

ALASKA LEGISLATURE SPECIAL COMMITTEE/SUBJECT FILE 8672

2042 SCOMM 78: SENATE SPEC. COMM. ON OIL & GAS, 1991-1992

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PRINCE WILLIAM SOUND TANKER SPILL PREVENTION AND RESPONSE PLAN
"WORKING GROUP"
DISTRIBUTION LIST

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Attached are the notes and relevant documents from the 7th meeting
held 9.6.90

MEMORANDUM

WORKING GROUP	SUBJECT Report of 7th ADEC/USCG/RCAC Alyeska "working group"	
See Distribution		
FROM M. Hutton (Alyeska) <i>MHA</i>	DATE	FILE NO.
S. Provant (ADEC) <i>SP</i>	9.11.90	

On Thursday, September 6th, members of the working group met from 0900 hours to 1100 hours at Alyeska. Present were Bill Lamoreaux, Steve Provant and Dan Lawn from ADEC; Sheila Gotterher from the RCAC and Nick Mitchell, Mark Hutton and Kate Montgomery from Alyeska. Absent USCG.

The agenda was approved and attached. In general the following was accomplished:

1. A PROTOCOL for the conduct of the working groups was adopted and is attached.
2. Definition, chairmanship and schedule for all working groups was adopted and is attached.
3. Interim approval, or similar language, for the Tanker Spill Prevention and Response Plan for PWS (PWS Plan) would be linked, where possible, to the work groups and their schedule.
4. ADEC requested Tanker Owners/Operators/Charterers to sign contract with Alyeska to include the PWS Plan as a portion of their Plan, by September 20th.
5. Alyeska proposed not extending the Compliance Consent Order beyond October 1, 1990; rather any extension was proposed to be the responsibility of the Tanker Owners/Operators/Charterers. There was general agreement with the intent, but ADEC could not commit at this time, without further consultation. Members understood the importance of transferring responsibility to the Tanker representatives.
6. The Tanker's schedule is for plan submittal by October 1st, 1990.
7. The complicated nature of vendor contracts was explained both for the PWS Plan and the Tanker's Plans. A report was promised for the September 20th or 21st meeting.
8. ADEC distributed a report - TECHNICAL ANALYSIS OF EXPECTED SKIMMER PERFORMANCE, August 31, 1990- which formed the basis of both the requirements in the August 29th ADEC letter for baseline equipment and the misunderstandings contained in the letter. A September 5th letter from Alyeska to ADEC was distributed commenting on the letter. Both letters are attached. The report will be discussed at the September 20th or 21st meeting.

) 9. MISCELANEOUS

A. N. Mitchell reviewed a technical Vikoma proposal for "skimmer head" adaptations to lightering pumps. Questions were raised about the depth of the wier and speed.

B. ADEC asked for equipment lists when AFE's are approved.

C. ADEC raised the issue of Coastal Zone Consistency review of the plans.

DRAFT AGENDA

ADEC/RCAC/USCG/ALYESKA
"WORKING GROUP"

0900 HRS

SEPTEMBER 6, 1990
ALYESKA BOARD ROOM
ANCHORAGE

- I. Discussion and recommendations on the subjects (including protocols) to be covered by the working groups and a schedule for completion.
- II. Compliance Consent Order for Tanker Owners/operators/charterers--October 1st deadline
- III. Resolve uncertainties with vendor contracts both for the PWS Plan and the Tanker Owner Plans
- IV. ADEC Technical Proposal on baseline equipment requirements

PARTICIPANTS

ADEC

B. Lamoreaux
S. Provant
J. Sautner
D. Lawn

USCG

E. Thomson
E. Vieleskevich

RCAC

A. Rothe
S. Gotterher
T. Robertson

ALYESKA

N. Mitchell
M. Hutton
G. Lascelles

PROPOSED SCHEDULE FOR WORKING GROUPS

NOTE: These are target dates. Other meetings may be required and/or dates may change to accomodate schedule conflicts.

