

ALASKA LEGISLATURE SPECIAL COMMITTEE/SUBJECT FILE 8672

2041 SCOMM 78: SENATE SPEC. COMM. ON OIL & GAS, 1991-1992

GOALS

The Goals of the sub-group should be:

- 1) Identify specific issues to be looked into and treat each issue as a project.
- 2) Prioritize the projects based on importance to the overall Plan.
- 3) Schedule work on each project with deadlines for a recommendation to ADEC.
- 4) Review existing body of knowledge on each topic.
- 5) Take into account all view points on each issue.
- 6) Issue through written reports using a standardized format and ending with recommendations.

PARTICIPATION

Representation should be included from the RCAC, USCG, EPA, ADEC, ALYTESKA, PWS SHIPPERS, and ADP&G at a minimum.

FUNDING

I'd suggest dutch treat.

TIME LINE

The sooner we can get started the better. However I don't believe that we should begin until the ground rules are clearly established in writing and agreed to by all parties. We should expect this process to be on going for a long time. Don't expect overnight results on any issue.

TECHNICAL WORKING GROUP

DISPERSANTS, IN-SITU BURNING AND BIOREMEDIATION

OCTOBER 9TH, 1990

ALYESKA CONFERENCE ROOM

The DISPERSANTS, IN-SITU BURNING, AND BIOREMEDIATION WORKING GROUP (DBB Group) met for the first time at the Alyeska offices on October 9th, from 1300 to 1500 hours. Present were Steve Provent from ADEC; Carl Lautenberger from EPA; Sharla Bickley from BP Exploration; Judith Brendel from ARCO; Rob Dragnich from Exxon; Glenn Akins from America North, Inc.; and Sharon Hillman and Mark Hutton from Alyeska. Absent were RCAC and USCG.

MEMBERSHIP

Those present, plus those noted as absent, were agreed to be members of the Technical Working Group (TWG). In addition, specialists will be called in from time-to-time as agreed by the group.

PROBLEM DEFINITION

The purpose for this meeting was to respond to a request by the PWS Plan Steering Committee to evaluate the issues of dispersant use, in-situ burning, and bioremediation, and to provide the Steering Committee with recommendations to answer the ADEC concern stated in the Department's written comments on the PWS Plan.

This first meeting was conducted as an organizational meeting. A problem definition statement with several points was discussed and agreed-upon by participants. This list, which follows below, may be revised during further meetings of the TWG.

1. The DBB Group will review and evaluate the PWS Plan strategy, equipment, personnel and training components for dispersants use, and make recommendations to the Steering Committee to maximize this tool.
2. The DBB Group will read and evaluate the PWS Plan and make recommendations to the Steering Committee on the following objectives:
 - o Review conflicts inherent in on-scene approval vs. RRT approval process;
 - o Review application techniques and strategies
 - vessel application
 - aircraft application
 - staging
 - response times;
 - o Review specific dispersant types and quantities;
 - o Stock pile maintenance and inventory rotation.

3. The DBB Group will review and evaluate the PWS Plan strategy, equipment, personnel and training components for in-situ burning, and make recommendations to the Steering Committee to maximize this tool.
4. The DBB Group will review and evaluate the PWS Plan strategy, equipment, personnel and make recommendations to the Steering Committee on the applicability of open-water bioremediation to PWS response planning.

SCHEDULE

The next meeting is tentatively scheduled for November 1st, 1300 to 1600 hours. The purpose of that meeting will be to:

1. Agree to the written objective statement from the organizational meeting (Oct. 9th);
2. Review and provide final agreement on the problem statements;
3. Establish steps to address problems identified and agreed to by the DBB Group members;
4. Establish a schedule and resources needed; and
5. Review information from the PWS Plan as needed.

Submitted by:

Mark I. Hutton, Alyeska

Steve Provent, ADEC

TECHNICAL WORKING GROUP

OILY WASTE DISPOSAL
OCTOBER 9TH, 1990
ALYESKA CONFERENCE ROOM

The OILY WASTE DISPOSAL, TECHNICAL WORKING GROUP met for the first time at Alyeska on October 9th, from 0900 to 1100 hours. Present were Ron Godden and George Wilson from ADEC; Judith Brendal from ARCO Transportation; Sharla Bickley from BP Exploration; Glenn Akins from American North, Inc; and Sharon Hillman and Mark Hutton from Alyeska. Absent were RCAC, EPA and USCG.

MEMBERSHIP

Those present, plus those noted as absent were agreed to be members of the technical working group. In addition, specialists will be called in from time-to-time as agreed by the group.

PROBLEM DEFINITION

The purpose for the meeting was to respond to a request by the PWS Plan Steering Committee to take a look at the issue of oily waste disposal and to bring to the Steering Committee a recommendation to answer ADEC concerns to resolve the issue. The meeting was an organizational meeting; although a six point "Problem Definition" list was agreed by all. This list follows and may be refined at the next meeting.

1. Define "disposal" (including storage) and Waste Profiles.
2. Exclude "in-situ" burning when used as an initial response tool.
3. Define permit options.
 - a. pre-permitting as far as practicable
 - b. specific permits where possible
 - c. pre-approved "SOPs" or "Plan Approvals"
 - d. general permits
 - e. are there requirements for Hazardous Waste permitting

4. How does TC apply to Waste disposal?
 - a. where does it become a waste?
 - b. are EPA ID numbers required? Agency Number?
5. Can we pre-characterize wastes by testing?
6. Review and define waste disposal options
 - a. liquid
 - b. solid

SCHEDULE

The next meeting is tentatively scheduled for October 25th for 2:00 pm at Alyeska. The purpose is to:

1. Agree to written objective statement from the Steering Committee.
2. Review and provide final agreement on the problem statements.
3. Establish Steps to address problems identified and agreed too.
4. Establish schedule and resources.
5. Review information from PWS Plan (in notebooks) in light of agenda items 2 and 3.

submitted by:

Mark I. ~~Ston~~ton, ALYESKA

George Wilson, ADEC

**PWS CONTINGENCY PLAN
STEERING COMMITTEE MEETING
November 29, 1990
Alyeska Marine Terminal, VALDEZ**

The Prince William Sound Contingency Plan Steering Committee held its 11th meeting in Valdez on November 29, 1990 from 0900 through 1145 hours. In attendance at the meeting were:

Steve Provant, Chairman	ADEC
Nick Mitchell, Mark Hutton, Tim Plummer,	
Rob Shoaf and Kate Montgomery	Alyeska
Tim Robertson*, Stan Stanley and Joe Banta*	RCAC
CDR Ed Thompson, CDR Ed Wielickiewicz	Coast Guard
Bill Robinson and Roger Van Duzer	Shell
Tom Mullen*	BP Alaska
Myron Fedak	Exxon Shipping
Don Walker	TESORO
Ron Holton*	Chevron
Chris Swenson*	ADF&G

*In Anchorage via Alyeska's video conferencing facility

GENERAL DISCUSSION

The Steering Committee agreed to limit the agenda due to the weather and discussions were restricted to: ADEC approval letter condition # 6 (transition management); how PWS c-plan development was to be coordinated with the implementation of HB 567; schedules, due dates and end products per the ADEC conditional approval letter; shoreline cleanup working group; vessel c-plan certification prior to T/V loading; and working group reports.

Discussion of ADEC condition #6 centered on the filing of requests for adjudicatory hearings by Alyeska and various PWS c-plan holders within the legal timeframe remaining for filing (two days) as opposed to reaching a signed agreement outlining a process to negate the need for condition #6. ADEC stated that state control was needed in the interim period of conditional approval until issuance of final approval of the c-plans. This is needed until the state has reviewed the adequacy of the transition portion of the c-plans, an agreed upon transition checkoff criteria list has been developed which, among other items, provides for a demonstration of their ability to assume management responsibility for the spill. At that point in time a management transition could occur without state approval, however the state would have authority to prevent a transition from occurring if it is not according to the criteria in the plan.

The Steering Committee agreed that it would be best to avoid the

adjudicatory hearing process if possible. Therefore, because of the short time remaining Alyeska agreed to propose a letter to ADEC for joint signature (ADEC and Alyeska) with wording similar to that in Attachment I. Tim Robertson (RCAC) did express concerns about the previous position taken by Alyeska that management transition could not occur without ADEC approval.

Revision of the PWS Tanker Spill Prevention and Response Plan was discussed regarding ADEC conditional approval letter condition # 4. Alyeska and the tanker owners need a better definition as to what will be required to satisfy this condition. Since the regulatory requirements of HB 567 may not be fully available in time to consider for a May 1, 1991 due date, the ability to make a meaningful revision of the plan was questioned. Alyeska expressed concern about revising the plan to meet the May 1 date and then having to revise it again to meet HB 567 requirements. It was agreed that ADEC would provide a description as to what was wanted in the way of a May 1 revision at the meeting of the Plans Coordination Working Group scheduled for December 13. Alyeska also stated that for them to make meaningful revisions to the plan they needed comments from ADEC on the plan submitted December 31, 1989.

The importance of scheduling and the timing for meeting the requirements of HB 567 was discussed. It was pointed out that three events must be dealt with: the provisions of HB 567 that required compliance on June 1, 1990; the provisions that must be met June 1, 1991 (regulation development not required); and provisions that must be met June 1, 1991 requiring regulations that may or may not be promulgated by that date. Alyeska stated they would go through the plan and prepare an outline/checklist of changes they recognize which need to be made to the plan.

It was agreed that the Contingency Plan Coordination Technical Working Group would be the appropriate place to consider these matters. It was also agreed that we should have legal advice in dealing with these issues and to provide some guidance in what course of action to expect if HB 567 regulations are not promulgated in time for compliance to be achieved by June 1, 1991. It was agreed that both ADEC and Alyeska would invite attorneys to the next meeting. The next meeting of this group was scheduled for December 13, in Anchorage following the Exxon spill drill.

We discussed the rationale for making a journey to Sollum Voe for the Steering Committee to obtain first hand knowledge on the prevention measures in practice for the operation of the terminal and transport of oil from the Voe. Tim Plummer asked for committee members to send items to him that could be accomplished by the trip and he would put together an itinerary. The trip is tentatively scheduled for the week of January 21, 1991.

Alyeska stated that an analysis of HB 567 has raised a question of possible conflict with the regulations requiring that tanker vessels to have an approved copy of their contingency plan on board. As the requirements presently exist it places the burden

on the terminal to determine whether or not an up-to-date c-plan is on board. As changes are made to the plans it will require that terminal personnel go through the plan page by page to determine if the plan is current.

The next Steering Committee meeting will be scheduled for mid January.

TECHNICAL WORKING GROUP REPORTS

The reports for all the technical working groups are attached.

Shoreline/Near Shoreline Cleanup

This working group is planning its first meeting for Monday December 10, 1990 and would like for Steering Committee members to select and notify the working group chairmen (Tim Robertson or Joe Banta at RCAC) who will be participating.

Navigation/Prevention

A meeting was held on November 26, 1990 at the Valdez Marine Terminal. Progress has been made on starting the practice of holding T/V pre-sailing briefings with the T/V master, the ERV skipper and the pilot. The question of continuing to investigate having a tug connected with a T/V going through the Narrows was discussed at a PWS Tanker Owners Assoc. meeting and they plan to evaluate further. They have not a consensus as to whether or not the tug should be attached or unattached and a member of the association was preparing a paper on the topic. A date was not given as to when the paper was to be completed. The Pilots Association stated they were against having a conventional tug on a tow line through the Narrows. They are open to the possibility of using tractor tugs with a stern connection but are not yet convinced of the effectiveness of tractor tugs to accomplish the task effectively.

Alaska Plan Coordination with PWS Contingency Plan

This working group held its first meeting on November 28, 1990 in Valdez. Most of the issues discussed at this meeting were discussed in more detail at the Steering Committee. It was decided that this working group would deal with the detailed aspects of the PWS Tanker Spill Prevention and Response Plan revisions, incorporation of the provisions of HB567 and keep track of the development of HB 567 regulations. It was also agreed that this group would be the best place to include lawyers. The next meeting was scheduled for December 13, 1990 in Anchorage.

