they have at risk, and a rate is very quickly calculated, and the agent can handle that. So I think there's a lot of stuff that's already out there that we can --

SENATOR DRUE PEARCE: So the agents decide in

many of those cases what the cost will be for the single --

SIMON LISIECKI: Well, there will be a price sheet, and the shipper will report, "I've got a thousand tons or a thousand barrels," whatever their calculation is, and the agent will say, when he's asked to calculate for the voyage, the voyage costs for the owner, he'll say, "Well, you have approximately a thousand tons, then you'll need \$500, or whatever that number is, for spill response."

JEFF THOMPSON: And again, just to reiterate the point, because these vessels are very consistent in terms of their physical size and details, and given the vessel type and trade, it makes it a fairly easy process to at least estimate, until we have all the details, so that we can for planning purposes, the vessel voyage planning purposes, can advise the charter and the owner what to anticipate in terms of meeting requirements.

CHARLOTTE MacCAY: However, we still have those areas where you really don't have coverage as far as spill response. For Red Dog, we have contractor agreements, but that doesn't necessarily mean they can access in any sort of timely manner. Depending on weather.

SENATOR DRUE PEARCE: Crowley must have some sort of response capability up there.

CHARLOTTE MacCAY: Well, we have private, or on-shore. We've always supplied our own for on-shore. But I don't think that you have response contractors,

and I think that's a Northwest issue, not just for us. I mean, we may be better equipped than anyone else who might pop up in the Northwest in the future. But I'm not sure you have --

BOB HEAVILIN: Is that Cominco?

CHARLOTTE MacCAY: Yeah.

BOB HEAVILIN: Okay. Cominco, now, is an associate member of Chadux.

CHARLOTTE MacCAY: I know that. But that doesn't necessarily mean you have equipment nearby. Do you?

PAUL FUHS: Nome.

LEE EGLAND: Soon.

CHARLOTTE MacCAY: Nome, soon. But that isn't that close by.

LEE EGLAND: Well, again, I think we're going again chicken and egg, because again it's the whole issue of, again, getting back to where are the locations we think are at greatest risk that these vessels are transitting that we're going to need to provide a response capability, and how big are they. Not necessarily, again, other than a cost issue, how many voyages they're making. Because to me, you know, going through this for a long time, you know, determining the response planning side of it is the easiest part. Once we can get past, you know, all of the peripheral discussion about how much is enough, we just need to figure out where do we need it and how much do you have

to have? And most of it is already out there, so -- or it's planned to be out there sometime in the near future, which has been already approved. We're not talking about reinventing that wheel, right? So that's already there.

So then all we have to do now is build on that program that we're expanding out into Western Alaska, and say, okay, here's where there aren't hubs or depots going to be going into, and here's the reason why we think we need to have an additional depot in a given location, and/or these are the depots that are out there and here's the additional equipment, whether it's a persistent skimmer, whether it's another boat, whatever the, you know, this shortfall that may be in the safety net is determined as a result of the fallout of how much is enough.

COMMISSIONER MICHELE BROWN: Or alternative compliance.

LEE EGLAND: Exactly.

CHARLOTTE MacCAY: I guess what I was trying to get at is, are we sure we're allowing for expansion within the industry in those areas. I mean, I know Cominco and Red Dog is covered, but what that means in the area if you're someone else. It may not be the same for a smaller operation in Northwest Alaska. Are we looking to make sure we have coverage beyond what it is today because the regulations won't apply to them? Does that make sense? No.

LEE EGLAND: Yeah, I think she makes a good

point. But again, I think it gets back to where are these vessels transitting. I mean, where are they going today? And maybe there's going to be some expansions in some of those out-port areas. Is that what we're talking about?

CHARLOTTE MacCAY: I think we need to allow for that. I think we're focusing on today, which is good and important, but I don't think we should do it to the total exclusion of watching what might be coming in.

LEE EGLAND: Right. Well, for example, what we did with our approved plan, I mean there's a pretty strong caveat in there that says this plan is approved based on the regulations and what we know today. You know, if for some reason we have another major oil spill and additional regulations are imposed, you know, this goes out the window and we kind of start from square one. But I think it's a very valid point that we need to be aware of, that we're talking about today, and who knows what tomorrow is going to bring.

GENE BURDEN: On the other hand, I don't know that it's going to be real practical or very productive to try to get too wrapped up on how you address future economic developments in a particular region. If Chadux or CISPRI have a new member come in that represents some unique characteristics, then you have to change. You have to add some additional equipment. Or if you have a major development in Northwestern Alaska, you have to do something about it, and that's sort of a given.

COMMISSIONER MICHELE BROWN: Well, we've got 15 minutes before we need to start the public comment phase. You know, what I'm hearing in terms of work groups is the RPS implementation is obviously the big ticket item. I've been taking a lot of notes, as I know my fellow members of the steering committee have, on the kind of information that people need to do their work. The question is what other -- before I pin the tail on the donkey for who is going to chair the groups, what other work groups are we looking at?

We certainly heard a lot of discussion about prevention measures and credits. That's going to require a fair amount of attention. And then we've also heard about the streamlined contingency planning. I think inspection is really a subset of that. So, you know, do we want to go with those three work groups, or do we want to just tackle the implementation first and then go on to these other issues afterwards? But again, remember we only have several months here. We don't have a number of years to put into this. So how are people feeling about that?

CHARLOTTE MacCAY: At one point you suggested the possibility of a subgroup for the spot charters, and I think that would be important. We have some very unique and different issues that we need to address.

COMMISSIONER MICHELE BROWN: Would you want to do that before some of these implementation issues are hashed out; or after some of them are, then you want to make sure that makes sense for the spot charter

industry?

CAPTAIN ED PAGE: I would suggest, I think divide and conquer those three groups you discussed, and then you get more of a foundation of -- more of a straw man of what we envision as far as vessel activity, the type of response capability you want, also looking at prevention tools, and then you can refine and take into consideration the spot charter, how it impacts them. That sounds like the right road map to in my mind. Right now it's a little overwhelming, too many things. You really have to know each one of those pieces to come back again with more information.