September 13th (special meeting to present outlines and workplans for working groups)

September 20th or 21st

October 4th

October 18th

November 1st

November 15th

November 29th

December 13th

January 7th, Completion

WORKING GROUPS (CHAIRMANSHIP)

1. Initial Response and Training (ADEC)
2. Prevention/Navigation (Joint)
3. Dispersants (Alyeska)
4. Oily Waste Disposal (Alyeska)
5. Plan Coordination with Tanker's Plans (Joint)
6. Shoreline Plans (RCAC)

NEXT AGENDA TOPICS

- *Presentation of working group outlines and workplans
- *Fishing boat report
- *Contracts
- *ICS/Training
- *ADEC technical report on skimming

analysis
of
skimmer
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August 31, 1990

TECHNICAL ANALYSIS OF EXPECTED SKIMMER PERFORMANCE

ADEC has made an analysis of the capability of Alyeska's existing skimming equipment and proposed increases in skimming capacity to perform over a 72 hr period based on the following assumptions:

- The response equipment is being evaluated based on a winter situation under non-freezing conditions. A four months average of daylight occurring during the winter months is used as the amount of daylight available over the 72 hr response period. For Prince William Sound the average is 7 hrs per day. (The shortest day in PWS is 5 hrs long.)
- First skimming unit (two Marflex Arms, 4000 bbl/hr) arrives at scene and is operational within 5 hrs. Downtime for repositioning, one daytime hour per day after day one.
- Second skimming unit (two Transrec, 3600 bbl/hr) arrives at scene and is operational within 7 hrs. Downtime for repositioning, one daytime hour per day after day one.
- Third skimming unit (one weir boom, 3900 bbl/hr) arrives at scene and is operational within 12 hrs. Downtime for repositioning, one daytime hour per day after day one.
- Fourth skimming unit (six Seaskimmer 50 and one Seaskimmer 100 skimmers, 1760 bbl/hr) arrives at scene and is operational within 12 hrs. Downtime for repositioning, one daytime hour per day after day one.
- Skimming efficiency for initial skimmer is 50%.¹ Efficiency decreases as time progresses as shown in Table 1. Night time skimming efficiency is 10%.
- The effect of emulsification is offset by evaporation.²
- No reduction in made for equipment down time due to mechanical breakdown.
- Weather and sea conditions are ideal for conducting skimming operations.
- Spill occurs five hours before daybreak so that first skimming unit arrives and is operational at first light allowing for maximum utilization of available daylight.

1

We have utilized a 50% recovery rate for the first skimming unit based on Alyeska's strategy to get their skimming units to the scene of an incident within 5 hrs. when there would be the best changes for recovery of oil while still fresh and deep on the sea surface. The next skimming unit to arrive would not find as favorable conditions and would have a reduced oil encounter rate so the recovery rate was reduced. The same is true for the other units and the rates were reduced accordingly. Daylight recovery rates for days 2 and 3 would also be less favorable and again the rates were reduced accordingly. We have reduced the skimming efficiency to 10% at night due the problems associated with night time operations.

2

We have made this assumption pending better data. The best data available to us at the present time indicates that the volume of oil would actually increase more due to picking up water (emulsification) than it would decrease due to evaporation.

TABLE 1

CALCULATION OF SKIMMER CAPABILITY

Skimmer 1 (4000 bbl/hr)	Skimmer 2 (3600 bbl/hr)	Skimmer 3 (3900 bbl/hr)	Skimmer 4 (1760 bbl/hr)
Hour	Hour	Hour	Hour
0-5(n)Travel	0-7(n&d)Travel		
5-12(d) @ 50%	7-12(d) @ 40%	0-12(n&d)Travel	0-12 Travel
12-24(n) @ 10%	12-24 @ 10%	12-24 @ 10%	12-24 @ 10%
24-29(n) @ 10%	24-29 @ 10%	24-29 @ 10%	24-29 @ 10%
29-30(d) reposit.	29-30 reposit.	29-30 reposit.	29-30 reposit.
30-36(d) @ 20%	30-36 @ 15%	30-36 @ 10%	30-36 @ 10%
36-43(n) @ 10%	36-43 @ 10%	36-43 @ 10%	36-43 @ 10%
43-48(n) disch.*	43-48 disch.*	43-48 disch.*	43-48 disch.*
48-53(n) disch.*	48-53 disch.*	48-53 disch.*	48-53 disch.*
53-54(d) reposit.	53-54 reposit.	53-54 reposit.	53-54 reposit.
54-72(d&n) @ 10%	54-72 @ 10%	54-72 @ 10%	54-72 @ 10%

The n&d in parenthesis in the Table represent nighttime and daytime hours respectively. This analysis is set up to make maximum use of daylight hours for skimming operations.