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Oily Waste Disposal

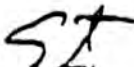
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Mechanical Cleanup and Training

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Submitted by:


Mark Hutton, Alyeska


Steve

_____, ADEC

~~Dec~~ Nov 29 PWS C-Plan Staring
Committee Meeting

Steve Provant	ADEC	835 4695
Mark Hutton	ALYESKA	265-8879
Stan Stanley	RCAC	~~835~~ 277-72
Larry Shies	ALYESKA	835-6902
Rob Shroy	"	265-8565
ED WIEDCZKIEWICZ	USCG	835-4792
Kate Montgomery	ALYESKA	265-8727
DON WALKER	TESORO	835-4207
Bill Paterson	~~ALYESKA~~	713-641-2372
NICK MITCHELL	ALYESKA	265-8875
MYRON E. FEDAK	EXXON SHIPPING	713-656-9944
Tom Robertson	RCAC	
Tom Hall Mullins	~~ALYESKA~~ B.P.	
Joe Banta	RCAC	
Roger Van Duzer	Shell Oil	
Ken Halten	Chevron	
Chris Siverson	ADFG	

11-29-90

Steering C Meeting

Anchorage

Jim Robertson RPAC 277-7222

Joe Banta " "

CHARLIE LAMBERT CHEVRON (415) 894-5265

CHRIS SWENSON IOF&G 267-2324

TOM MULLEN BP 216-586-4187

☐ MPS ☐ Telex (090) 25-127 TRANSPICE AHG ☒ FAX (907) 265-8611 or 265-8614 or (907) 278-9015 Confirm: (907) 265-8610 or 265-8612 Address: 1835 South Bragaw Street, Anchorage, Alaska 99512		Originator E. McVey		Department OSCP	
		Date 12/19/90		Time 4 pm	
		Send Number 835-2429		Page 1 of 9	
		Confirm Number 835-4698			
To (Company, City & State or MPS Address Codes) ADEC Valdez AK					
Attention: Steve Provant			From Mark Hutton		
Subject:			Reference		
Message (Type or Print) see attached					
19 DEC 16: 20					
Copy To:					
Signed/Originator: <i>E. McVey</i>		Typed By E. McVey		Extension: 265-8413	
Return Verification Copy To:				Mail Station: 578	

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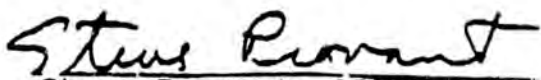
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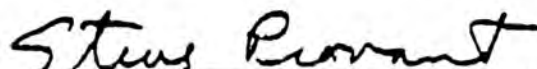
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Steve Provant, ADEC

MEMORANDUM

Regional Citizens' Advisory Council
Oil Spill Prevention and Response Committee

TO: Shoreline Protection and Beach Cleanup Working Group
FROM: Joe Banta
RE: DRAFT Meeting Notes for the SPBC Group 12/10
DATE: JAN 11/91

These are draft meeting notes which have yet to be approved by Linda Hyce of RCAC. Since she is out of state I am passing along draft copies to ensure all working group members have ample time to review notes prior to the next meeting 1/23/91 at 9:00AM.

Post-It™ brand fax transmittal memo 7671		# of pages = 4
~~XXXXXXXXXXXX~~		From J Banta
Co. Alaska		Co. RCAC
Dept.		Phone #
Fax #		Fax #

**DRAFT Meeting Notes
PWS Tanker Spill Prevention and Response Plan
Steering Committee**

**Nearshore Protection and Beach Cleanup
Technical Working Group
Meeting
December 10, 1990
RCAC Conference Room**

The Nearshore Protection and Beach Cleanup Technical Working Group met for its formative meeting at the RCAC conference room from 9:00 AM to 11:00 AM. Lynda Hyce and Joe Banta attended for RCAC, Charla Bickley attended for BP Pipelines, Phil Larsen Jr. attended for VECO, Kevin O'Shea attended for ADEC, and Chris Swenson attended for ADF&G.

Participation and Membership:

Members present discussed the addition of other groups pertinent to the working group process for nearshore protection and beach cleanup and concluded there were several other people they would like to invite to participate in the group. Members specifically requested Andy Teal from Exxon, and Carl Lautenburger from EPA. Other groups to be contacted and invited to following meetings are the USCG, ADNR, and additional oil companies.

Additional Groups were identified for attendance on an invitational basis based upon the meeting agenda. These groups are Prince William Sound Aquaculture Corporation, Cook Inlet Spill Prevention and Response Corporation, and Alaska Clean Seas.

Scope, Goals, and Objectives:

The group discussed the scope, goals, and objectives as outlined in the goals and objectives developed by RCAC and submitted to the Steering Committee September 11, 1990. They agreed that the issues of concern as developed in the scope were appropriate. Members prioritized the issues according to importance to the C-Plan as follows:

- Shoreline Resource Sensitivity Surveys
- Beach Prioritization Program
- Hatchery Protection Program

- Nearshore Response (utilizing local fishing vessels)
- Community Protection Programs
- Shoreline Cleanup Planning
- Shoreline Cleanup Techniques
- Shoreline Cleanup Monitoring
- Equipment Analysis (to ensure adequate coverage of the shoreline)

Members included equipment analysis as an additional issue to ensure that enough equipment (especially protective boom) will be available after planning is complete. They realized that this function might best be covered by the Initial Response and Training Working Group, but that with one group or the other, the analysis should be completed. Members adjusted the name of the Shoreline Resource Sensitivity Survey by replacing "Environmental" with "Resource" to more accurately reflect the diversity of resource priorities which range from biological, cultural and recreational sensitivity. The group also clarified that address of these issues should be an ongoing process to ensure that new information and technology will be incorporated into these programs. They further agreed that updates from programs such as Ingrid's and Eldon's would be important and that update reports should be provided for each NSP & SC Working Group meeting.

Members set specific objectives for the next meeting which included having presentations from Ingrid Gapaille with Alyeska's Shoreline Sensitivity Program, and Eldon Johnson who set up Alyeska's Hatchery Protection Program. Those presentations will provide detailed background information for addressing the first two or three priority issues listed above.

The group discussed the area of jurisdiction for protection and cleanup and agreed that PWS and the entire coastline should be the area considered, with PWS being the priority area for analysis at this time. After further discussion the group agreed to request the Steering Committee clarify the detail of equipment and planning for address of areas outside of PWS.

Scheduling:

The next meeting was set for January 23, 1990 at 9:00 AM, and the agenda will include presentations on both the Shoreline Sensitivity Program and the Hatchery Protection Program if Ingrid and Eldon are available. If time

permits, members will also brainstorm on methods of incorporating state or local response teams into the nearshore response programs.

Lynda Hyce, RCAC

Kevin O'Shea, DEC

13

14

15

Alyeska pipeline

SERVICE COMPANY

1836 SOUTH BRAGAW STREET, ANCHORAGE, ALASKA 99512. TELEPHONE (907) 278-1611. TELEX 290251Z

November 16, 1990

Letter No. 90-7975-G

Bill Lamoreaux, Regional Supervisor
Alaska Department of Environmental Conservation
3601 "C" Street, Suite 1334
Anchorage, Alaska 99503

Re: Condition 6 - Conditional Approval of Vessel
Contingency Plans

Dear Mr. Lamoreaux:

Since delivery of Alyeska Pipeline Service Company's ("Alyeska") letter to the Alaska Department of Environmental Conservation ("DEC") on November 13, 1990, Alyeska, some vessel owners and operators and DEC personnel have had numerous discussions about the DEC's requirement that transition of oil spill response from Alyeska to a long term responder be approved in advance by the DEC. (See Condition 6 in the DEC's Tanker Contingency Plan Approval letter.) We appreciate your willingness to discuss this issue, and understand there are issues still to be discussed.

At this point, Alyeska is confronted with the choice of continuing discussions with the DEC or, as stated in the conditional approval letter, initiating, as an affected party, an administrative appeal. We believe the contingency plan holders have to make the same choice. Because we have previously agreed with the DEC that the Steering Committee should be utilized to identify and review issues that arise out of plan review and approval and because it was identified on 6/25/90 and 7/12/90 as an action item for the Steering Committee, but has not been discussed, we believe the best course at this time is to try to resolve the transition approval issue at the November 29, 1990 meeting. If we do not reach agreement with the Steering Committee to make a recommendation to the DEC on the 29th, Alyeska will initiate an administrative appeal to preserve its rights. We will, however, continue to discuss the issue through the Steering Committee.

As written, Condition 6 potentially places the legal burden of long term response and clean up on Alyeska in the event the spiller, which has that responsibility under state and federal law, is unable or unwilling to implement its approved contingency plan. Alyeska's agreement with the contracting vessels, and true capability, is only for initial response. We don't have the resources to provide a second tier clean up in the event a spiller fails to fulfill

its responsibilities. State and federal oil spill response funds and contingency plans are in place to provide that level of protection.

In the Response Agreement, if a contracting vessel fails to assume management of an oil spill response within 72 hours after request by Alyeska, Alyeska may formally tender management of the spill to the United States Coast Guard. As a result, Alyeska, the Coast Guard and the DEC must establish a process that would lead, without disruption of the actual response, to federalization of a spill. If a spiller fails to take over management of a spill response, we believe it is in the best interests of the State to work cooperatively with all involved to achieve a federal takeover of the response that will access the one billion dollar response fund created by the Oil Pollution Act of 1990.

The second concern with Condition 6 is what criteria should be applied to approve management transition when a contracting vessel is attempting to meet its contractual obligations to Alyeska and legal obligations to the federal and state governments. If the DEC adopts reasonable standards that must be met, then Alyeska and the contracting vessel know what objectives must be met and can work in advance to develop a capability to meet them. Standards would provide Coast Guard and DEC officials with a basis to first understand and then evaluate management transition as it occurs and provide constructive guidance to assist successful completion of the transition. After all, it is the goal of the unified command under the Incident Command System to work cooperatively to achieve maximum clean up results from oil spill response efforts. Finally, agreed-upon standards will assure Alyeska and contracting vessels that transition approval will not be withheld unreasonably during the physically and emotionally trying days immediately after a spill.

We hope that the DEC, Coast Guard, Alyeska and vessels agree to a common goal: transition of management from the initial response action contractor to the long term responder in a manner that is efficient and predictable and enhances the response effort. If we agree on this goal, it is imperative that we develop mutually acceptable standards that assist successful, cooperative achievement of the goal. These standards can be developed through the Steering Committee to meet the needs of all parties and should be based upon the experiences of transition drills held this year.

Letter No. 90-7975-G
November 16, 1990
Page 3

We look forward to discussing this issue at the next Steering Committee meeting on November 29, 1990.

Sincerely,



N. Mitchell
Contingency Planning Manager

smk

cc: U.S. Coast Guard
Vessel Contingency Plan Holders
PWS Contingency Plan Steering Committee
RCAC
R.I. Shoaf

Alyeska pipeline

SERVICE COMPANY

1836 SOUTH BRAGAW STREET ANCHORAGE, ALASKA 99512 TELEPHONE (907) 278-1811 TELEX 390-25-12

November 15, 1990

Letter No. 90-7973-G

Bill Lamoreaux, Regional Supervisor
Alaska Department of Environmental Conservation
3601 "C" Street, Suite 1334
Anchorage, Alaska 99503

Re: Oil Spill Response Services Agreement

Dear Mr. Lamoreaux:

The following companies, as "Contracting Vessels," have entered into Oil Spill Response Services Agreements for the terms indicated, covering the same vessels previously identified to the Department of Environmental Conservation:

<u>Contracting Vessel</u>	<u>Term</u>
ARCO Marine	11/16/90 - 12/31/92
BP America & The Standard Oil Co.	11/16/90 - 12/31/92
Chevron USA, Inc.	11/16/90 - 12/31/92
Exxon Shipping Co.	11/16/90 - 12/31/92
Shell Oil	11/16/90 - 12/31/92
Tesoro Alaska Petroleum Co.	11/1/90 - 12/7/90

For those Agreements expiring on December 31, 1992, the term will renew annually thereafter, unless the parties elect to terminate the contract as provided for in the Agreement.

We are continuing to work with Tesoro to evaluate its compliance with the financial responsibility standards in the Agreement. We will keep the Department advised of that status.

Sincerely,



Robert I. Shoaf
Assistant General Counsel

smk

cc: TAPS Legal Subcommittee
APSC Management
T.F. Plummer

Alyeska pipeline

SERVICE COMPANY

1835 SOUTH BRAGAW STREET ANCHORAGE ALASKA 99512. TELEPHONE (907) 278-1811 TELEX 790251

November 13, 1990

Letter No. 90-7964-G

Bill Lamoreaux, Regional Supervisor
Alaska Department of Environmental Conservation
3601 "C" Street, Suite 1334
Anchorage, Alaska 99503

Dear Mr. Lamoreaux:

RE: November 1st and 2nd Conditional Approval Letters to
Vessel Contingency Plan Holders in the TAPS Trade

Alyeska Pipeline Service Company (Alyeska), as initial oil spill responder through the Prince William Sound Tanker Spill Prevention and Response Plan, offers this letter in response to a number of the "conditions" described in the contingency plan approval letters from the Department of Environmental Conservation ("DEC") to tankers in the TAPS Trade. It is likely that those contingency plan holders will also communicate directly with the DEC.