COMMISSIONER MICHELE BROWN: What we talked about earlier, we need to run a lot of this through separate filters after you lay out that straw man, so you can see if it really makes sense in these different scenarios.

CHARLOTTE MacCAY: In some ways that makes sense, but also in the time line that we have, maybe it needs to run somewhat concurrent. Because I'm not sure we have time to -- in that time it will actually get settled enough that we'll still be able to go back and take time with it. But I think if there was a subgroup that concurrently met and set out, these things that were discussed at this meeting, how do they affect us, what do we need to do?

GENE BURDEN: One other possibility. If you look at implementation and response planning standards,

with the size group we've got here, you could very easily have one or two people within that group working on spot charters as it relates to response planning standards or other categories. But then you would be working, interchanging that information --

ERNIE PIPER: I think as anomalies come up, you can farm them out to the most knowledgeable parties.

GENE BURDEN: In the particular group.

ERNIE PIPER: Yeah.

GENE BURDEN: I do, too.

COMMISSIONER MICHELE BROWN: And I think part of your role as Task Force members is to be constantly talking to your counterparts so that you're bringing to the table those issues, and so that you can be telling us in terms of materials needed for preparation in this group, what kind of information we need or what issues need be queued up. Because each of you represents more than just yourself, in many ways, and so you will always be having those discussions to make sure that you are fleshing out all the issues that need to be taken up.

SENATOR DRUE PEARCE: I think, too, the response action contractors can't really respond to the implementation of the standards overall unless we keep the discussion focused on all of the groups. And I think you're right that we kind of within the overall discussion talk about the spot charters which are unique as part of that. But I can see that the RACs really can't respond on all the questions we're asking them to help answer unless we've got everyone going down the

same path. At least until we get through that discussion. Because we're asking them to supply a lot of information back to us. They are nonprofits. They're not State agencies, they're not State entities. But we're going to be very dependent upon their participation and ability to help look at these issues and how would they respond and how can they help fit what we need to do to meet the planning standards.

ERNIE PIPER: I think the other argument for the nonsequential approach to this is a practical one for the contractor, having been there. He's going to have to start framing his report almost from the beginning, so there needs to be work being done on all three fronts as we go.

DAVID OWINGS: Now, when we develop our plans, we work off scenarios that we develop, and I think that would help us in how to get to where we want to be. If we can find out, as Lee said, what's the biggest ship, what kind of fuel is it carrying? If we can agree upon a scenario and then we can use that as a mechanism to determine what equipment we need, I think that would be helpful.

COMMISSIONER MICHELE BROWN: Larry, do you want to weigh in on the work groups? You and your staff are going to have a hefty burden here.

LARRY DIETRICK: Yeah. I think earlier you said RPS, implementation. And I think I heard you say prevention measures, and then a streamlined contingency

planning group.

COMMISSIONER MICHELE BROWN: I was throwing that out for discussion. You don't have to take that as --

LARRY DIETRICK: I think it's on the table right now to fine-tune it. Certainly, the RPS is the big one, and I think that would be amenable then to within that group talking spot charters; and the other one I haven't heard yet is I think the fishing vessels would be another subgroup within that. I'm not sure if there's a -- and I think railroad certainly would be a unique industry category in there. Whether or not we would want to do cruise ships or something else. But I think the work group would probably flesh that out. But certainly that, to me, is the premier group to get launched right now.

To me, the streamlined contingency plan, once we figure out how to meet this, whether it's going to be through co-ops, or individual companies want to do their own thing or not, I think sorting out the C-plan thing is the third thing in the row and could come later and be more rapidly sorted through once the RPS issue is -- we make some progress out of it.

And then I think prevention measures is the other key item, because to me prevention measures are kind of complex because I think they're going to be unique to vessel type to some extent. And clearly, to me, the energy should go in the RPS at the outset here. The prevention measures is tricky because I have yet to

figure out, if you're not going to make them mandatory and just require them, our efforts to try to create incentives to meet them in the past have been met with differing degrees of success.

We were talking on the break, and I'd just point out that Captain Page and the Coast Guard, in the prevention measure arena, is having a similar problem with like charter boats. In other words, we have charter boat incidents, so how do you get these guys to pull in additional prevention measures on those boats to prevent incidents? And he's using the incentive approach, and I think it's something that the Task Force might want to consider. If we can't come up with a unique way to encourage people to invest in this, as certainly a recognition or incentive approach in putting a set of standards out there that's a goal for industry to strive for, and have it be there just based on its own merits has value, and perhaps not going any further than that other than to recognize that a boat is achievable. I don't know, that's a hard one. But I'd vote for RPS and getting started on prevention measures, I guess.

COMMISSIONER MICHELE BROWN: Mike?

MIKE O'HARA: I was just thinking of prevention measures and the credits. If you take a cruise ship with integrated GPS radars and, you know, a zillion communications; and you have a tramper. And you'd say, well, okay, if he gets another radar on this tramper,

he's doubled his safety -- and, you know, but these cruise ships are top of the line. This credit is a tricky situation.

SENATOR DRUE PEARCE: Or a radar that works.

MIKE O'HARA: Or a radar that works, you bet.

CAPTAIN ED PAGE: There's a lot in place right now, but admittedly there is a big disparity between a cruise ship and a 25-year-old tramper, no doubt.

COMMISSIONER MICHELE BROWN: So what's the feeling in the group? Do you want to start with the really big ones and then later pick up the streamlined contingency plan, the mechanics of how we actually put it all in place, or do you want to start with the three? What's the preference of the group?

CAPTAIN ED PAGE: I like the two.

SIMON LISIECKI: Just the two.