* The time until it becomes necessary to discharge and the length of time to complete the discharge is a very crude estimate and we have assumed optimal conditions for adequate quiescent time for oil/water separation allowing water pumped on board the barges to be decanted giving maximum storage space on the barges for oil.

TABLE 2
OIL RECOVERED (BBL)

	Skimmer 1	Skimmer 2	Skimmer 3	Skimmer 4
Day 1	14,000 4,800	7,200 4,320	-0- 4,680	-0- 2,112
Day 2	2,000 4,800 2,800	1,800 3,240 2,520	1,950 5,070	880 2,288
Day 3	<u>7,200</u>	<u>6,480</u>	<u>7,020</u>	<u>3,168</u>
SubTotal	35,600	25,560	18,720	8,448

Total oil recovered: 88,328 bbl/72 hrs

Because of the fact that skimming/pumping capacity can be most effective during the first hours of a spill the state believes it is necessary to deploy as much skimming/pumping capacity as can effectively be brought to bear on the slick. To accomplish this with currently available equipment we evaluated the gains to be achieved by doubling the amount of skimming/pumping equipment arriving at the spill scene on the first and second skimming units. The results of this analysis are given in Table 3.

Table 3

	Skimmer 1 (8000 bbl/hr)	Skimmer 2 (7200 bbl/hr)	Skimmer 3	Skimmer 4
Day 1	28,000 9,600	14,400 8,640	N o	N o
Day 2	4,000 9,600 5,600	3,600 6,480 5,040	C h a n g e	C h a n g e
Day 3	<u>14,400</u>	<u>12,960</u>		
Subtotal	71,200	51,120	18,720	8,448

Total oil recovered in 72 hrs: 149,488 bbl/72hrs

Alyeska has ordered an additional six Seaskimmer 50 skimmers which could increase their capability to recover approximately 156,000 bbl of oil in 72 hrs.

Of course, under favorable weather and sea conditions, in the summer with more daylight hours, Alyeska could operate their equipment more effectively at higher recovery rates and increase the total amount of oil recovered. However, conditions could also prevail such as winds and sea state that would make the equipment less effective and thereby reduce the amount of oil recovered. Eventually, winds and sea state can reach such conditions which will make the recovery equipment totally ineffective and no recovery will occur.

As a result of our analysis it is more evident that the most effective way to increase skimming capability with currently available equipment is by adding equipment to existing skimming platforms. At this point in time we can not give an answer to the question of how much equipment could be effectively utilized and managed during the initial hours of a spill response. We are of the opinion that 25,000 bbl/hr nameplate capacity represents an acceptable base capability. We need to evaluate the effectiveness of adding more conventional equipment to determine at what point this equipment would not provide much gain in effective skimming capacity. Since we may be nearing the upper limit for conventional skimming equipment, we need to pursue with Alyeska the development of a skimming/pumping capability to greatly enhance the recovery capability of the existing skimming platforms. To enhance recovery in adverse wind and sea conditions we need to pursue the development of a large stable, high rate skimming platform.

September 5, 1990

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

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

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:

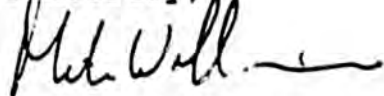
- Shipowner Contract with Alyeska for Initial Response
- PWS Tanker Spill Prevention and Response Plan
- Supplemental Beach Clean-up Procedures
- Lightering Operation Guidelines (OCIMF)
- Shipowner Management Transition Plan
- Shipowner Core Plan and Vessel Specific Information.