Overall the letter is a good reflection of the agreement that has been achieved through the Steering Committee and the technical working groups. The spirit of the letter--to foster a strong working relationship between all parties to resolve very difficult issues--is one we support, appreciate and will continue to work hard to accomplish.

Our response, which is attached, seeks clarification of some issues, comments specifically and generally on others and requests, on behalf of Alyeska, Department modification of Conditions 1 and 6. Like Alyeska, many of the tanker contingency plan holders are concerned about Condition 6. Since the subject matter is so important, we ask for written confirmation of your response to our letter, especially on the request to modify condition 6, as soon as possible, but no later than November 14th, 1990. Alyeska will communicate that response to the tanker contingency plan holders.

Please be assured we wish to continue the working relationship that has been established through the Steering Committee; a process that we believe has contributed substantially to the development of the best possible contingency plan and planning process.

Sincerely,



N. Mitchell
Contingency Planning Manager

cc: J. B. Hermiller
Vessel Contingency Plan Holders
M.F.G. Williams
A. T. Smith
R. Shoaf
PWS Contingency Plan Steering Committee

ALYESKA PIPELINE SERVICE COMPANY COMMENTS ON THE NOVEMBER
1ST AND 2ND, 1990 ALASKA DEPARTMENT OF ENVIRONMENTAL
CONSERVATION CONDITIONAL APPROVAL LETTERS TO VESSEL
CONTINGENCY PLAN HOLDERS IN THE TAPS TRADE

PAGE ONE

Paragraph two: General Comment and Clarification

The current requirements of AS 46.04, which require planholders to determine the size of the "most likely spill" and then describe how to clean it up in 48 hours, have not been resolved between Alyeska and ADEC during the review of the PWS Tanker Spill Prevention and Response Plan. However, through the Steering Committee deliberations and with the passage of HB 567, it became a moot point, as a new planning standard established the spill size and became our mutual planning standard target. We therefore believe the "base-level plan" is a good strategy that represents our first, collective recognition of the new planning standard in HB 567; but it is not strictly to meet the current requirements of AS 46.04.

PAGE TWO

Paragraphs one and two: General Comment and Clarification

These two paragraphs are related. Paragraph one, however, in the reference to "no more than 12 hours after the release" should also acknowledge the "weather conditions permitting" language in paragraph two.

PAGE THREE

Conditional Plan Approval: General Comment and Clarification

As the new requirements of AS 46.04 proceed through rulemaking, on their way to new regulations on June 1, 1991, Alyeska and the vessel contingency plan holders will continue to hold the Steering Committee process as the most effective forum to mutually resolve the difficult issues. It is in that spirit that we envisage your requirement for "additional data and performance evaluation" as a significant Steering Committee project.

Conditions Upon Which Plan Approval Granted

1. There is no date in the letter for submission of "target goals and implementation schedules to resolve the issues identified below" (a. through g.). We interpret that

to mean, we will all continue to work in good faith with this request, through the Steering Committee and technical working groups, to achieve the target date for recommendations to the Steering Committee by March 1, 1991. The remaining dates present somewhat of a dilemma. If we deliver a revised plan to you on May 1st, 1991, conceivably we will have to submit another revised plan shortly after the full implementation of HB 567 on June 1st, 1991. We therefore, request the next plan submittal to be either June 1, 1991 or 60 days after final regulations have been implemented for HB 567, whichever is later.

The full implementation of HB 567, with its basis of planning standards, spill size scenarios and prevention incentives is an important part of the plan and will require a rewrite of the plan.

1.a. Response

We interpret this condition to mean that 25,000 barrels per hour, nameplate skimming capacity is the total required to meet the base-level plan prescribed in your letter, therefore the word "additional" should be deleted.

PAGE FOUR

1.c. Response

We believe the development of this "response strategy" will be best achieved through the technical working group and agree "this aspect of the initial response is critical". We will continue to pursue these HB 567 planning standards goals, utilizing the processes set up under the Steering Committee.

As a general comment, we have always felt that "best available technology" has not been defined, but will be adequately covered by the Steering Committee. It makes the most sense to focus on best available strategy, utilizing a collection of resources that are available in other comparable parts of the world.

1.d. Response

Alyeska will continue to pursue the development of high capacity/large volume skimmers and platforms. Arco Marine has recently announced that it has dropped plans to design and build a combined tanker/skimmer ("Big Gulp"). Alyeska is not independently pursuing that concept.

From what we have learned through the Steering Committee process, we accept the need to look beyond conventional skimmers and concentrate on the development of new, non-conventional skimmers and ideas. To that end, and in fulfillment of this condition, the two projects we have started (lightering pumps and the manometric pump) will be pursued until an answer is apparent. These projects seem to hold real promise and will be fully explored, in cooperation with the technical working groups. If this does not prove satisfactory, other areas will be explored.

1.g. Response

This straight forward request is a complicated, long term project. It involves a 20 million dollar Hatchery Protection Program and Community Response Center Protection Program that includes about 100,000 feet of boom stockpiled around PWS; all of which will be fully implemented late next spring, by June 1, 1991. The vast majority is on site now, with the remaining anchors and chain work scheduled for next spring. The site identification project started this summer. Site nomination, identification, onsite visits, evaluations and documentation of needed resources and a strategy will continue well through next summer and probably longer. We will not be able to provide the Department with any additional "plan" until all of our background work is completed. In the interim we will continue to respond to

requests you may have about the status of the project and share progress reports with you.

Condition 4; General Comment and Clarification

In order to meet this condition, the schedules for reports to the Steering Committee and ensuing recommendations to the Department must be properly organized. We will work with the Steering Committee and the Department to accomplish this. As stated previously, we request adequate time (60 days) after the new regulations to submit a revised plan.

PAGE FIVE

Condition 6; exception taken.

We believe this issue can be resolved by the Steering Committee with Alyeska and tanker contingency plan holder participation. Alyeska is specifically concerned with: (1) the schedule imposed by the conditional approval, (2) the approach and (3) the exclusion of a large number of TAPS vessels.

The Department has not offered any guidelines or criteria to evaluate a decision to approve the handover of the management of a spill from Alyeska to the spiller.

The spiller is responsible and liable under all law for the spill. Alyeska as a response action contractor for the spiller will initiate that response as described in the PWS Tanker Spill Prevention and Response Plan. By an Oil Spill Response Services Agreement, each vessel with an approved contingency plan will utilize Alyeska as an independent contractor to respond as required by the Tanker Spill Prevention and Response Plan. Nonetheless, Alyeska has only a contractual relationship with the spiller who must be on scene as soon as possible, with a claims office set up within 48 hours and management transferred within 72 hours.

We have in place, Section 106 of the Prince William Sound Tanker Spill Prevention and Response Plan and the agreement between Alyeska and the individual tanker owners, which negated the need for this similar provision in the Compliance Order by Consent. In addition, a large number of tankers in the TAPS trade have apparently satisfied your concerns in this area, as they are not required to modify their plans, presumably because Section 106 and the Contract are in place and adequate.

Alyeska and the plan holders agree with the Department as to the importance of a "smooth and efficient" transition of management and resources in a spill. We respect and share that concern, but ask the Department to consider the bind that puts all parties in. Transition is neither abrupt, nor easy to generalize.

We believe Section 106 of the PWS Tanker Spill Prevention and Response Plan recognizes this concern. In real terms, Alyeska will not leave the day the spiller arrives and in some cases will provide people and some resources that will stay with the spiller through the spill. All parties desire the same end result.

We would prefer to have the Department recognize the complex and company-by-company nature of this request and join with Alyeska and other members of the steering committee, through the upcoming transition exercises, to fully appreciate and examine the tenets of management transfer, as they apply both to the spiller and the regulatory agencies. Then, we can all assess the issues and participate in an open evaluation of guidelines, intended to ensure smooth transition.

Therefore, Alyeska requests this issue be placed in the Steering Committee for resolution by January 14, 1991. This proposed schedule will allow time for us to complete the

scheduled BP and Exxon transition drills and review lessons learned with all concerned. Further, Alyeska requests that: (1) all vessels contracting with Alyeska in the TAPS trade be treated equal, (2) the information gathered as a result of the upcoming transition workshops and exercises be considered and (3) this specific condition be modified to reflect these points as soon as possible, but not later than by November 14th, 1990.

Failure to Implement: General Comment

The linkage between AS 46.04.030 (g) and "those resources agreed to through the continuing technical work sessions" must be formally achieved in the language of the final plans, to prevent misunderstandings.

CONCLUSION

The above comments are truly intended to clarify some of the points raised in your conditional approval letter. They are offered as clarifications and comments and, with regard to "condition 6", are intended to fully utilize the Steering Committee process. As mentioned in Alyeska's transmittal letter, we would appreciate your written responses to our letter as the issues and subject matter are very important.

STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION

SOUTHCENTRAL REGIONAL OFFICE
3601 C STREET, SUITE 1334
ANCHORAGE, AK 99503

STEVE COWPER, GOVERNOR

(907) 563-6529

November 2, 1990

Michael J. Murphy
Vice President, Operations/Engineers
American Trading Transportation Co.
555 Fifth Avenue
New York, NY 10017

Dear Mr. Murphy:

Re: Conditional Approval of Prince William Sound Contingency Plan

The Alaska Department of Environmental Conservation (the Department) is in the process of reviewing your Prince William Sound Contingency Plan submitted on October 1, 1990. Recently, the Department completed its initial review of the Alyeska Pipeline Service Company's "Prince William Sound Tanker Spill Prevention & Response Plan" ("Alyeska plan"). Your company's plan relies upon and incorporates by reference the various components of the Alyeska plan, and by contract makes Alyeska your response contractor. Because your plan incorporates the Alyeska plan and uses Alyeska as a response contractor in implementing your plan, discussion of the current status of the Alyeska plan is appropriate here.

STATUS OF ALYESKA PLAN. The Department has been regularly working with Alyeska to increase Alyeska's capability to implement its "base-level plan" for more effective performance in spill prevention, response and preparedness. "Base-level plan" refers to the development of a minimum response capability to meet the current requirements of AS 46.04 while Alyeska works towards meeting the enhanced requirements of AS 46.04 which become effective on June 1, 1991.

The Department's review of your contingency plan is based upon the Department's evaluation of Alyeska's plan to date, and upon Alyeska's maintenance of satisfactory performance capability in the implementation of this plan. Alyeska's "base-level plan" is acceptable to the Department, in its pertinent provisions, under the standards now in effect in AS 46.04 and 18 AAC 75. In some instances, however, the Department has qualified Alyeska's plan to enhance performance or to identify areas where improvements are needed. These qualifications are based upon information obtained as a result of technical working group meetings, training exercises, and field drills involving Alyeska personnel, the U.S. Coast Guard, the Regional Citizens' Advisory Council, and the Department. To date, the Department and Alyeska have agreed to the following qualifications to the plan:

1. Alyeska will obtain additional equipment to increase its present nameplate skimming capability to 25,000 bbls/hr and will station its response equipment to provide for full deployment and operation at the scene of an oil release within no more than 12 hours after the release.
2. The four skimming platforms presently in place will be deployed and operational at the release scene within 4, 6, 9, and 12 hours, respectively, weather conditions permitting. Alyeska will evaluate the feasibility of increasing the numbers of skimming platforms to five or six to more effectively utilize the additional skimming capability.
3. Alyeska will maximize the effectiveness of its response equipment by deploying and operating the equipment as close to the source of the release and for as many hours per day as possible.
4. Where possible, Alyeska will deploy response equipment in multiple tiers. Mechanical recovery, dispersants, and burning options will be used in accordance with pre-approved, established procedures.
5. Nighttime boom deployment and configuration can be effectively accomplished at least under some conditions and mechanical recovery of oil at night should occur when feasible.
6. Local fishermen and vessels can be effectively utilized in boom deployment and configuration and should be included in response strategies.
7. The prevention and response measures incorporated into the present plan do not clearly identify minimum weather and other environmental conditions (wind, ice, daylight, etc.) needed to effectively implement the plan. Alyeska will continue to work with the Department to resolve the associated prevention and response issues.