COMMISSIONER MICHELE BROWN: And then in terms of how they'll operate, you know, we really haven't -- and we don't have the facilitator on board to sort of help us yet figure this out, but loosely we were thinking we would get some chairs who would then work with us and the facilitator, when the facilitator comes on board, to get all the information in place, and then just set meetings and folks come to these meetings and start working the issue. I think it's my sense, and I'd like to see what you all think, that because there are so many people who wanted to be on the Task Force that couldn't, that we would gain by having them participate in the work groups. And so I would like, you know, it

would be my preference to have them be very open. But we do need some continuity, meaning some chairs and some Task Force members who routinely stick with it. So I'd like to throw that concept out for how you want to proceed, and certainly hear offers to be chair of the groups.

PAUL FUHS: I'm really interested in the prevention issue, and I'll keep at it until we either figure out a way to do it or know the reason why not.

LEE EGLAND: Sounds like a volunteer to me.

CAPTAIN ED PAGE: Chairman Fuhs.

COMMISSIONER MICHELE BROWN: And the second voice sounds like a really good volunteer for the RPS.

LEE EGLAND: It was not a voice of a volunteer. It may be better suited by getting someone else who is a little bit less involved with this, so they have a better, maybe a more open approach to the process.

COMMISSIONER MICHELE BROWN: Well, I thought we should have co-chairs. We'll give you a co-chair.

Larry, did you have any idea about how the work groups would best --

LARRY DIETRICK: Well, regardless of how we head them up, if it's Paul or Lee or whoever, I think we're committed to making it as easy as possible for whoever is doing it. So any of the work groups will be -- I mean, we'll work with the contractor to fully facilitate those and support them, do the documentation, and support with the research stuff. Appreciate

everybody's time and schedule here, so I think that's our obligation, is make it very, very easy and take care of all that work, so that you all can show up, put your expertise on the table and leave type of thing. We'll try as best we can to do that, for sure.

GENE BURDEN: Michele, I'll be happy to be co-chair of one of these, but I'll be gone for about two and a half weeks.

COMMISSIONER MICHELE BROWN: I don't see any reason why you can't give up Kilimanjaro.

CAPTAIN ED PAGE: Where are your priorities? Just another mountain.

COMMISSIONER MICHELE BROWN: All right. Thank you. So others of you, as you think about it, want to do it, please let us know. We will be working with the facilitator to get this going. And also, as you think about the groups that you want to be participating in, or as when the groups report back to us, as Task Force members, what kind of information you think you're really going to need, please let us know so we can start putting all that together and working with the subgroups.

GENE BURDEN: I presume -- there's been a number of requests for information generated today, and those have been probably noted, hopefully.

COMMISSIONER MICHELE BROWN: I'm keeping a master list.

SENATOR DRUE PEARCE: Susan is going to be in charge of trying to put together a list of the vessels

we're talking about, vessel type and trade, and where they go and how often.

SUSAN HARVEY: A lot of the information is going to be coordinated by the facilitator. Once we get the facilitator on board, they're going to be the central repository for all data collection efforts. Right now we're going to be cataloging a list, as we are doing today, of data requests. The facilitator needs to get back out -- and will be on board here shortly -- pointed requests to the individual members, like folks who will have data on vessels, and then coordinate that. They're also creating a web site, so hopefully any kind of database collection can be accessed right through the web site once they get that up and running. So I think that's how we'd envision it all working.

SENATOR DRUE PEARCE: Great. For those of us who aren't mariners, and I expect for the public, in terms of the web site, when we get the information that Captain Page agreed to provide about the federal requirements, and even whatever international requirements are out there, it would be useful for those also to be integrated. But I would also like the contractor to, at least within Washington, Oregon, California, at least be able to get the high points of the requirements already for the vessels that do coastal trade, you know, so that -- one of the things we tried to do with the bill that's out was to make our requirements not totally unique from what ships that are

also trading in Puget Sound or down the coast have to meet. So that you don't spend all your time, as a ship owner or an operator, spend all your time trying to figure out, "Okay, what change, as I came across this border, what do I have to do differently here than I did there?" We want to keep our eyes on that as we go through the process, and so we should have that information as best we can.

I think there's probably a lot of expertise at the table here in terms of what some of those requirements are that goes far beyond the agency.

SUSAN HARVEY: We did a substantial amount of research during the bill, and when the facilitator comes on board one of the very first things we will do is hand over -- we did a lot of research on the western states and their requirements, their regulations. So there's a lot of knowledge out there, there's a lot of briefing documents, and we'll make sure that they have that in their hands and it will be accessible to the whole Task Force.

JEFF THOMPSON: Madam Chair, I'd just like to, as a suggestion to the Department, for another source of information, is that the Census Bureau collects what are called Shipper's Export Declarations, which will probably give you -- it would be an excellent index as to the number, quantities and types, very specifics, types of exports from Alaska. Obviously, this doesn't speak to what comes into the state. But as far as Western Alaska fisheries, it gives all the information

as to quantities, the types of fish, the location, and where it's shipped. So it's another good source of information for that, and it would be very easy to class ships according to that information.

SENATOR DRUE PEARCE: When you said Census, did you mean Customs?

JEFF THOMPSON: No.

SENATOR DRUE PEARCE: Census?

JEFF THOMPSON: Customs collects the SED. It's called the SED in the business. It's the Bureau of Census that actually -- and then that information is given to the Trade Department.

SENATOR DRUE PEARCE: Just to give them something to do the other nine years?

JEFF THOMPSON: Well, the interesting thing is, SEDs used to be considered something you did. And we had a trade mission over, I think it was either in Taiwan or Japan where they exchanged trade information; because the SED information was so faulty, the president himself made a new mandate that SEDs had to be accurate. So the last three years or so, it's been excellent information as far as what's coming out of Alaska and being exported. And from that you can usually extrapolate, you know, where the activity is, and then draw from that the types of vessels that are doing it.

COMMISSIONER MICHELE BROWN: That's great.