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

/ksg/mh-adecl

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 this process will serve 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 continuing 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 continuing 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 presently has a nameplate skimming capability of 16,960 bbl/hr and has made a proposal to the state to provide two additional 2000 bbl/hr capacity each, 4000 bbl/hr total, to increase their 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 nameplate skimming capacity of approximately 25,000 bbl/hr should allow Alyeska, under the most favorable conditions working 24 hrs/day, to recover about 150,000 bbl/ 72 hrs or one-half of the standard set in HB 567. The analysis showing this is available in a 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 full power grounding such as happened with the Exxon Valdez has been reduced beyond Valdez 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. Once the escort system is modified to provide similar prevention in the restricted areas, prevention credits will be allowed for tanker movement during those periods of time when clean up would only 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.

PRINCE WILLIAM SOUND TANKER SPILL PREVENTION AND RESPONSE PLAN
"WORKING GROUP"
DISTRIBUTION LIST

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Joe Sautner
Alaska Dept of Env.
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ATTACHED IS A SUMMARY OF THE 8TH MEETING (9.13.90) WHICH HAS NOT YET BEEN INITIALED. ALSO ATTACHED IS A PROPOSED AGENDA FOR THE 9TH MEETING SCHEDULED FRIDAY, SEPTEMBER 21ST AT ALYESKA "CROWN ROOM" (ON THE FIFTH FLOOR). THE MEETING WILL START AT 0830 HOURS.

DRAFT AGENDA

ADEC/RCAC/USCG/ALYESKA
"WORKING GROUP"

0830 HOURS
SEPTEMBER 21ST, 1990
ALYESKA CROWN ROOM
ANCHORAGE

- I. Review ADEC letter to Tanker Owners
- II. Review and approve all changes made to ~~the~~ scope and schedule for the additional working ~~groups~~.
- III. Review the ADEC Technical Analysis of Expected Skimmer Performance Report
- IV. ICS/Training report
Tom Casey
- V. Objectives for equipment
 - 1. performance expectations
 - 2. performance evaluations
 - 3. response time
 - 4. equipment and resources integration
 - 5. new proposals
- VI. Next meeting...October 4th, Valdez

MEMORANDUM

TO WORKING GROUP See distribution	SUBJECT Summary of 8th Working Group Meeting	
FROM Mark Hutton Steve Provant	DATE 9.17.90	FILE NO.

On Thursday, September 13th, most members of the working group met at Alyeska to review and approve objectives and schedules for the remaining working groups. Present were Bill Lamoreaux, Steve Provant and Dan Lawn from ADEC; Sheila Gottcher and Joe Banta from RCAC; and Nick Mitchell, Kate Montgomery and Mark Hutton from Alyeska. Absent was USCG.

GENERAL

There was a general discussion on the extension of the compliance consent order, existing conditional approval of tanker plans and the DRAFT letter from ADEC to Garibaldi. ADEC reported they had every intention to approve (in some form) the Tanker Spill Prevention and Response Plan for PWS by November 1, 1990. That then could form the basis, with the signed contract, for the demise of the compliance consent order.

WORKING GROUPS

1. INITIAL RESPONSE AND TRAINING TECHNICAL WORKING GROUP
(In addition to the proposal)

- Verification and testing to be added to Performance Reaction response time may be tested prior to conditional approval
- Steve Provant will be contact person with lead role
- Membership will include main working group plus SERVS
- Dan Lawn and Graham Lascelles will develop technical information

2. PREVENTION/NAVIGATION
(In addition to the proposal)

- Add prevention aspects of HB 567
- Utilize existing Valdez Marine Operation Committee, presently chaired by Tim Plummer
- Joe Sautner will be the contact person with lead role
- The main working group will develop objectives and raise issues with the Valdez Marine Operation Committee, who will act as the technical advisors to the working group

2. continued
The Valdez Marine Operation Committee may call on,
from time to time, the Valdez Marine Terminal Users
Group for additional help
3. DISPERSANTS/BURNING/BIOREMEDIATION
(In addition to the proposal)

Add other waste issues
replace RRT with EPA representative
4. OILY WASTE DISPOSAL
(In addition to the proposal)

Add EPA to the membership
Add (d.) response times to application techniques and
strategies
-Add (5.) stockpile maintenance and inventory rotation
5. PLAN COORDINATION WITH TANKER'S PLANS
(In addition to the proposal)