To assist in identifying and resolving issues important to the development of an effective plan, the Department, in conjunction with the Coast Guard, RCAC, Alyeska, and tanker owners and operators, have established a Steering Committee and several Technical Working Groups. The Department will continue to work directly with Alyeska through the Steering Committee and the Technical Working Group meetings, where appropriate, to resolve issues related to the Alyeska plan.

CONDITIONAL PLAN APPROVAL. The Department hereby grants your Prince William Sound Contingency Plan conditional approval under AS 46.04.030 (e), based upon your incorporation of Alyeska's plan and your contract with Alyeska for initial response. The approval is conditional for two reasons. First, your Prince William Sound Contingency Plan incorporates the Alyeska "base-level plan" which will be changing over the next several months to meet the new legislative requirements of AS 46.04, and therefore, your plan will likewise be changing and subject to further review. Second, additional data and performance evaluation are required in order for the Department to determine that your contingency plan will, in the long term, provide the necessary level of protection and resources sufficient to protect environmentally sensitive areas and to prevent, contain and clean up potential oil discharges from your shipping operations. Accordingly, plan approval is only conditional at this time.

This conditional approval applies to the following tanker vessels:

M/T CHESAPEAKE TRADER (Charter and Response Coverage by Exxon)
S.S. AMERICAN TRADER (Charter and Response Coverage by Brit. Pet.)

CONDITIONS UPON WHICH PLAN APPROVAL GRANTED. Under AS 46.04.030 (e) the Department "may attach reasonable terms and conditions to its approval of an oil discharge contingency plan" See also 18 AAC 15.090. Conditional approval of your contingency plan is granted subject to the following terms and conditions:

1. Because of the requirement to enhance prevention and response capability by June 1, 1991, you must submit, for Department approval, a list of target goals and implementation schedules to resolve the issues identified below. Since the new legislative requirements deal primarily with initial response, those requirements must be addressed through the Alyeska plan or through revisions to your plan. These issues will be discussed through the six technical working groups and the Steering Committee which are presently reviewing prevention and response issues. The schedules must include at a minimum the development of final reports with recommendations to be submitted to the Steering Committee by March 1, 1991. The Steering Committee recommendations must be made to the Department by April 1, 1991. The issues to be addressed are:
 - a. The development and maintenance, to the satisfaction of the Department, of additional nameplate skimming capability to a total of 25,000 bbl/ hr. to be deployed throughout Prince William Sound;
 - b. The deployment of 30,000 feet of ocean boom in order to support a rapid response capability in Prince William Sound;

- c. The development of a response strategy that provides for rapid deployment of skimming equipment and boom at the scene of the spill. This aspect of the initial response is critical for a successful response and the plan must contain provisions to demonstrate this capability. The plan should also provide for the use of best available technology;
 - d. The continued research and development of a very high capacity and/or large volume skimming platform and/or vessel that will increase overall oil recovery capability to meet the June 1, 1991 planning standard of AS 46.04.
 - e. The development of a response strategy that integrates the use of mechanical clean-up as the primary method with the use of dispersants and/or burning as applicable under various, specified circumstances;
 - f. The identification of the high risk areas for oil spill release and the prevention measures that have been or will be implemented to significantly reduce the potential for a release in these areas.
 - g. A plan to provide and deploy sufficient resources to protect environmentally sensitive areas and areas of local concern.
- 2. Not later than January 31, 1991, you must submit to the Department an action checklist for deployment of response personnel and equipment. The checklist must identify the timeframe in which these actions will be taken in the event of a drill or an actual oil discharge.
 - 3. Not later than June 1, 1991 equipment for implementation of the hatchery protection plan must be in place and functional.
 - 4. Not later than May 1, 1991, you must submit a revised copy of your contingency plan, including the Prince William Sound Tanker Spill Prevention and Response Plan, and any revisions thereof. This revised plan should address at least the items identified above, as well as any other issues raised through the Technical Working Groups or the Steering Committee.
 - 5. Not later than November 16, 1990, you must submit to the Department an updated list of the documents included by reference in your contingency plan. Where applicable, these documents must be referenced by title, author and date, and any other information that would more clearly identify the documents. The "Prince William Sound Shoreline Cleanup Plan,"

which was referenced by many plan holders, should identify the author of the plan to distinguish it from other plans which may have a similar title.

6. Not later than November 16, 1990, you must provide a statement to be included in your plan which states that any transfer of management decisions or operations during a spill response from Alyeska to you or another party must receive the explicit approval of the Department before the transfer occurs.
7. Not later than November 16, 1990, you must submit a management approval letter which indicates that your company's management has endorsed the plan and committed the resources necessary to implement the plan. This letter must be signed by a management representative that has the authority to commit the company to the implementation of the plan.
8. You must immediately notify the Department of any change in the contractual relationship with your response contractor that would affect the response, prevention and preparedness capabilities outlined in your plan. You must also abide by all continuing obligations imposed upon you as a holder of a contingency plan as those requirements are set out in AS 46.04 and 18 AAC 75.305-.395.

EXPIRATION DATE OF APPROVAL. The conditional approval of your plan is effective immediately. This approval will expire at 11:59 p.m. on May 31, 1991. During this time, the Department will continue to work through the Technical Advisory Groups and the Steering Committee on issues related to your Prince William Sound Contingency Plan. In accordance with AS 46.04.030(f), the Department may terminate this approval prior to the May 31, 1991 date if deficiencies are identified that would adversely affect your company's spill prevention, response and preparedness capabilities. Upon expiration or termination of the approval, under AS 45.04.030(c) you may not cause or permit the transfer of oil to or from your vessel in Alaska unless you first secure a new approval of your contingency plan from the Department.

MODIFICATION. The Department may, after notice and opportunity for hearing, revoke or otherwise require the amendment of your plan under AS 46.04.030(f). In that connection, please review the conditions set out in AS 46.04.030(f) and the notice of nonreadiness obligation imposed on you by 18 AAC 75.375.

No amendment of your contingency plan, or the conditions of this approval, which affect response, prevention and preparedness capabilities, is permitted absent the prior written consent of the Department's Regional Supervisor overseeing implementation of your plan.

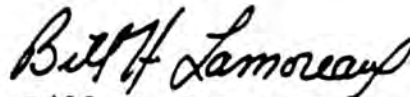
FAILURE TO IMPLEMENT. As holder of an approved contingency plan, under AS 46.04.030(g) your failure to have access to the quality and/or quantity of the resources identified in the plan, in the event of a spill, to respond with those resources within the time required by law is a violation of Alaska law. This also includes those resources agreed to through the continuing technical work sessions that will be ongoing over the course of this Conditional Approval. Please also carefully review AS 46.04.030(g) so that you fully understand your obligations.

CRIMINAL SANCTIONS. In addition to subjecting you to civil penalties and damages, any violation of AS 46.04, a regulation issued thereunder, or a condition of the contingency plan approval may also subject you to criminal penalties under AS 46.03.790.

ADJUDICATORY HEARING. Within thirty days of service of this conditional approval, you or any other person may request an adjudicatory hearing if you or the person disagrees with the Department's decision. The request for a hearing must be served on the Commissioner within the thirty days. The contents of the request must be consistent with 18 AAC 15.200.

If you have any questions about any of the above, please contact Joe Sautner or Steve Provant at this office.

Sincerely,



Bill H. Lamoreaux
Regional Supervisor

BHL:JS:ect
Enclosures

cc: Jim Hermiller, Alyeska Pipeline Co.
Roger Gale, BP
R.M. Weatherford, Exxon
Les Leatherberry, ADEC

September 5, 1990

Letter No. 90-7774-G
File No. 7.11.07

Bill Lamoreaux, P.E.
Regional Supervisor
Alaska Department of Environmental Conservation
3601 C Street, Suite 1334
Anchorage, Alaska 99503

RE: August 29th, 1990 letter from Bill Lamoreaux to
Jim Hermiller

Dear Bill:

Since we have talked, I wanted to provide Alyeska's views on your recent letter to Mr. Hermiller.

In the main, we found your letter to be positive, constructive and indicative of our mutual goals to work closely with you, the USCG and the Regional Citizen's Advisory Committee (RCAC) to solve unique and difficult problems. We are responding quickly to your letter however, to clear up possible misunderstandings that might threaten this process and to clarify some details resulting from our joint meeting with the tanker owners.

The first concern we have deals with the philosophical "ground-rules" we believed governed the "working group" process. We respect and expect that your regulatory mission gives you every right to make the final decisions subject to normal due process criteria. We also acknowledge that the "working group" process can only influence those decisions so long as sound, technical and defensible proposals are brought to bear on a particular problem. To that end, one part of your letter seemed inconsistent or confusing.

The conclusion "that 25,000 barrels/hour of nameplate skimming capacity should allow Alyeska, under favorable conditions...to recover about 150,000 barrels in 72 hours" did not seem to stem from our working groups. Our concern is not over the numbers per se but the missing step where a conclusion appears absent any presentation and discussion by the working group. Therefore we can only accept that the statement may have meant for planning purposes that "recovery could be at least 150,000 barrels in 72 hours."

We believe that the assessment of how well the nameplate capacities of the Prince William Sound Plan response effort meet the planning standards described in H.B. 567 should remain with the working group process for further review.

That review should acknowledge that no level of response equipment will ever guarantee complete removal of a catastrophic oil spill on water and that plan approval should be based on the dual priorities of prevention and realistic response planning, in the framework created by the legislation. Alyeska's criteria for response planning is to determine what is the appropriate type of equipment to utilize shortly after a spill to achieve maximum cleanup. As we have demonstrated and agreed with the Department in the working group process, the amount of equipment appropriate to plan for a 300,000 barrel spill is limited by the strategies for using the equipment and the space available to deploy the equipment to respond to the oil on water. In terms of meeting the newly created planning standards, this analysis leads to the conclusion that the 25,000 barrel per hour nameplate capacity and deployment strategies currently under discussion in the working group is appropriate to meet a clean up standards of at least 150,000 barrels in 72 hours.

We, like you, also do not believe that a straight extrapolation from the above formula achieves the planning level for 300,000 barrels in 72 hours. The evolution of response capability in PWS should be based on conclusions drawn from principles, mutually accepted as technically sound and defensible, in the working group process.

That same process has been useful for discussion of spill prevention. In mandating prevention, the legislature gave very little guidance. In Alyeska's view, prevention should attempt to reduce identified risks, such as presented by the Valdez Narrows. The legislature has agreed that reduced response requirements can serve as an incentive for prevention expenditures. We should continue to balance prevention and response planning in the working group discussions. As such, we believe that the significant prevention efforts already in place should be viewed both to allow operation in more adverse weather conditions and as a basis for evaluating potential reductions in the response capability that must be on hand.

I do not wish to dwell on these points, but we have placed a great deal of trust and confidence that our working groups can achieve answers to problems and questions that are unique in all the world. Our devotion to this process must remain high, which requires diligence by all parties.

The other issue concerns the achievements of the meeting with the tanker owners. We understand that you accepted the broad "headings" of what they proposed would be the components of their complete plan. Those being:

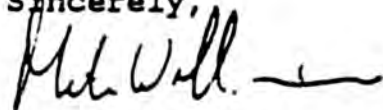
- Shipowner Contract with Alyeska for Initial Response
- PWS Tanker Spill Prevention and Response Plan
- Supplemental Beach Clean-up Procedures
- Lightering Operation Guidelines (OCIMF)
- Shipowner Management Transition Plan
- Shipowner Core Plan and Vessel Specific Information.

The Tanker owners also committed to present their plans to you October 1, 1990, which corresponds to expiration of the last amendment to the Compliance Consent Order. That leaves legal issues on the table that are important to resolve in a timely manner. Accordingly we are scheduled to meet again with you next Thursday, September 6th and should attempt to resolve those issues. We do not believe that Alyeska needs to continue to guarantee response on behalf of vessels through a consent order, but the vessels should commit for themselves to the response the state deems appropriate under the existing circumstances.

We also propose to resolve an outstanding issue dealing with vendor contracts.

The meeting seems a good time to develop the flow chart, mentioned by Nick, that outlines our respective options, a work plan and the schedule to complete these projects. We will come prepared to discuss these issues, and hope to reach a mutual understanding of the points raised in this letter.