CAPTAIN ED PAGE: We were developing that -- Jeff and I were talking at the last group of meetings to

provide information. Almost the top of your head, you almost have a 90 percent understanding of how many large, major ships pull into Dutch Harbor. They're all required to give advance notice of arrival through the Coast Guard, so there's some records we can pull from that. We know the size, the fuel tank capacity. We know which ones are double-hull, which ones aren't, or at least don't have oil tanks contiguous to the hull.

And probably the ones that are more difficult, probably the fishing vessels, recognizing they ply around the coast and they have different roadsteads, and they give one advance notice of arrival when they're cruising up and down the coast. The fishing industry has a great grasp of which vessels operate, and the size. I don't think it's that heavy of a list. I think most of us know, it's just that each one of us tend to know a little segment of that industry. Ernie knows where all the trains go. I don't have a clue where the trains go.

ERNIE PIPER: Fairbanks, mostly. Then they come back.

CAPTAIN ED PAGE: I haven't seen one in Juneau yet.

ERNIE PIPER: Go to Seward sometimes.

CAPTAIN ED PAGE: But we can put that together.

GENE BURDEN: One other request. Could we get a list of all the participants: name, address, phone, fax, e-mail?

COMMISSIONER MICHELE BROWN: Yeah. We'll do

that. And as you think of other things, let us know. It is amazing, when you get this incredible experience and knowledge base here, what we're going to find out. You know, if we'd work with the facilitator and put together the matrix, then have you spell some of these things out, it will be amazing.

Anybody have anything else to add on the work group structure? I think we're pretty set.

JEFF THOMPSON: I'd volunteer as a co-chair for the streamlined contingency plan process once we've gotten through -- I think what I'd like to do is maybe work with one of the other groups and then move on to that. That's something I've been thinking about, of course, from the vessel agent standpoint, being sort of the center of that communication flow already.

COMMISSIONER MICHELE BROWN: Great, thank you.

KRIS MULLAN: That would be a little on the top-heavy side, wouldn't you think, though? You're representing the steamship industry.

PAUL FUHS: No; I was doing with the prevention measures.

KRIS MULLAN: I'm sorry.

PAUL FUHS: Afraid we're going to gang up on you?

KRIS MULLAN: Time frame is my problem.

MIKE O'HARA: I'd like to work with Paul on prevention.

PAUL FUHS: That would be good.

COMMISSIONER MICHELE BROWN: Great. Thank you.

PAUL FUHS: How about, where do training and drills fit in? Is that implementation?

COMMISSIONER MICHELE BROWN: I guess we should talk about that. I tend to think of it as probably more as part of the streamlined contingency planning and inspections. Sort of more once we've got the basics of the equipment and how it's overall going to be implemented, how do we then kind of verify compliance. I look at drills as kind of like a verification, but that's just my --

PAUL FUHS: It seems simple, but it isn't. How do you get the one-time tramper, how do they participate in a drill?

CHARLOTTE MacCAY: Why would you?

CAPTAIN ED PAGE: I think we would look in there, would be the qualified individual as it plugs into the ICS structure and write the checks and knows a little bit about what the responsibilities are, whether the RAC is doing the king's business in getting the work done. That's kind of what SOPEP for a spill oil prevention, emergency plan, concept of IMO, kind of envisions.

COMMISSIONER MICHELE BROWN: And that's part one of the streamline.

SENATOR DRUE PEARCE: They have to know who to call, and then they have to call them. They have to make the call.

COMMISSIONER MICHELE BROWN: Spoken like a true

mother of a 5-year-old.

TREVOR McCABE: I want to ask, how do you get on the working group?

COMMISSIONER MICHELE BROWN: You're on it.

TREVOR McCABE: We're all on it.

COMMISSIONER MICHELE BROWN: You show up. You're here. And I take that as a volunteer.

TREVOR McCABE: I'll be there.

PAUL FUHS: You know, for the fishing industry we talked about fleet plans. That was named in there. And I don't know exactly how you do that. But it seems like rather than have every individual fishing boat have to do it, maybe a cannery could, or an association, I don't know. We didn't talk about that yet. But maybe that's a way to streamline it for the fishing industry.

SENATOR DRUE PEARCE: That's a place where we're going to find out what the crude oil has done and, frankly, what the Crowleys have done. I don't think they have a separate plan for every single barge no matter what size it was. A lot of that will be (inaudible). I think through the discussions we're going to find that that's not a unique set of circumstances and probably it's easier to effect than it sounds. Your ships should be able to meet the plans easily.

COMMISSIONER MICHELE BROWN: Very good.

CHARLOTTE MacCAY: I think there's a little bit of overlap on what Paul was asking, because I think your

training and drills are part of your pollution prevention. There may be a mandatory part of what you're implementing is an area of pollution prevention as well.

COMMISSIONER MICHELE BROWN: Larry and Susan, do you want to weigh in on that? You're the ones who are actually --

LARRY DIETRICK: I didn't hear the first part of what you were saying there. I'm sorry.

CHARLOTTE MacCAY: I was saying that when Paul was asking where training and drills went in, perhaps they are part of implementation, but they're also overlap in pollution prevention. There's areas of training and extra drills and things like that that you can do that are certainly pollution prevention, and maybe need to be addressed in both work groups.

COMMISSIONER MICHELE BROWN: Certainly if you're going to do credits and things like that based on that, you would address it in there. But in talking about mandatory drills on top of, or in lieu of.

LARRY DIETRICK: I mean, whatever group is -- putting it with either the C-plan or the prevention, I guess I don't have a strong preference. Susan, do you?

SUSAN HARVEY: Well, I think it makes a lot of sense for us to work the RPS and the prevention issues first and to determine where we're at. Because training, drills, inspections are all going to have to be worked around the context of RPS and prevention. And once they fall out, then I think we should tackle maybe

the remaining issues either within the context of the streamlined contingency plan group or create a separate group to tackle drills, inspections and training. You could, as a Task Force, could decide. But it will be difficult to ascertain what type of training or drills, inspections we need until we really nail down the first two key items. I guess that would be my input.

COMMISSIONER MICHELE BROWN: Which doesn't mean that if there are ideas on how to use drills and training for prevention credits, that you can't be working that issue there, too.