-Mutually agreed to hold off action until Tanker's
Plans are submitted
Include Valdez Terminal Plan coordination
6. SHORELINE CLEANUP PLANS
(In addition to the proposal)

-membership should include "tanker" plan
representatives
-add "process" definition
delete reference to mosquito fleets

NEXT AGENDA

1. ICS/Training report
2. ADEC Technical Report on Skimming
3. Review working reports and instructions
4. Objectives for equipment

NEXT MEETING -FRIDAY SEPTEMBER 21ST

0830 to 1200 hours at Alyeska

Alyeska Response Plan

Initial Response and Training Technical Working Group

Equipment

Quantity Needed

Barges*

Skimmers*

Stock

Developmental

Fishing Boats*

Tugs and ERVs

Boom

Aerial Support

*Steve P. will
take lead.*

*main working group
plus SERUS*

Dan technique support.

Graham L.

*The skimming taskforces will be determined based on effective deployment plus backup

Performance

Verification & testing.

Review of existing performance data

Equipment performance expectations

Wind and sea state limitations

Fishing boats for boom deployment

Oil water separation on barges

Boom

ERV/Tugs

Other integral components as identified

*performance
expectations*

Performance testing.

Skimmer recovery rate - nameplate/actual (define parameters such as evaporation, emulsification, daylight, temperature, oil viscosity,

Safety

Deployment/Staging

Source — Reaction response time

Skimming/lightering equipment stations

Logistical support

New Equipment Development

High capacity pumps

Large skimming unit

Training and Drills

Frequency /Content/Drill size

Type

ICS

On water

Oil recovery

Computer simulation

Evaluation

Personpower

Goals:

Equipment: Quantity - to determine the amount of equipment that can effectively be managed and deployed during the initial phase of spill response and the most effective combinations and numbers of stock skimming units on skimming platforms.

Performance - to define operational limits of equipment and establish specific performance criteria for equipment types. Establish realistic recovery rates for various conditions.

Training/Drills: Evaluate results of training/drills to determine personnel and equipment reaction times.

Personpower: Establish core response capability, evaluate capability to have first responders at scene of incident.

Alyeska Response Plan
Prevention/Navigation Technical Working Group

Weather limitations

Clean up equipment
Tanker movement

Tug and ERV

Type/Needs
Utilization
Deployment

Surveillance

Vessel tracking
USGS (Arm, Narrows, Port)
Satellite (Sound and Gulf)

Pollution checks

Ship Mooring

Plans and Practices
Pre-arrival Checklists
Pre-deballasting/loading checklists

Ship Inspections

Inert Gas Checks
Segregated Ballast Checks
Fire Fighting Ability

Interaction and Authorities

Pilots Assoc., Tanker owners and SERVS
USGS and ADEC

HB 567.

Items for Other Technical Working Groups

Dispersants

- RRT Guidelines
- Identification of proper dispersants for PWS
- Procedures for keeping stockpiles updated
- Installation of spray equipment on ERVs

PWS Plan/Tanker Vessel Plan

- PWS, VMT and Tanker Vessel plans interaction

Oily Waste Disposal

- Liquid
- Solid

THE DISPERSANTS/BURNING/BIOREMEDIATION WORKING GROUP
CHAIRMAN: ALYESKA

MEMBERSHIP

ALYESKA

Sharon Hillman

Dave Nielson

Ben Hilliker

Wayne Fredeen

ADEC

Jic Sautner

Brad Hahn Alco Vitea

USCG

RRT

RCAC

CONSULTANTS

EPA

Carl Lenton

OBJECTIVES

1. Address the ADEC comments:

"Dispersant use, to be covered in the unfinished Annex I, is not adequately covered in the plan. If Alyeska plans to use dispersants in the future, Alyeska should place the necessary volumes of chemicals and application gear in the Valdez or Anchorage response inventories, and continue to maintain a mutual understanding with the Department and the Coast Guard as to approval guidelines, since application must occur almost immediately in order to achieve any degree of success."

2. Review conflicts inherent in on-scene approval vs. RRT approval process.

3. Review application techniques and strategies

- a. vessel application

- b. Plane application

- c. Staging

- d. response times.