Sincerely,



M.F.G. Williams,
Vice President, Environment and Contingency

STATE OF ALASKA

STEVE COWPER, GOVERNOR

DEPT. OF ENVIRONMENTAL CONSERVATION

SOUTHCENTRAL REGIONAL OFFICE
3601 "C" STREET, SUITE 1334
ANCHORAGE, AK 99503

(907) 563-6529

August 29, 1990

James Hermiller
Chief Operating Officer
Alyeska Pipeline Service Company
1835 S. Bragaw Street
Anchorage, AK 99503

Dear Mr. Hermiller:

ADEC is continuing the review of the Prince William Sound Tanker Spill Prevention & Response Plan (Alyeska plan) submitted December 31, 1989. Part of that plan includes initial spill response capability and prevention. Additionally, these topics have been the subject of several meetings between Alyeska and ADEC over the past several months. At this time ADEC is prepared to identify what we consider to be a minimally acceptable baseline to satisfy current state law, while keeping in mind the new requirements under H.B. 567, applicable June 1, 1990. This letter is to give notification to Alyeska concerning these portions of Alyeska's plan as to changes necessary to achieve this acceptable baseline. These items are included in detail as an enclosure.

Where deficiencies have been identified, the Department will require that Alyeska modify the plan on a mutually acceptable compliance schedule. In some cases, where approval is dependent on a demonstration of performance by field testing, or the need for further analysis through technical review, the Department will continue to work with Alyeska on an informal basis in technical sessions, to reach agreement. Based on the results of these analyses, Alyeska will be required to provide different or additional equipment, revise strategies or implement operational restrictions to upgrade and improve the prevention, preparedness and initial response capabilities of the plan. The State believes the Department will have to define the level of response needed to meet the requirements of H.B. 567 and will place the Prince William Sound Spill Prevention & Response Plan in the forefront in compliance efforts.

We are also in the process of evaluating the Alyeska plan taking into consideration geography, climate and weather considerations in the sense of both preparedness and prevention; training, drills and field manuals from the standpoint of readiness; and other appropriate Alaska statutes and regulations. A number of the comments in ADEC's letter to you on November 2, 1989 are concerns the Department still has about Alyeska's plan and these concerns will be factored into our review. Alyeska and the Department are well on the way towards resolving a number of these concerns and

August 29, 1990

by ~~contending~~ to work together through technical task forces, we should ~~be able~~ to reach agreement on these and other concerns as they ~~surface~~. The department will have these detailed comments to you in the near future.

The department considers the Alyeska plan to be a segment of the overall plan for Prince William Sound, and when approved (as part of the Prince William Sound plan) will fulfill the initial emergency response to an oil spill in Prince William Sound. It is the responsibility of the shipping companies to develop a contingency plan for Prince William Sound which should incorporate the Alyeska plan through a contractual arrangement. An approval decision cannot be reached until the entire contingency plan for Prince William Sound has been submitted. In the interim, the department proposes that the Compliance Order by Consent be revised to reflect the need for an increased level of prevention and preparedness by Alyeska at this point in time, as we work towards meeting the requirements of H.B. 567. Until such time that the state receives and takes action on the overall Prince William Sound contingency plan, Alyeska will be bound by the order, to be responsible for all aspects of a contingency plan capability in Prince William Sound. We will propose to the shipping companies that they agree on a Compliance Order by Consent with the department which will provide for submittal of the Prince William Sound contingency plan incorporating: (1) a contractual arrangement to include the Alyeska plan to provide for preparedness, prevention and initial response; (2) a mechanism for "turn-over" of spill management to the responsible party; and (3) for continued response and long term cleanup.

I also want to update you on the status of the Alaska Coastal Management Program (ACMP) consistency review process. Review packets were sent to other State agencies and affected coastal districts, and public meetings have been held on the Alyeska portion of the overall Prince William Sound contingency plan. We are presently at that point in the ACMP review process schedule where we must develop a proposed consistency determination. However, since the department has not yet received the entire plan for Prince William Sound, any determinations that are made can only be based on one portion of the contingency plan. Therefore, we are reluctant to proceed until the shipping companies plans are available and bring the entire plan into focus. Once the entire contingency plan is available we will consider completing the proposed consistency determination in phases, if we can do so without jeopardizing the process. This would allow us to move forward with an approvable portion of the contingency plan and to finalize our actions so that Alyeska or the shipping companies can begin implementation of any new requirements.

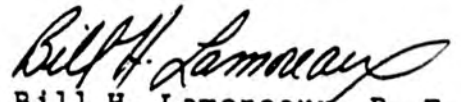
) James Hermiller

-3-

August 29, 1990

I am encouraged with the progress we have been making and believe that the process we have been following will continue to help us develop Alyeska's plan into an effective preparedness, prevention and initial response document.

Sincerely yours,


Bill H. Lamoreaux, P. E.
Regional Supervisor

BHL:SP:ep
Enclosure
cc: Fred Garibaldi
B.P.America

)

DEPARTMENT OF ENVIRONMENTAL CONSERVATION

Requirements for Upgrading the Alyeska Prince William Sound

Tanker Spill Prevention & Response Plan

August 29, 1990

This enclosure to ADEC's August 29, 1990 letter to James Hermiller, Chief Operating Officer for Alyeska, is to establish prevention measures and skimming capability requirements in addition to those provided in the Prince William Sound Tanker Spill Prevention & Response Plan at the present time. This capability will establish the baseline from which Alyeska will progress to meet the requirements of HB 567. The State will work with Alyeska to modify the existing Compliance Order by Consent to incorporate into it a timeframe in which these prevention measures and skimming requirements are to be achieved and incorporated into Alyeska's plan.

Since the overall contingency plan for Prince William Sound has not been submitted, the department will not take approval action on the Alyeska portion of the plan. However, the state will give Alyeska direction by indicating the approvable segments of the Alyeska plan and will continue to work with Alyeska to resolve areas where deficiencies exist. The State will initiate approval action upon receipt of the tanker owners' plans which must include a contractual arrangement giving Alyeska responsibility for the preparedness, prevention and initial response portions of the contingency plan. The Terminal Contingency Plan which has just recently become available for review must be coordinated with the Alyeska component of the Prince William Sound plan. At the present time the coordination between the Terminal and PWS plan is inadequate.

Present Skimming Capability

Alyeska proposes a nameplate skimming capability of 16,960 bbl/hr. The proposal to the state is to provide two additional skimming platforms to increase the skimming capability to approximately 21,000 bbl/hr on five or six major skimming platforms. Alyeska has also agreed to pursue the development of an intake structure for eight existing transfer pumps of 2000 bbl/hr pumping capacity each to provide a total of 16,000 bbl/hr pumping capacity. The pumps will be distributed equally among four response barges to provide 4000 bbl/hr high rate pumping capability per barge. The intent is to increase recovery capability during the very early hours of the spill when these pumps might be effective. This will give Alyeska a total nameplate recovery and high rate pumping capability of approximately 37,000 bbl/hr. Alyeska has proposed to have the equipment deployed so as to have 16,000 bbl/hr capability available in the Sound, 8000 bbl/hr at Port Etches at Hitchinbrook Entrance and 8000 bbl/hr at Naked Island and 21,000 bbl/hr in Port Valdez.

The state is requiring that Alyeska increase the existing nameplate skimming capacity by acquiring the proposed addition of 4000 bbl/hr and, at a minimum, an additional 4000 bbl/hr capacity to give a total amount of equipment to provide 25,000 bbl/hr nameplate skimming capacity. This equipment will be distributed on the skimming platforms so that two platforms will have 8000 bbl/hr skimming capacity and be stationed at Naked Island and Port Valdez. A third platform with 4000 bbl/hr skimming capacity will be stationed at Port Etches. The other skimming units will be located in Valdez. Alyeska must develop a checklist of the actions that will be taken to: (1) have one 8000 bbl/hr skimming unit operating at the scene of an incident within five hours; (2) have either the 4000 bbl/hr skimming unit or the other 8000 bbl/hr skimming unit at the scene and operational within seven hours and; (3) have all other skimming units at the scene and operational within twelve hours.

In addition, Alyeska must undertake the development of a very high capacity pumping system with intake structure which will increase their recovery capability to approximately 41,000 bbl/hr, 25,000 bbl/hr skimming and 16,000 bbl/hr pumping. If such a system does not provide a suitable, high rate oil recovery capability then the existing system must be augmented by currently available skimming equipment. At the same time, other options to develop a very high capacity skimming system in the 30-40,000 bbl/hr range must be pursued by Alyeska.

~~The acquisition of a complete skimming capacity of approximately 25,000 bbl/hr must be made by Alyeska, under the most favorable conditions, to meet the requirements of H.B. 567. The analysis of the technical report.~~

Additional Skimming Equipment

Subsection K of HB 567 requires that Alyeska maintain, at a minimum, in its region of operation, equipment, personnel, and other resources sufficient to contain or control, and clean up a 300,000 bbl discharge within 72 hours. The State will continue to work with Alyeska to reach a determination of the response capability necessary to achieve the planning standard of H.B. 567 and to determine the variables or conditions that will be applied in making decisions on the amount of additional skimming capability needed beyond the initially required base amount. We want to point out that we do not believe that a straight extrapolation from the

150,000 bbl/72 hrs number utilizing existing skimming equipment is adequate to achieve the planning level of 300,000 bbl/72 hrs and in making this determination we will consider the following:

- That only a finite amount of equipment can effectively be deployed in the spill area during the first few hours. If the oil is not contained and substantially cleaned up within the first 24-36 hours, the initial equipment and additional skimming equipment deployed to deal with an increasing spill area will be less and less effective and a point of diminishing returns will be reached.
- That for purposes of this analysis of skimming capabilities we will assume that equipment efficiencies are initially high due to the high encounter rates and we have utilized the best available data to determine the decrease in equipment efficiency as the spill progresses. Also, impacts of weather and nightfall adversely affect the skimming equipment efficiencies which have been factored into our evaluations.
- That beyond a certain maximum, additional, effective recovery capability can only be obtained with a high capacity recovery system available early in the spill that can significantly increase recovery during daylight hours to offset the reduced efficiency of existing equipment due to darkness, adverse weather and time.
- That more accurate factors must be developed to take into account various parameters influencing equipment performance such as available daylight, weather, historical skimming performance, response time, oil recovery strategy, rate of oil volatilization, losses in the water column, oil viscosity, emulsification, the overall thickness of the floating oil and the free water that is recovered in the oil.

Prevention and Prevention Credits

While there would still be a high risk that a spill could occur under conditions whereby the planning standards of HB 567 could not be achieved, the risk of not being able to mount an effective response would be significantly reduced by requiring the high rate skimming capability resulting from the process as described above. ~~We must also consider that the chances of a spill power grounding such as happened with the Exxon Valdez has been reduced beyond~~ Valdes Arm in unrestricted areas of Prince William Sound through the establishment of the tanker vessel escort system. Therefore,

in the open areas of Prince William Sound any incident which might occur at this point in time would most likely result in the release of less oil than occurred from the Exxon Valdez. We expect the implementation of additional prevention measures such as a Prince William Sound/Valdez Arm/Valdez Narrows/Port Valdez wind restrictions, tanker vessel tracking system and tractor tug escort in towing harness configuration through Port Valdez, Valdez Narrows and Valdez Arm would almost eliminate the likelihood of a grounding with a major release of oil.

The state will require the establishment of wind restrictions as a prevention measure to control tanker movement (rather than established on ability to operate clean up equipment). Alyeska has implemented the Ship Escort Response Vessel System (SERVS) which has some capability to reduce the risks associated with tanker movement in the wide open spaces of Prince William Sound. ~~escort system is modified to provide similar prevention in the restricted areas. Prevention credits will be allowed for tanker movement during these periods of time when clean up would not be marginally effective.~~ The State is allowing this because the likelihood of a major spill would be significantly reduced with the implementation of such a system. As other prevention measures are added at a later time, additional credits (possibly to reduce clean up equipment inventories) will be considered.

Because of the significant gains in prevention to be made by a system to control disabled tankers through Valdez Narrows and Valdez Arm, the State is requiring that Alyeska implement a vessel escort system. This should be implemented as soon as possible in order to allow the immediate control of disabled, laden tankers through the restricted areas of Valdez Narrows and Valdez Arm. The specifications are written for a towing vessel, that if it were attached to the tanker in a stern towing harness, it would have the ability to prevent a grounding. If Alyeska can demonstrate some other mechanism which will accomplish the same degree of control then that system will be evaluated.