SUSAN HARVEY: It's an important issue and we will have to tackle how we do the training. I think it just comes a little later in the process.

COMMISSIONER MICHELE BROWN: We're now at the public comment time. No one has actually signed up to provide comment, according to my notes, so I would like to check. Is there anyone on the teleconference lines who wants to offer public comment right now?

Okay, we're not hearing anything on the telephone conference. How about here in Anchorage? Is there someone who wanted to offer? No.

What's your preference? We can set a date for the next meeting, or we can wait until the facilitator gets on board.

SENATOR DRUE PEARCE: What's your expectation in terms of how long (inaudible).

COMMISSIONER MICHELE BROWN: I think it would

at least be my expectation that we'd want the work groups to have a fairly substantial amount of work done before the next Task Force meeting.

Larry, what's your sense?

LARRY DIETRICK: Well, we'd envision a couple things. One, for the next meeting we figured the first business item we envision might be with the facilitator on board, and we'll be working with them before then, would be for the Task Force to figure out how they want to do business, so to speak, in terms of arriving at a consensus. Do you want to vote? Do you want to get a 70 percent agreement or whatever? And the facilitators are all kind of unique in how they try to arrive at that. So we thought that would be the first business item, to kind of get that set up in place for the subsequent evaluation and decision making.

The second thing would be to get the initial round of feedback from the work groups here, get it reported back, see how far along we've come, and then have the Task Force react to that, make the adjustments, and then create as many follow-up do lists we need to get to the end. So that's what we kind of conceived. And I think the time frame, we were hoping to have it shaped up into a document then before the next meeting. So, I think as was mentioned earlier here, all these products need -- the contractor right at the outset is going to have to start taking all these pieces and figure out how it's going to fit into a report. And I think we'd like them to start shaping that report as

soon as possible because that's in the end what will be signed off on. So at least perhaps having a very, if nothing else, a very rough working draft on the table here for people to work from, and then maybe middle of September, early September?

COMMISSIONER MICHELE BROWN: Yeah, early, middle of September. How's that sound? People want the rest of the summer to do their business.

JIM CARTER: Michele, in the scope of work it says for the facilitator schedule, arrange for all meetings, to include any public notice, and so on and so forth. Now, how do we envision the facilitator working with these committees that we're just now setting up? What is the action sheer of the facilitator?

COMMISSIONER MICHELE BROWN: Larry's actually been in discussions with them on that.

LARRY DIETRICK: Yeah. I mean, we don't want the facilitator, number one, in any of the work group meetings. The first work group may get together and if you want to break off that fishing work group or the spot charter work group to go take a special assignment, we will track that and post that on the web site in the form of a master schedule so everybody can see at all times how these work groups are doing, when they're spawning an additional work session or whatever they're doing, and get that up on the web site. As well as using mailouts, contact lists and e-mail to let different groups that are on these that particularly

want to be on an address group, say, for Paul's work group, so they get directly notified, et cetera. So there are going to be multiple ways of informing and advising of a master schedule that would include all the work group activities.

COMMISSIONER MICHELE BROWN: We'll be getting information out in these various forms, but I think we can count on the facilitator facilitating every single meeting. So if there's a whole bunch of sub subgroups formed, the facilitator is not going to be able to do the facilitation on that. That's not built into the contract. Does that answer?

Anybody have anything else they want to raise now?

GENE BURDEN: So our next contact will be communicated with by the facilitator, talking about the work groups that are going to be formed?

COMMISSIONER MICHELE BROWN: Or by us.

MIKE O'HARA: Do you have a sheet to sign up for the e-mail?

LARRY DIETRICK: There's a sign-up sheet in the back, trying to get everybody's fax, phone, e-mail, et cetera. If you haven't signed that, please do so.

COMMISSIONER MICHELE BROWN: And we'll make a master list and distribute it to everybody.

CAPTAIN ED PAGE: Who signed up for which work groups? Did I miss that process?

COMMISSIONER MICHELE BROWN: We have some volunteers for chair, but we didn't actually make assignments.

Drue, do you want to close out? Well, considering it's sunny and everybody's ready to go, anybody else have any closing? Thank you all very, very much.

MIKE O'HARA: I would submit that an agent be on there, or a shipper's representative be on the prevention group, because one of my concerns has always been the vetting of ships. I was talking to Russell here and he doesn't know. I talked to Scott in the past about this. I think the people who actually contract with the ships to have a ship come to Alaska, should -- I'd like to know more about them.

PAUL FUHS: Well, maybe since we're not going to appoint individual members, then let's just call the committee meeting, the work group, and whoever shows up, everyone gets an invitation, they're on.

COMMISSIONER MICHELE BROWN: Right. And obviously, the more you participate, the more your input is considered. And we want them to be open.

PAUL FUHS: Right.

COMMISSIONER MICHELE BROWN: So there will be a notice of when it's happening.

(Meeting concluded at 4:45 p.m.)

-oOo-

CERTIFICATE

I, the undersigned Notary Public in and for the State of Alaska, do hereby certify:

That the annexed and foregoing proceedings were taken stenographically before me and reduced to typewriting under my direction;

I further certify that I am not a relative or employee of any of the parties to said action, and that I am not financially interested in the said action or the outcome thereof;

I further certify the proceedings, as transcribed, is a full, true and correct transcript of the meeting.

IN WITNESS WHEREOF, I have hereunto set my hand
and affixed my official seal this day of
 , 2000.

Kim R. Behrens, RMR-CRR

Notary Public in and for the
State of Alaska, residing at
Anchorage.