4. Review specific dispersant types and quantities.

5. Stockpile maintenance and inventory rotation

SCHEDULE

End of January 1991.

MEMORANDUM

DATE: September 13, 1990

TO: ADEC-ALYESKA-USCG-RCAC WORKING GROUP

FROM: Tim Robertson, RCAC

RE: Goals & Objectives for Near Shore Protection and Skimming & On Shore Clean-up Sub-Group

Greetings! I'm sorry that I can not be at your meeting today. Sheila has ask me to give some thought to the Goals and Objectives of a sub-group to deal with issues related to Shoreline Clean-up. I brought up the issue of RCAC chairing a sub-group at the RCAC meeting on Tuesday this week. The issue was not formally moved, but there did not seem to be any objection. I feel that the idea is workable as long as our role is well defined and does not require a time commitment beyond our abilities.

SCOPE

I feel that this sub-group should deal with all issues in the PWS/OSPR Plan related to Near Shore Protection and Skimming & Shoreline Clean-up both within PWS and along the entire coast affected by the EXXON Valdez spill. Some issues which would fall under the jurisdiction of this sub-group are:

- Shoreline Environmental Sensitivity Surveys
- Hatchery Protection Program
- Community Protection Program
- Near Shore Response (~~Mosquito Fleets~~)
- Sacrificial Beaches
- Shoreline Cleanup Planning
- Shoreline Cleanup Techniques
- Shoreline Cleanup Monitoring

*- which areas
- process
- shades of red + green approach*

OBJECTIVES

The objectives of this sub-group would be to examine issues of the C-Plan which are within the scope of the sub-group and strive to reach a consensus of opinion on the best method to deal with the issue and provide a recommendation to ADEC on an action to take. If a consensus can not be reached then a majority recommendation and minority recommendation should be issued.

GOALS

The Goals of the sub-group should to 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, ALYESKA, PWS SHIPPERS, and ADF&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.

Back to Tanker Owners.

*Make up
master FAX sheet*

THE OILY WASTE DISPOSAL WORKING GROUP
CHAIRMAN: ALYESKA

MEMBERSHIP

ALYESKA

ADEC

ADEC

USCG

~~EPA~~ EPA

RCAC

CONSULTANTS

*Dave Jensen
Jim Sweeney*

Mark Hutton

Sharon Hillman

Jim Sweeny

Dave Jensen

~~Bob Flint~~ *or Hutton*

*Ron Goddard
George Wilson
Replacement*

*Steve
W. Cole*

*EPA call call Lantzenberger
W. Cole*

*Judith Brindahl
Rob Dragunil
Sharla*

OBJECTIVES

1. Address ADEC comment:

"Though still under development, Alyeska's Oily Waste Disposal Plan must include specific approved, permitted arrangements (disposal methods and locations) for storage and disposal of various types of waste."

"Section 303.3 states the success of spill response efforts will depend on prompt decisions by the Department in various aspects of the response. It would be far more useful and appropriate for the plan to state what actions Alyeska's response personnel, particularly management, must undertake to make sure that Alyeska has done everything it can to promote prompt approval of proposed response actions. The burden for meeting the requirements for approval of response actions requiring government approval is on Alyeska. Alyeska could do much to improve response operations (and must) by requiring its responders to fully develop and seek approved permits for waste disposal options and in-situ burning. Developing detailed dispersant use plans for likely spill scenarios, and submitting them to regulatory agencies for conceptual approval prior to a spill, would supplement the efforts that state and federal agencies have made to provide timely response to request made during an actual spill. Such conceptual approval needs to be reestablished on a regular basis. Similar comments apply to the statement about prompt approval of in-situ burning found in sections 502.6, Alyeska should identify those specific items for which it is believed that prompt decision are needed."

1. (continued)

"Alyeska must include capability for removal of contaminated debris. Debris collection and removal is essential to proper operation of surface oil recovery and is also a required elements for cleanup."

2. Resolve the technical issues associated with the new Toxic Characteristics Law:

- a. as they apply to spills
- b. as they apply to crude oil contaminated residue.

3. Review initial requirements vs. longer term requirements

4. Review pre-permitting requirements and options.

5. Review "staging areas" options.

6. *Other waste issues.*

SCHEDULE

End of January 1991.