STEVE COWPER, GOVERNOR

DEPT. OF ENVIRONMENTAL CONSERVATION

SOUTHCENTRAL REGIONAL OFFICE
3601 "C" STREET, SUITE 1334
ANCHORAGE, AK 99503

(907) 563-6529

August 22, 1990

M.F.G. Williams
Vice President
Environmental Planning & Control
Alyeska Pipeline Service Company
1835 South Bragaw Street
Anchorage, Ak 99512

Dear Mr. Williams:

The technical working meetings we have had with you and your staff to consider Alyeska's Prince William Sound Tanker Spill Prevention & Response Plan (Plan) have been very productive and have resulted in our making progress to identify the necessary components for an adequate plan. We have reached a common understanding on some pertinent topics, and have identified other topics and the actions needed to provide further clarification. Enclosed is our understanding of the results of the meetings, to date, entitled "Results of ADEC, Alyeska, Coast Guard, RCAC C-Plan Technical Working Sessions as of August 2, 1990". The plan, as we are considering it at this time, includes both the document as currently drafted and the verbal concepts, strategies, etc. as presented and discussed during our meetings. Letting you know the portions of the Plan that we are in conceptual agreement with should allow you to begin developing those aspects of the Plan and to move ahead with implementation in those areas as soon as possible.

The enclosure also records topics still in need of resolution and the action items that need to be accomplished in order to obtain the information necessary to bring these items through a decision making process. In some cases the State will establish performance criteria for operations and equipment critical for the maintenance of a high level of prevention and response capability. The criteria will include such items as retention time for oil/water separation, minimum vessel and barge performance based on expected functions and weather restrictions based either on demonstrated capabilities to conduct various prevention operations or the ability to conduct oil clean up operations. We also expect to establish a base nameplate skimming capability that Alyeska must provide and to develop an approach for achieving the planning standard to contain and cleanup 300,000 bbl in 72 hours specified in H.B. 567 and whether any prevention credits are warranted to allow a reduction from this standard.

M.F.G. Williams

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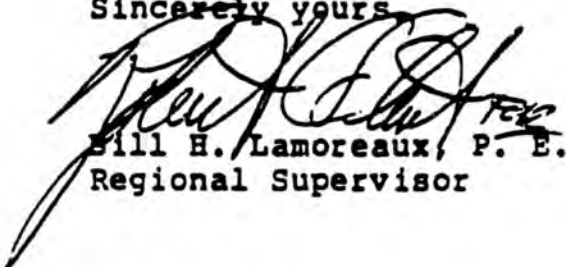
August 22, 1990

When new equipment purchases or leases are necessary in order to meet State requirements, ADEC will attempt, when appropriate, to allow sufficient time for phasing in the equipment in a manner consistent with normal contracting and construction practices. An exception to this would be in a case where performance capabilities are so lacking that it is evident a change of equipment or operational practice should be accomplished as quickly as possible.

The State also will continue to utilize a technical State-Alyeska working group approach as a forum to help evaluate operational concepts and equipment performance. The State will take information from the working group into consideration in making decisions as to what constitutes adequacy of resources and best available technology in meeting the requirements of HB 567. The State will also use the results of drills and training exercises and any other records of performance to assess compliance.

We look forward to our continued cooperative and productive working relationship with you to complete the Alyeska Contingency Plan approval process.

Sincerely yours



Bill H. Lamoreaux, P. E.
Regional Supervisor

BHL:SP:rs
Enclosure

Results of ADEC, Alyeska, Coast Guard, RCAC
C-Plan Technical Working Sessions as of August 2, 1990

The purpose of this document is to identify those areas where conceptual agreement has been reached, where further clarification and /or action is required to resolve a particular topic. Where appropriate, the State will define it's position on various topics and identify any requirements necessary for C-Plan approval.

Topics of Conceptual Agreement

- The description of Alyeska's oil recovery strategy as verbally presented includes:
 - Maintaining a mix of oil recovery equipment to provide flexibility for types, locations, and sizes of spills to maintain recovery in various weather conditions;
 - The deployment of all needed equipment in Alyeska's inventory within twelve hours of a spill;
 - Oil recovery as close to the source as possible;
 - Multiple tiers of recovery equipment;
 - Operating equipment as many hours as possible, considering safety and effectiveness;
 - Where possible selecting equipment for versatility to perform multiple roles;
 - The concept of using fishing vessels during response activities for boom handling and deployment;
 - The use of dispersant to disperse oil that escapes the mechanical recovery operations consistent with the "Oil Dispersant Guidelines for Alaska" developed by the Regional Response Team Working Group
 - Incorporation into the response strategy the use of sacrificial shorelines and areas for exclusionary booming
 - Developing very high recovery rate capability on first responding units which might encounter thick, fresh oil

- Preventing oil spills in the first place is the only guarantee that shorelines will not be oiled and that:
 - The tug/ERV escort system concept is part of an effective spill prevention system;
 - Actions should be taken to encourage shipping companies, T/V masters and pilots to operate as a team with SERVS;
 - Actions should be taken to encourage enforcement of T/V speed within Port Valdez and Valdez Narrows;
 - The Prince William Sound towing package is complex, difficult to deploy and is intended for use only in certain situations when there is time to hook it up;
 - Continue to explore vessel tracking systems
- Alyeska will increase their inventory of boom to 30,000 ft of ocean boom;
- Conceptually, Alyeska's C-Plan will be a segment of the tanker owners C-Plan through a contractual arrangement with the tanker owners, although the final details have yet to be developed and will require further review;
- Establishment of one or more technical working groups to review equipment, develop an equipment testing program and evaluate equipment effectiveness in meeting ADEC performance criteria to:
 - Continue looking at ways to make tug/ERV escort-response system more effective;
 - Evaluate the optimal sizes and types of barges and skimmers for the most effective mix of equipment;
- Establishment of a technical working group to evaluate prevention measures and their effectiveness in meeting ADEC performance criteria;

Topics on which further clarification is required in order to reach resolution:

- The "formula" for determining the amount of nameplate skimming capacity needed to deal with a 300,000 bbl spill in 72 hours considering:
 - Hours available
 - Skimming equipment efficiency
 - Alyeska's strategy
 - Changes in efficiency due to reduced daylight, the impact of adverse weather, changes in viscosity and water content of the oil
 - The concept of a high capacity recovery capability based on lightering pumps or other devices such as a large capacity skimming vessel so that maximum recovery of oil can occur in the early hours of a spill
 - Losses in oil volume due to evaporation and dispersion within the water column
 - Gains in oil volume due to emulsification with water
- Evaluation of whether to base the establishment of operational weather windows on prevention or response;
- Identification of training and drills, both from the standpoint of content and frequency, to establish and maintain an adequately trained response cadre of personnel;

As a result of our review to date the working group meetings, numerous items have been identified which require further actions. These items include:

- The ballasting and testing of a 73,000 bbl barge to evaluate it as a suitable rough seas working platform
- Development of a large capacity skimming capability using transfer pumps (lightering pumps) with a modified intake structure or other devices to facilitate the rapid uptake of oil

- Consideration of alternatives if the high volume transfer pump concept fails which will include use of additional currently available skimming devices or a large capacity skimmer
- Consideration of the concept to use a tractor tug attached to a T/V through Port Valdez, the Narrows and the Arm
- Alyeska will develop action checklists for deployment of responders and equipment for the initial response
- Testing the oil-water separation capabilities of 73,000 bbl vs. 120,000 bbl barges
- Further definition of the relationship between Alyeska and the shipping companies' C-Plans and liabilities
- Evaluation of integrated vessel tracking satellite system by Coast Guard
- Follow through with tanker owners by SERVUS to make escort system operate as team with T/V master and pilots
- The State will develop a spill scenario and establish the parameters affecting the efficiency of the response based in part on the work of Graham Lascelles and Dan Lawn to serve as a baseline for response needs
- The State will determine what skimming capacity will constitute an adequate baseline level and establish a methodology to determine and achieve the capacity to meet the planning standard of 300,000 bbl in 72 hours
- Alyeska will research the safety aspects of operating spill recovery equipment as close to the source of the spill as possible in order to increase the rate of recovery by operating in deep, fresh oil.

MEMORANDUM

TO DISTRIBUTION	SUBJECT Oily Waste Disposal Working Group	
FROM R. I. Shoaf <i>M. Shroy</i>	DATE January 8, 1991	FILE NO.

DISTRIBUTION: PWS Oil Spill Contingency Plan --
Steering Committee (See attached list)

Alyeska has recently added Jordan Jacobsen to its Law Department. Jordan will utilize his prior experience to help Alyeska maintain compliance in all waste disposal. His technical experience includes 7 years as a geophysicist at ARCO and he has a year and half experience as a lawyer dealing with RCRA and CERCLA matters.

While I support the exclusion of lawyers from Steering Committee and working group meetings, except when requested by the group, I request permission for Jordan to participate in the oily waste disposal working group. If you agree, Jordan will bring a constructive approach to the group that will supplement the strengths of its members. We would withdraw this request if, after several meetings, group members find Jordan's presence to be a hindrance to completion of their work.

The next meeting of this technical working group is tentatively scheduled for January 24th in Anchorage at Alyeska. If there are no objections, Jordan could attend this meeting and the issue could be raised at the next meeting of the Steering Committee on February 12th.

If you have serious objections, please let me know by January 14th at 265-8565. Thank you.

smk
2/1st

PRINCE WILLIAM SOUND CONTINGENCY PLAN--STEERING COMMITTEE

DISTRIBUTION LIST

ALYESKA

Nick Mitchell	FAX 265-8983
Graham Lascelles	FAX 265-8983
Larry Shier	FAX 835-6922
Tim Plummer	FAX 835-6078
Kate Montgomery	FAX 265-8983
Mark Hutton	FAX 265-8983

ADEC

Bill Lamoreaux	FAX 562-4026
Joe Sautner	FAX 562-4026
Steve Provant	FAX 562-4026

USCG

Ed Thompson	FAX 835-5153
Ed Wielickiewicz	FAX 835-5153

RCAC

Sheila Gottehrer	FAX 277-4523
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VESSEL OWNERS/OPERATORS/CHARTERERS

PWS Tanker Association	FAX 415-894-7354
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BP

Roger Gale	FAX 216-586-4557
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ARCO

Jay Ketchiner	FAX 213-590-4425
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EXXON

Myron Fedak	FAX 713-656-9570
-------------	------------------

CHEVRON

Ron Holten	FAX 415-894-7354
------------	------------------

SHELL

W. Robinson	FAX 713-241-5622
-------------	------------------

TESORO

G. Burden	FAX 907-776-5546
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MORANDUM

TO	M.F.G. Williams	SUBJECT	
THRU	N. Mitchell <i>mm</i>	Proposed 6.25.90 First Meeting with ADEC USCG, RCAC, Alyeska	
FROM	M. Hutton <i>mm</i>	DATE	FILE NO.
		6.18.90	

ACTION REQUIRED Informational only

PLACE Alyeska Board Room, 5th floor

TIME 1300 -1700 hours on June 25th

SUBJECT A Scoping Session on Weather and Prevention
issues in the Tanker Spill Prevention and Response
Plan for Prince William Sound

ATTENDEES Mike Williams, Alyeska
Nick Mitchell, Alyeska
Graham Lascelles, Alyeska
Tim Plummer, Alyeska
Mark Hutton, Alyeska
Bill Lamoreaux, ADEC
Steve Provont, ADEC
Joe Sautner, ADEC
Dan Lawn, ADEC
Capt. Ed Thomson, USCG
Tim Robertson, RCAC
Owners/Shippers Representatives

AGENDA Agreement on Agenda
Discussion and Agreement on Approach
 Baseline
 Schedule
 Participants
 Process
Discussion on Issues
 Weather
 Prevention

OBJECTIVE TO WORK COOPERATIVELY WITH ALL INTERESTED AND CONCERNED
PARTIES TO DISCUSS TECHNICAL ISSUES AND A PROCESS
WHEREBY UNRESOLVED QUESTIONS AND PLAN ISSUES CAN BE
SETTLED.