My Commission Expires: 4.24.04

SCOMM

123:4

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

TASK FORCE ON MOTORIZED OIL TRANSPORT

TASK FORCE MEETING

**September 20, 2000
8:30 A.M.**

**Held at
Legislative Information Office
716 West Fourth Avenue, 5th Floor
Anchorage, Alaska**

Brian Rogers, Facilitator

Steering Committee:

**Senator Drue Pearce
Denise Henderson (for Representative Pete Kott)
Commissioner Michele Brown, Chair**

Task Force members present:

**Ed Page
Terry Murphy
David Owings
Doug Lentsch
Lee Egland
Jeff Thompson
Paul Fuhs
Charlotte MacCay
Scott Carter
Kris Mullan
Stephanie Madsen
Gene Burden
Simon Lisiecki
Mike O'Hara
Jim Carter
Ernie Piper
Russell Dick
Heather McCarty
Eric Britten**

Ex Officio:

Representative Beth Kerttula

1 ANCHORAGE, ALASKA; SEPTEMBER 20, 2000

2 DEC TASK FORCE ON MOTORIZED OIL TRANSPORT

3 -oOo-

4 COMMISSIONER MICHELE BROWN: Are we all ready?

5 Good morning, everybody.

6 Do you want me to start, Brian?

7 BRIAN ROGERS: Okay.

8 COMMISSIONER MICHELE BROWN: Good morning,
9 everybody. I'm Michele Brown from DEC. Welcome. I
10 understand there's been incredible amounts of work done
11 by the work groups. Larry has been keeping me well
12 briefed, and I really appreciate all the hard work that
13 everyone has put into this. And I also especially
14 appreciate that you all have followed up on the request
15 that Senator Pearce and I made to you, and that is to do
16 outreach to people who are in your various industries
17 and similarly situated, to make sure that you're really
18 getting the full flavor of everybody's involvement, and
19 then bringing that back into the groups, so I really
20 appreciate that.

21 I thought we'd go around the room and
22 reintroduce, make sure everybody knows who is here; and
23 then, Senator Pearce, you may want to say a few
24 welcoming remarks. And then we'll turn it over to Brian
25 who has given us a very, very full agenda here.

1 SCOTT CARTER: Scott Carter with Alaska
2 Nitrogen Products in Kenai, representing the spot
3 charter fleet.

4 JEFF THOMPSON: Jeff Thompson with Alaska
5 Maritime Agencies. Vessel agents.

6 GENE BURDEN: Gene Burden, Tesoro, representing
7 noncrude shipping.

8 BRIAN ROGERS: Brian Rogers from Info Insights,
9 facilitator. We've also got Judy Erickson on the
10 facilitation team and Deborah Vogt on the facilitation
11 team with me.

12 TERRY MURPHY: Terry Murphy, Alaska Chadux,
13 filling in for Bob Heavilin, with the OSROs.

14 HEATHER McCARTY: Heather McCarty. I work for
15 the At-Sea Processors Association, which are
16 catcher-processors in the Bering Sea. We have about 38
17 vessels affected by this law. And I also help, along
18 with a couple of other people, represent the fishing
19 industry.

20 KRIS MULLAN: I'm Kris Mullan with -- I guess
21 I'd be representing Ground Fish Forum, which is a
22 fishing association, and also port engineer for a
23 commercial fishing company, and represent the fishing
24 industry.

25 PUBLIC PARTICIPANT: This is Juneau. We can

1 just barely hear what anybody is saying up there. Thank
2 you.

3 ERIC BRITTEN: Good morning. I'm Eric Britten,
4 with CSX Lines, representing the container and trailer
5 shipping industry.

6 JIM CARTER: Jim Carter with the Cook Inlet
7 Regional Citizens' Advisory Council, representing the
8 citizens' state perspective.

9 KIM BEHRENS: I'm Kim Behrens, I'll be
10 transcribing.

11 MIKE O'HARA: Michael O'Hara, pilot.

12 DAVID OWINGS: Dave Owings with SEAPRO.

13 PAT CARTER: Pat Carter with Senator Pearce's
14 office.

15 ERNIE PIPER: Ernie Piper, Alaska Railroad.

16 PAUL FUHS: Paul Fuhs, on contract with DEC.

17 COMMISSIONER MICHELE BROWN: Are there any Task
18 Force members on the teleconference line?

19 BETH KERTTULA: This is Beth Kerttula. I'm in
20 Juneau. I'm, what do we call it, ex officio member.

21 COMMISSIONER MICHELE BROWN: Welcome, Beth.

22 BETH KERTTULA: Thanks.

23 RUSSELL DICK: This is Russell Dick with
24 SeaAlaska Corporation in Juneau.

25 COMMISSIONER MICHELE BROWN: Good morning. Any

1 other Task Force members on line? Can everyone hear now
2 who is on line? Guess not. Are you working on the
3 sound?

4 JUDY ERICKSON: Everyone needs to speak up.

5 COMMISSIONER MICHELE BROWN: And there are
6 mikes so you might move them closer when you need to.

7 SENATOR DRUE PEARCE: And the less you move
8 your paper, the better the mikes can pick up whomever is
9 speaking. They pick up the most minute noises.

10 COMMISSIONER MICHELE BROWN: Drue, would you
11 like to say a few words?

12 SENATOR DRUE PEARCE: Sure, sure. I'm Drue
13 Pearce, I also want to thank everybody for all the work
14 you've done. I've been keeping track of it through all
15 of the e-mails, and also through Pat Carter. And it's
16 very gratifying to see people come to the table and
17 discuss the issues, come up with solutions and ideas and
18 share them with one another, and I think we're making
19 great strides. And that's certainly going to be useful
20 as we go back to Juneau in January with recommendations.

21 COMMISSIONER MICHELE BROWN: Thank you. So
22 with that I'll turn it over to you, Brian.

23 BRIAN ROGERS: Thanks. And I'm going to be
24 using the overhead projector for a lot of this. All the
25 overheads have been sent off to Juneau and anyone who

1 wants copies of these after the meeting, they will be
2 posted to the website. What I want to do is first go
3 over what the agenda is today, how we're going to
4 proceed. We'll talk about the decision making process
5 for the Task Force, we'll report on what the work group
6 activities have been, and outline a draft final report
7 of the Task Force. We'll then go into a more detailed
8 report, first on the RPS Work Group, dealing with the
9 RPS for nontank vessels, dealing with the RPS for the
10 Alaska Railroad.