DRAFT AGENDA
JUNE 25, 1990
1300 - 1700 HRS
ALYESKA BOARD ROOM (FIFTH FLOOR)

- I. Agreement on Agenda

- II. Discussion on Approach
 - A. Regulatory basis for standards (ADEC)
 - B. Administrative basis for standards (ADEC)
 - C. Industry Basis for standards (Alyeska)
 - D. Participants
 - E. Schedule and Process
 - F. Relationship to Plan approval

- III. The "Weather" issue
 - A. USCG Proposed Rulemaking
 - B. Nat. Weather Service Data
 - C. Discussion as per II. above

- IV. The "Prevention" issue as related to weather
 - A. SERVS Report
 - B. Discussion as per II. above
 - C. Recommendations

MEMORANDUM

TO M.F.G. Williams	SUBJECT	
THRU N. Mitchell	Progress Report on the ADEC/RCAC/USCG C-Plan meetings	
FROM Mark Hutton	DATE	FILE NO.
COPY TO R. Shoaf, T. Plummer	7/13/90	

Mike,

We have now met twice with most participants. I have subsequently met with Steve Provant, as per Nick's instructions, to put in words the agreements or acknowledgements that reflect where we are in the process. The essence of those agreements are:

1. The Tanker Spill Prevention and Response Plan for Prince William Sound is recognized as a contractual segment of the Tanker's Plan.
2. Preventing oil spills in the first place is the only guarantee that oil will not hit the beaches.
3. The spill response strategy proposed by Alyeska at the two meetings is acceptable including:
 - a. response close to the source
 - b. multiple tiers of equipment
 - c. operating maximum number of hours
 - d. equipment versatility where possible
 - e. fishing boats are acceptable for initial boom response
 - f. a detailed strategy is not necessary in the plan, rather a general concept backed up by "checklists"
 - g. the overall strategy is to be backed up by an explanation of the type of equipment, where located, amount, and capability to accomplish strategy
4. The tug/ERV escort concept is effective; but shipping companies, pilots and T/V Masters need to recognize that value and cooperate more fully.
5. The PWS Towing Package is complex, difficult to deploy and is intended for use only when there is time to hook it up. A faster "hook up" is desirable.
6. Agreement to increase Ocean Boom inventory to meet emergency order.

MEMORANDUM

TO	M.F.G. Williams	SUBJECT Status Report: ADEC PWS Contingency Plan Negotiations	
THRU	N. Mitchell <i>N. Mitchell</i>		
FROM	Mark Hutton <i>MH</i>	DATE	FILE NO.
COPY	Rob Shoaf	7.23.90	Not Necessary

On Friday, July 20th we held our 3rd working group meeting with ADEC/USCG/RCAC and the Contingency Plan Department. Present were Ed Thompson (USCG), Tim Robertson, Ann Rothe and Sheila Gotterher from the RCAC, Dan Lawn and Bill Lamoreaux from ADEC and Nick Mitchell, Graham Lascelles, Dave Nielson and myself from Alyeska.

This meeting was different than the first two...we walked through a table top spill and tested the logistics of matching equipment numbers to a spill event. Five significant results were noted:

1. With our "top of the triangle" strategy, it would be difficult to deploy any more equipment than we presently have, assuming it all works and can be successfully implemented. The logistics of operating all of the equipment that we have, including the fishing boats with their booms is the most limiting factor at this time, not the amount of equipment we have.
2. After 12 hours (or more) we could use more skimming systems, providing each skimming system had it's own barge. Oddly enough, our barge situation is the current limiting factor and the multiple barge/task force concept may very well be the best way to go.
3. For the working group process to work we must convince ADEC that it is counter productive (even destructive) for Dan Lawn to participate if he in fact does not represent an ADEC position. It does no good and in fact exposes us if ADEC does not come to the table with proposals based in fact and/or technical logic.
4. We may be able to add skimming/pumping capacity at the top end of the triangle by putting several lightering pumping systems on the barge we think will arrive first. This could add a real 10,000 barrels/hour to our capacity.
5. Bill Lamoreaux, in response to a question by Tim Robertson, repeated their desire to have some kind of plan approval by mid August.

At Nick's direction, I will meet today with Bill Lamoreaux and Steve Provant to put in words these results. Steve Provant and Joe Sautner were called to Juneau and could not attend the Friday meeting...the process suffered as a result.

**Table of Skimming Capacity Required
To Recover 300,000 bbls at Various
Time Intervals and at Various Skimmer Efficiencies**

<u>Hours</u>	<u>100%</u> bbl/hr	<u>10%</u> bbl/hr	<u>20%</u> bbl/hr	<u>30%</u> bbl/hr
36	8,300	83,300	41,700	27,800
34	8,800	88,300	44,100	29,400
32	9,400	93,800	46,900	31,300
30	10,000	100,000	50,000	33,300
28	10,700	107,100	53,600	35,700
26	11,500	115,400	57,700	38,400
24	12,500	125,000	67,500	41,600
22	13,600	136,400	68,200	45,500
20	15,000	150,000	75,000	50,000
18	16,700	166,700	83,400	55,600
16	18,800	187,500	93,800	62,500
14	21,400	214,300	107,200	71,400
12	25,000	250,000	125,000	83,300
10	30,000	300,000	150,000	100,000

July 12, 1990

Results of ADEC, Alyeska, Coast Guard C-Plan Technical
Working Sessions to Date

The purpose of this document is to identify those areas where agreement has been reached, where further clarification is required for resolution or where action is needed.

Topics of Agreement

- Alyeska's C-Plan does not need to include a detailed strategy, but will include the general concept as Alyeska has presented during the working sessions;
- The description of Alyeska's oil recovery strategy as verbally presented including:
 - The rationale for the present mix of oil recovery equipment;
 - The deployment of all needed equipment in Alyeska's inventory within eight hours of spill;
 - Oil recovery as close to the source as possible;
 - Multiple tiers of recovery equipment;
 - Operating equipment as many hours as possible, considering safety and effectiveness;
 - Where possible, equipment will be selected for versatility to perform multiple roles;
 - Concept of using fishing vessels during response activities for boom handling and deployment;
- Preventing oil spills in the first place is the only guarantee that shorelines will not be oiled and that:
 - Tug/ERV escort system concept is effective;
 - Encourage shipping companies, T/V masters and pilots to operate as a team with SERVS;
 - Encourage enforcement of T/V speed within Port Valdez and Valdez Narrows;
 - The Prince William Sound towing package is complex,

)

difficult to deploy and is intended for use only in certain situations when there is time to hook it up;

- Alyeska will increase their inventory of boom to meet the State's Emergency Order requirements;
- Conceptually Alyeska's C-Plan is a segment of the tanker owners C-Plan through a contractual arrangement with the tanker owners;
- Establish a committee chaired by RCAC to review equipment, develop an equipment testing program and evaluate equipment effectiveness in meeting ADEC performance criteria to:
 - Continue looking at ways to make tug/ERV escort-response system more effective;
 - To evaluate the optimal sizes and types of barges and skimmers for the most effective mix of equipment;
- Establish a committee chaired by the RCAC to evaluate prevention measures and their effectiveness in meeting ADEC performance criteria;
- Work together in a tabletop exercise to evaluate the effective use of response equipment in dealing with a number of spill situations and determine:
 - The maximum amount of equipment that can effectively be deployed within the first 12 hours; within the next 60 hours
 - The impact a high volume skimmer would have in providing added capacity

Topics on which further clarification is required in order to reach resolution:

- The "formula" for determining the amount of nameplate capacity needed to deal with a 300,000 bbl spill in 72 hours considering:
 - Hours available
 - Skimming equipment efficiency
 - Alyeska's strategy
 - Impact of prevention measures

nameplate

- Evaluation of whether to base the establishment of operational weather windows on prevention or response;

Action Items

- Ballasting of a 63 or 73,000 bbl barge to evaluate it as a suitable rough seas working platform
- Evaluate the potential of a large capacity skimming vessel
- Consider the concept of using a tractor tug attached to a T/V through Port Valdez, the Narrows and the Arm.
- Alyeska will develop action checklists for deployment of responders and equipment for the initial response
- Test oil-water separation capabilities of 73,000 bbl vs. 120,000 bbl barges
- Further definition of the relationship between Alyeska and the shipping companies C-Plans and liabilities
- Evaluation of integrated vessel tracking satellite system by Coast Guard
- Follow through with tanker owners by SERVUS to make escort system operate as team with T/V master and pilots

MEMORANDUM

TO	M.F.G. Williams	SUBJECT Report of the 4th meeting between ADEC/USCG/RCAC and Alyeska on the PWS Contingency Plan	
THRU	Nick Mitchell <i>WM</i>		
FROM	Mark Hutton <i>MH</i>	DATE	FILE NO.
COPY	Rob Shoaf	8.4.90	Not Necessary

On Thursday, August 2nd, all members of the working group met for the fourth time in Valdez. Present were Bill Lamoreaux, Steve Provant, Joe Sautner and Dan Lawn from ADEC; Sheila Gotterher and Jason Wells from RCAC; Ed Thompson from the USCG; and Nick Mitchell, Graham Lascelles, Dave Nielson, Tim Plummer, Gary Bader and Mark Hutton from Alyeska.

The agenda is attached, but more to the point, we focused on (1) Graham Lascelles' report on skimming capacity and (2) a discussion of the "baseline" issues to be approved in August and those that require additional work in the working group process.

FULL REPORT

1. THE MOST PRESSING ISSUE DISCUSSED was the relationship of our pending "approval" to terms and conditions related to:
 - a. what constitutes "baseline";
 - b. precisely, how the "set-aside" HB 567 issues can be handled;
 - c. how to link our conditional approval to
 - (1) a time-line for the submission of the Tanker/Owner's Plan and
 - (2) to the longer term issues which have now been set aside for the Tanker/Owner's plan--but which will be related in some fashion to the approval of our plan;
 - d. general confusion about what to expect from the Tanker/Owners Plan;
 - e. concern about ADEC receiving single plans from each tanker/owner or a single plan for same; and
 - f. all past comments on our Plan.

We resolved to meet again August 15th in Anchorage to discuss this issue and hopefully come to full agreement of all outstanding issues. The hardest issue will be the relationship of the Tanker/Owners Plans; but the intent is to "go as far as we can go" with our understanding of some of the more fundamental topics in the longer term plan, then schedule a meeting with Tankers/Owners and the working group, as soon as possible to try and understand the exact nature and extent of their proposed plans. This meeting will likely be scheduled towards the last of August.

ADEC (Lamoreaux) reiterated their intent to have the Alyeska Plan approval in August, with all of the previously mentioned caveats.

2. THE IMPACT OF FEDERAL LEGISLATION (reports from the House and Senate Conference Committee) was discussed. There seemed to be some overlap and possible conflict with (1) existing State Requirements for our Plan (namely in the size of spill to be addressed) and (2) the role of the Regional Response Team in reviewing our Plan. We agreed to bring this up as a full agenda topic at the next meeting following Plan approval. A preliminary copy of the Conference Report was distributed.

3. TIM PLUMMER'S REPORT ON SERVS, highlighted the changing contractual arrangements for the ERVs, the new ocean tug and the replacement of the Florida Bay as well as general discussion of tractor tugs. He also reported the status of the "ballasted barge" demonstration was delayed pending bad weather.

4. TIM PLUMMER'S REPORT ON THE NAVIGATION COMMITTEE, confirmed a meeting scheduled for August 16th in Anchorage at which the following persons would be invited; Commander Thompson, Larry Shire, Ed Murphy, Chris Gates and ADEC. He indicated the agenda was non-specific to allow a general discussion on the purpose and scope of the committee. There was no disagreement that the Pilot issues should be raised at this time.

5. GRAHAM LASCELLES' REPORT ON A POSSIBLE RECOVERY CHRONOLOGY FOR A 300,000 BBL OIL SPILL IN MID PRINCE WILLIAM SOUND made for spirited debate. It was a fine report that should stand as a model of protocol and preparation for such proposals. Recognizing it was prepared for a scenario of good weather and realistic, but maximized operations the debate focused on the next logical step--what about bad weather and other factors that reduce the theoretical effectiveness of a response. To that end, ADEC promised to offer some different scenarios for a theoretical response.

There was, quite naturally, general disagreement over the Dan Lawn/ADEC report and Graham's report. The differences were straight forward and focused on the fact that theLawn/ADEC report would not recognize Alyeska's strategy of "concentrating oil at the top of the triangle" and hence proposed skimmer efficiency numbers based on some world experiences and literature for late arriving equipment and old, very thin oil. As that argument wained, Dan Lawn introduced the volume and viscosity impacts from oil that may become rapidly emulsified from a release near the bottom of a tanker.

In retrospect part of the debate seems a mute point because we have agreement that our "top of the triangle" strategy is an achievable goal. Regarding the rate of emulsification and viscosity changes, we promised to begin some testing. Ed Thomson also wanted to do some testing of his own.

6. NICK MITCHELL DISCUSSED TRAINING AND DRILLS, by outlining new programs within Alyeska which would focus all oil spill contingency planning in one department, thus centralizing pipeline, terminal and PWS drills and exercises. Mitchell also proposed our strategy to link specific objectives to each drill or exercise to build, one component at a time, the total response. We also discussed the need for a common understanding regarding ADEC unannounced drills and the impact that may have on operations and contractors (fishing boats). Seemingly, there was no disagreement and the hope expressed that our vigorous schedule might preclude the need for surprise drills (at least in PWS) especially if we continue to involve ADEC and the USCG like we have to date.