11 We'll then take action on the RPS Work Group
12 recommendations, and proceed to the Prevention Work
13 Group. We'll go over what Prevention Work Group has
14 come up with. Mandatory and recommended prevention
15 measures, research on prevention credits. Then take
16 action on the Prevention Work Group recommendations. On
17 the Contingency Plan Work Group, we'll get a report of
18 the subcommittee meeting of the Contingency Plan Work
19 Group.

20 Finally, we'll go over the Task Force schedule,
21 with the additional meeting plans, currently scheduled
22 work groups, we'll set a date for the next meeting of
23 the Task Force, and discuss timing of approval of the
24 final report by the Task Force, which is due to be
25 completed by December 1. And we'll have public comment,

1 a final opportunity for public comment at the end.

2 But as part of the decision making process,
3 first, as we go through agenda items we'll have an
4 opportunity for all of the members of the Task Force to
5 speak. We'll follow that with public comment on items
6 before this final action on the items, which is the same
7 process that was used at the first Task Force meeting.
8 Because we are on teleconference and because we are
9 transcribing this meeting, I would ask every member when
10 you speak to identify yourselves first. That makes it
11 easier on the transcriber. Make sure that we don't
12 ascribe your comments to someone else, or someone else's
13 to you.

14 The process that we'll be using for decision
15 making is to attempt consensus on all of the
16 recommendations. The consensus process is a more
17 challenging process than legislative voting by majority,
18 but the goal here is to try to reach a series of
19 recommendations that have broad acceptance. And so the
20 attempt will be, if there are objections to
21 recommendations, to try to work through for the group to
22 understand what those objections are and to see if the
23 objections can be accommodated.

24 Now, we will not force consensus. If we are
25 unable to achieve consensus, we will go to a vote by

1 Task Force members at the next meeting. If we're unable
2 to achieve consensus. But the goal, again, is to try to
3 reach something that is broadly acceptable. That's the
4 charge of this group.

5 Now, we're in a relatively small meeting,
6 meeting room, so we will take breaks if it gets too hot,
7 either in terms of temperature or in terms of discussion
8 over the course of the day. We will also break at 12:00
9 sharp. We have several people, including the
10 facilitator, that have places they have to be at lunch.
11 And we will break no later than 5:00 at the end of the
12 day. There are a number of people who would like to get
13 out earlier, so if we're able to move through quickly,
14 we can get out earlier than 5:00.

15 Does anyone have any questions about the
16 meeting process or the decision making process before we
17 move on? Well, if not, let me just review what's gone
18 on with the Task Force since the July 11th meeting.
19 Response Planning Standard Work Group has been the most
20 active work group so far, with three meetings of the
21 work group and two subcommittee meetings or
22 brainstorming sessions of that work group. Prevention
23 Work Group has had one meeting and one subcommittee
24 meeting, and some side discussion trying to develop an
25 initial list. And then the Contingency Plan Work Group,

1 which we had planned on actually starting up after this
2 meeting, we went and had a subcommittee meeting to try
3 to get some things ready so that we'd be ready to
4 discuss a couple of them. And some of the C-plan issues
5 were reviewed in general by the RPS committee.

6 We also have the nontank website up and are
7 trying to make sure that every document referred to in
8 any of our meetings is posted to that website as quickly
9 as possible after the meeting. We also have a series of
10 other background information on there. So all the
11 notices, agendas, summaries, background information is
12 there for members of the public or members of the Task
13 Force to get to.

14 The equipment data base is basically completed,
15 and is available. We did not print copies of the
16 reports of that equipment data base for everyone, but
17 that's been used by the RPS committee in their
18 deliberations. The vessels and waters data base has
19 turned out to be a bigger challenge. That was one of
20 the significant requests by the group. We've built a
21 data base. It is incomplete in terms of its data. The
22 vessel and waters data base, first we looked at marine
23 pilot reports and Task Force member reports. And the
24 marine pilot reports are very good in that they tell us
25 what vessels are in what waters. And for each vessel,

1 tell us what kind of vessel it is, what the size of the
2 vessel is, and how frequently it has been in those
3 waters with a marine pilot on board. But those reports
4 don't tell us how much fuel they carry and they don't
5 tell us anything about vessels that don't use marine
6 pilots.

7 Second, the Task Force member report, some of
8 the Task Force members were able to report on the data
9 for their member vessels that would include the size of
10 the vessel, what's the fuel capacity, who owns it, et
11 cetera, but generally not how frequently they were in
12 which waters.

13 The second stage of the data base was to look
14 at the financial responsibility forms filed with DEC and
15 due the 1st of September. And we've entered all but
16 about 30 of them as of noon yesterday, and all of them
17 over 10,000 barrels have been entered. Those forms show
18 owner, we've got the e-mail address of the owner so we
19 can do further contact. It shows how much persistent
20 fuel and nonpersistent fuel there are in barrels, metric
21 tons, gallons or some other measure. Different people
22 have reported different measures. But these forms do
23 not tell us where the vessels go. We just know they're
24 in Alaska waters. So we're going back out now to Task
25 Force members, Jeff in particular, to try to make sure

1 that we've assessed what vessels are likely to be in
2 waters that might affect the largest vessel in the area.
3 But I'd say, and we'll get into this later today, with
4 about 90 percent confidence we know the largest vessel
5 by region of the state at this point, and are ready to
6 make recommendations tentatively based on those sizes.
7 In addition, we've had some research on work group
8 issues ranging from some liability issues to tax issues,
9 et cetera, for the specific work groups.

10 What I'd like to do next is to go over a
11 proposed outline of draft report. This outline is in
12 your agenda packet. It's the second thing. It's right
13 behind the agenda in the agenda packet that was handed
14 out and faxed. And we would like to get approval by the
15 Task Force today of this as the outline for how the
16 report would proceed. And the reason for that is that
17 we'd like to give you a fairly complete draft report at
18 your next meeting.

19 Begin with an executive summary that describes
20 how the Task Force worked, what the work group process
21 was, how we came to the conclusions we did. Second,
22 we'd list the recommendations for marine vessels.
23 Third, the recommendations for the Alaska Railroad, in a
24 brief executive summary.

25 We follow that then with a more detailed

1 recommendations, focused on the areas laid out in Senate
2 Bill 273 and the concurrent resolution. First, on
3 achievement of the response planning standard, a
4 discussion of the issues, preemption of federal law, and
5 practical and cost-effective measures.

6 Second, practical measures to implement the
7 response planning standard, with a particular focus on
8 waters west to 157 West or north of 62 degrees North
9 Latitude.

10 Third, under the recommendations, what the
11 means of achieving the response planning standard would
12 be, including use of fleet plans, use of vessel agents,
13 generic contingency plan contents, streamlined
14 contingency plans, primary response action contractors,
15 and spill prevention measures. And finally under the
16 recommendations, the inspection measures.

17 Now, if this language seems familiar to you,
18 that's for a reason. We're trying to tag directly to
19 the statute because this is a report to the legislature
20 and we're trying to meet their requirements.

21 The third section of the report would be the
22 proposed legislation. The fourth section would be
23 under our proposal, a draft memorandum describing the
24 regulations.

25 Now, our sense is, as your contractors, that it

1 doesn't make sense to draft the regulations in complete
2 specificity before the legislature passes the bill,
3 because the legislation could very well change and you
4 don't want to go drafting twice. On the other hand, we
5 sense from the group that there's a desire to have a
6 pretty good idea of what the regulations would say. And
7 so our proposal to you is that our report would be the
8 memorandum that would be sent by the Department of
9 Environmental Conservation to the Department of Law,
10 describing what they want drafted into the regulations.
11 And with enough specificity that the legislature and the
12 members of the Task Force and others have a pretty clear
13 idea of what's in these sections, what would be in
14 statute, and what would be in regulations, without going
15 through the whole public process for regulations, which
16 of course takes place after passage of legislation.

17 Finally, some appendices, supporting data at
18 the subarea level. That would include information about
19 the vessels, the current response equipment, what we're
20 looking at in terms of new response equipment, new hubs,
21 and the oil spill scenarios. Supporting data for the
22 Alaska Railroad, including the system risk assessment
23 that we'll talk about later today, and their RPS and
24 C-plan action plan and schedule, and then finally a
25 bibliography of supporting information.

1 So with that, I've completed the first section
2 here, and would like to pause and have some
3 discussion -- lights are coming on -- of the proposed
4 Task Force report outline to see if there are issues or
5 organizational issues people would like to see
6 differently in the Task Force report.

7 Any members of the Task Force have issues
8 they'd like to address in the draft report we haven't
9 dealt with already?

10 COMMISSIONER MICHELE BROWN: I think it looks
11 good. I mean, it's tracking clearly what we were tasked
12 to do.

13 SENATOR DRUE PEARCE: I think it's fine.

14 BRIAN ROGERS: Are there any objections?

15 CHARLOTTE MacCAY: I'm confused. How do we do
16 this when we haven't discussed the contingency plan?

17 BRIAN ROGERS: All we're doing is adopting the
18 outline of the report, not the contents of it, in terms
19 of what the elements would be that we are attempting to
20 write in the outline. So, basically, it's how we
21 organize what we present to the legislature, not the
22 content of what we present to the legislature.

23 CHARLOTTE MacCAY: I think there are various
24 other suggestions we had made to achieve it. Use the
25 vessel agents, there were other group ideas that we had

1 suggested that are not in the outline.

2 BRIAN ROGERS: Any other recommendations would
3 be included in the recommendations section. These are
4 specific issues we have to address in the report because
5 they were included in the legislation asking us to
6 describe these.

7 Yes, Jeff.

8 JEFF THOMPSON: Jeff Thompson. Charlotte,
9 yesterday we had our first subcommittee meeting with the
10 C-plan, and we discussed your memo.

11 CHARLOTTE MacCAY: Yes.

12 JEFF THOMPSON: And we're going to continue
13 discussing it at the C-plan work plan.

14 CHARLOTTE MacCAY: Could I be invited to the
15 next one, please?

16 JEFF THOMPSON: Certainly.

17 COMMISSIONER MICHELE BROWN: I think Charlotte
18 is raising an issue. Are we having problems of notices
19 getting out of meetings?

20 BRIAN ROGERS: All of the meetings of the work
21 groups have been noticed. And we had discussion of that
22 this was going to be a group of -- C-plan subcommittee
23 meeting to just begin generating work so that we'd be
24 ready for the first C-plan meeting. And so the
25 subcommittee meetings we have not noticed in the same

1 fashion with notice to everyone. Those have been
2 discussed at meetings of the work groups, and we have
3 not treated those -- because there's no decision making
4 being done at the subcommittee meetings, we haven't gone
5 through full-blown notice of the C-plan meetings.

6 COMMISSIONER MICHELE BROWN: Sort of
7 organizational meetings with chairs to figure out what
8 to do?

9 BRIAN ROGERS: Correct.

10 JIM CARTER: Brian, where we say "streamlined
11 contingency plan," wouldn't it be more appropriate to
12 say "formation of contingency plans"?

13 BRIAN ROGERS: The only reason for using the
14 term "streamlined" is that comes from the statute.

15 JIM CARTER: Comes from --

16 BRIAN ROGERS: It comes from SB273. That
17 section under Recommendations section II, sub (iii), is
18 word for word from the statute.

19 COMMISSIONER MICHELE BROWN: Brian, Drue and I
20 just were talking. Maybe one way to deal with this
21 would be to put a place marker 7 for just sort of other
22 issues so that -- and as the work groups finish up, if
23 they find that what the legislature asked was maybe not
24 necessarily the exact right question, there's a place to
25 put it in.