7. ED THOMPSON (USCG) DISCUSSED DISPERSANTS USAGE AND NAVIGATIONAL AIDS.

He expressed the general dissatisfaction that the working group was focusing only on mechanical recovery, when there were at least 4 other responses that must commence simultaneously...dispersants, burning, exclusion and sacrificial booming and shoreline cleanup. Regarding dispersants, Thompson said he was looking for information that enough equipment and dispersants would be available, that application systems had some flexibility, that Cordova was a good choice to refuel dispersant packs and that the time-lines were appropriate and real.

Ed also reported that the Ground Positioning System (GPS) was up for 19-20 hours a day now in PWS and expected to be 24 hours a day by the end of the year. Total usage, he said would require the installation of differential correction electronics in PWS.

8. DAVE NIELSON'S REPORT ON LIGHTERING PUMPS indicated we currently have the capability of placing additional "lightering pumps" on barges to assist in the early response to a major oil spill and would increase our skimming capacity.

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KEY POINTS IN "OIL POLLUTION ACT OF 1990",
PARTICULARLY AS IT AFFECTS ALYESKA

A. Oil Spill Liability

- The owner and operator of a vessel or on-shore facility from which oil is discharged is jointly, severally and strictly liable for damages and removal costs.
- Damages include: injury to natural resources, destruction to real or personal property, loss of ~~income~~ net loss of taxes, royalties, rents, etc., by a governmental entity; loss of profits or earning capacity and net costs of providing additional public services by a governmental entity.
- Defense^s to liability includes Act of God, Act of War, ^{and} act or omission of a third party.
- The limit on liability for an on-shore facility is \$350 million for damages and removal costs. (TAPS remains subject to unlimited liability for removal costs pursuant to the TAPS Authorization Act).
- The \$350 million liability limit may be reduced by regulation to not less than \$8 million.
- Natural resource damages are measured by (a) cost of restoring, rehabilitating, replacing or acquiring equivalent resources; (b) diminution in value of the resources pending restoration; and (c) cost of assessing those damages.
- The Oil Spill Liability Trust Fund (Fund) is available for immediate payment of claims for damages and removal costs, up to \$50 million. Amounts in excess would require Congressional approval.
- All claims must be presented to the responsible party prior to presentation to the Fund.
- A person is not liable for removal costs or damages which result from actions taken or omitted to be taken, in the course of rendering care, assistance, or advice consistent with the National Contingency Plan. (Good Samaritan provision.)

- There are general civil and criminal penalties for anyone who discharges oil, fails to comply with regulations or orders, etc.

B. Oil Spill Response Plans

- Regulations shall be issued requiring an owner or operator of a tank vessel or facility to submit for approval a plan for responding, to the maximum extent practicable, to a worst case discharge, and to a substantial threat of such a discharge, of oil or hazardous substance.
- "Worst Case Discharge" means, in the case of a vessel, a discharge in adverse weather conditions of its entire cargo and, in the case of an on-shore facility, the largest foreseeable discharge in adverse weather conditions.
- Response plans submitted by vessels and facilities must identify and ensure the availability of private personnel and equipment necessary to remove to the maximum extent practicable, a worst case discharge (including a discharge resulting from fire or explosion), and to mitigate or prevent a substantial threat of such a discharge.
- A tank vessel or facility may operate without an approved response plan for a two year period if the owner or operator certifies that it has ensured the availability of private personnel and equipment necessary to respond to a worst case discharge.
- A spill response vessel, operating on a not-for-profit basis, at least 50% of which is owned by U.S. citizens, may be issued a certificate of documentation to allow its employment in coastwise trade.

C. Alaska and Prince William Sound Provisions

- Tankers in Prince William Sound must be under the direction and control of a licensed pilot and in designated waters, must have on the bridge a licensed Master or mate.
- Within six months of enactment, regulations must be issued to define areas (including Prince William Sound), where tankers shall be escorted by at least two towing vessels.
- A Prince William Sound Oil Spill Recovery Institute is established to conduct research and carry out educational

and demonstration projects related to oil spills in the arctic and sub-arctic marine environment.

- Oil Terminal and Oil Tanker Environmental Oversight and Monitoring Demonstration Programs are established for Prince William Sound and for Cook Inlet. They provide for regional citizens advisory councils in each area. In lieu of such a program, Alyeska or its owner companies may enter into a voluntary contract with an independent citizens advisory committee, so long as the committee is funded on an annual basis in an aggregate amount of \$2 million and the President annually certifies that the committee represents the interests in the vicinity.
- In addition to other requirements for response plans established by the Federal Water Pollution Control Act, a response plan for a tank vessel operating, or a facility located, on Prince William Sound shall provide for pre-positioned oil spill containment and removal equipment in strategic locations in the Sound and an oil spill removal organization consisting of trained personnel in sufficient numbers "to immediately remove, to the maximum extent practicable, a worst case discharge or a discharge of 200,000 barrels of oil, whichever is greater." The response plan shall also provide training, practice exercises, and periodic testing of equipment.
- A Presidential Task Force, with a two year life, is established to audit TAPS and make recommendations to the President, Congress and the Governor of Alaska concerning prevention of oil spills, damage to natural environment, and degradation or damage to public health. The task force will be funded in an annual amount of \$5 million, to be paid from the Fund.
- A civil penalty, not to exceed \$1,000 per barrel, shall be assessed for any discharge of oil in transit to the Trans-Alaska Pipeline, during transportation through the Trans-Alaska Pipeline, or handling at the terminal facility. The person causing or permitting the discharge and the owner of the oil at the time of the discharge are jointly, severally and, strictly liable for the penalties. This civil penalty will not be assessed if a penalty is assessed under Section 311(b) of the Federal Water Pollution Control Act.

DRAFT AGENDA

ADEC/RCAC/USCG/ALYESKA
"WORKING GROUP"

AUGUST 2ND, 1990
VILLAGE INN CONFERENCE ROOM
VALDEZ, ALASKA
0900 TO 1600 HOURS

- ~~0.~~ Graham Lascelles report on skimming capability
- ~~X~~ Dave Nielson's report on lightering pump modifications
3. Nick Mitchell's report on training and drills
4. ADEC proposal on skimming
- ~~X~~ Status report on Tractor tugs
6. Status report on progress with Tankers/Shipping companies
- ~~X~~ Tim Plummer's report on ballasted barge demonstration
8. USCG report on satellite surveillance
9. Review document of progress to date
10. USCG dispersant and exclusion/sacrificial booming issues

MEMORANDUM

TO M.F.G. WILLIAMS	SUBJECT Report of the 5th meeting between ADEC/USCG/RCAC and Alyeska on the PWS Contingency Plan	
THRU N. MITCHELL		
FROM M. HUTTON <i>MH</i>	DATE 8.16.90	FILE NO.
COPY R. SHOAF		

On Wednesday, August 15th, most members of the working group met for the fifth time in Anchorage at Alyeska. Present were Bill Lamoreaux, Steve Provant, Joe Sautner and Dan Lawn from ADEC; Sheila Gotterher from RCAC; Ed Wieliczkiwicz from USCG; and Nick mitchell, Graham Lascelles, and Mark Hutton from Alyeska.

The attached agenda resulted in a discussion of three issues; (1) how to handle "approval" for the Tanker Spill Prevention and Response Plan for PWS (2) the relationship of that plan to the Tanker/Owners/Operators Plan, including scope and schedule and (3) how our plan addresses the concerns of ADEC.

CONCLUSIONS

1. In August, ADEC will formally "accept" the following:
 - a. The Tanker Spill Prevention and Response Plan for PWS is a "contracted-segment" of the Tanker/Owner/Operators Plan;
 - b. Many of the key provisions in this segment of the Tanker/Owner/Operator's Plan are acceptable, including;
 - *emergency order requirements
 - *ICS
 - *communications
 - *safety
 - *response strategy as defined both in the plan and as presented in the technical working group meetings
 - *the prevention programs
 - *community planning and the fishing boat resources
 - *geographic scope
 - *present equipment adequate for baseline
 - c. Remaining issues are mostly related to the pending implementation of new regulations (HB 567) and have been mutually agreed to be resolved through a continuation of the technical working group process, including;
 - *spill size and preparedness
 - *equipment numbers
 - *performance and planning standards
 - *prevention improvements

d. Other issues, not related to HB 567 that require additional work which have also been mutually agreed to be resolved through a technical working group process, including

- *dispersant application and use
- *oily waste disposal, contaminated debris
- *vendor contracts
- *detection and surveillance
- *other lesser issues.

2. ADEC presented a draft letter to Alyeska (pending review and signature) which contains (1) the results of the first four working group meetings and (2) the essence of the above mentioned agreements. This letter was promised in "a couple of days".
3. ADEC reviewed a letter from Nick Mitchell to Bill Lamoreaux providing Alyeska's answers to 31 comments raised by ADEC in a November 2nd, 1989 letter which addressed the August DRAFT Plan. Their response was generally favorable, pending a more complete review of our response.
4. This procedure was adopted to provide clear guidance and a schedule for the Tanker/Owner/Operators for the preparation and submission of their plans. To that end the ADEC intend to invite the "Owners" to a preliminary meeting Wednesday afternoon August 29th.
5. ADEC expects the Tanker/Owners/Operators Plans to be submitted by October 1st. Unless they have a clear picture of the scope and schedule for those plans they will consider amending the Compliance by Consent Order one more time.

DRAFT AGENDA
5TH TECHNICAL WORKING GROUP MEETING
AUGUST 15TH, 1990
0900 - 1700 HOURS
CROWN ROOM, ALYESKA

OBJECTIVE: TO FULLY EXPLORE AND UNDERSTAND THE PLAN APPROVAL
PROCESS, SCHEDULE, REVIEW GUIDELINES, ISSUES AND POSITIONS

- I. Introductory Remarks
 N. Mitchell
 B. Lamoreaux
- II. Overview of Plan Approval Options and Plan Review
 Guidelines---ADEC
- III. Review of November 2nd, 1989 "31 points" letter
 ---Alyeska
- IV. Relationship between the Alyeska Tanker Spill Prevention
 and Response Plan for PWS and the Tanker/Owner/Operator's
 Plans.
- V. List of issues to be set-aside, pending HB 567
 Rulemaking and June 1991 implementation.
- VI. ^{Equipment}
 X Baseline determinations for approval
- VII. Compliance or Completion Schedules
- VIII. General working group schedule and priorities - for next week
- IX. Dan Loun / Graham Lascelles discussion
 1. multifunction test - but not joining...

MEMORANDUM

TO	M.F.G. WILLIAMS	SUBJECT Report of meetings with Tanker Owners and the Working Group	
THRU	N. MITCHELL	6th Meeting	
FROM	MARK HUTTON	DATE	FILE NO.
COPY	R. SHOAF	8.31.90	

On Tuesday, August 28th, representatives from Alyeska and the Tanker owners/operators/charterers met to discuss (1) the status of affairs with ADEC (2) the status of the PWS Tanker Spill Prevention and Response Plan (PWS Plan) and (3) the relationship of the Tanker owners plan to the PWS Plan. The list of those present is attached.

On Wednesday, August 29th, members of the working groups met in the morning to discuss (1) an ADEC letter outlining their position and requirements for the PWS Plan (2) the relationship of the PWS Plan to the Tanker Owners Plan and (3) a "roundtable" discussion of various issues associated with both plans. The list of those present is attached.

On Wednesday afternoon, the representatives from the Tanker Owners met with the Working Group to discuss (1) the relationship of the shipping companies plans to the PWS Plan (2) the status of state action on the PWS Plan (3) the status and content of the shipping companies plans and (4) schedules. The meeting was chaired by ADEC. A list of those present is attached.

CONCLUSIONS

1. The state said they generally agreed with the scope of the Tanker Owners Plans as presented in broad headings by Roger Gale.
2. All parties seemed to indicate October 1, 1990 was acceptable to submit the individual Tanker Owners Plans.
3. The broad nature of the Alyeska contract with the Tanker Owners seemed acceptable to all present. Most left with the impression that the contract could be signed by October 1st.
4. The assignability of third party vendor contracts between Alyeska and the responsible party is unresolved.
5. "Ownership" of an amendment or a new Compliance Consent Order is pending. The state would prefer Alyeska extend the order; Alyeska is looking to the Tanker Owners to assume responsibility. By October 1, this issue must be resolved to operate tankers in the TAPS trade.