Liquid strategy
Solid strategy

EXXON

Major preplanning for collection.

Temporary storage is. alternatives

POSS - (subsidiary in mind) not in PWS.

PREVENTION/NAVIGATION WORKING GROUP
CHAIRMEN; JOINT

MEMBERSHIP; Recommend using the Valdez Marine Operations
Committee

ALYESKA	Tim Plummer
	Larry Shier
	Nick Mitchell
ADEC	Steve Provant
	Joe Sautner
USCG	Cdr. Thompson
RCAC	Chris Gates
TANKER	
PILOTS	Ed Murphy
OTHER	

OBJECTIVES:

1. Compliance with HB 567; prevention measures and incentives
2. Resolution of outstanding plan issues:
 - a. industry self-police policies
 - b. USCG regulations
 - c. seperation of Alyeska and Tanker Owners/Operators/Charterers issues

PWS PLAN COORDINATION WITH TANKER'S PLANS
CHAIRMEN: JOINT

*Hold off at 1.
tell*

MEMBERS

ALYESKA

Nick Mitchell

ADEC

USCG
TANKER
RCAC

OBJECTIVES

1. Examine and make recommendations on transition
2. Examine and make recommendations on shoreline cleanup plan
3. Examine and make recommendations on approval mechanisms

4. *Valley Terminal Plan coordination*

PRINCE WILLIAM SOUND TANKER SPILL PREVENTION AND RESPONSE PLAN
"WORKING GROUP"
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Attached is a report from the 9th meeting, held at Alyeska, September 21st, 1990. I have begun calling the group the "working group and steering committee" for the PWS Plan. Please note the next meeting is scheduled for October 11th in Valdez, to be preceeded on the 10th by an on-water task force exercise. Also note, that all working groups should commence work, with progress reports expected at the next meeting.

REPORT OF 9TH MEETING
SEPTEMBER 21, 1990

On Thursday, September 21st, 1990, the PWS Plan "working group and steering committee" met from 0900 hours to 1200 hours at Alyeska. Present were Bill Lamoreaux, Steve Provant and Dan Lawn from ADEC; Sheila Gottehrer, Chris Gates and Joe Banta from the RCAC; and Nick Mitchell, Graham Lascelles, Kate Montgomery, Tim Plummer, Dave Nielson and Mark Hutton from Alyeska. Judith Andress, Tom Casey and Rob Shoaf (Alyeska) gave brief presentations. Absent was USCG.

SUMMARY

"SALVAGE" CORRECTION TO PWS PLAN

Judy Andress (Alyeska Legal Department) discussed a proposed change to the PWS Plan to more accurately explain correct "salvage" information. The December 1989 version of the PWS Plan did not take into account the strict maritime definition of "salvage" and had created confusion among the tanker owners. A letter to ADEC was promised correcting two paragraphs in section 200. A letter and the proposed changed language was given to the working group and will also be sent to the tanker owners.

HOUSTON/ICS/EXXON

Nick Mitchell discussed the recent trip to Houston to meet with Exxon to begin ICS training. Alyeska took it's ICS overhead team to Houston to begin training Exxon. The tentative dates for the next exercise in Valdez was announced: November 12-14 for BP. Exxon had asked for Mitchell and Casey to return to Houston for more training.

VALDEZ MARINE OPERATION COMMITTEE

Tim Plummer announced October 3rd would be the next meeting of the Valdez Marine Operations Committee in Valdez. He also mentioned the formation of the PWS Tankers Association.

TANKER OWNERS INVITATION

There was general agreement that the tanker "owners" would be contacted and invited to all working group meetings.

INSURANCE/P&I CLUBS

There was a lengthy and inconclusive discussion about insurance problems with the tankers and the position of the P and I Clubs (Protection and Indemnity). Graham Lascelles reported the clubs were still of the opinion Alyeska had gone "over the top" (i.e. too much equipment and too many guarantees) with a response program, although they seemed to understand the plan better now.

ADEC TECHNICAL ANALYSIS OF EXPECTED SKIMMER PERFORMANCE REPORT

Most of the remaining discussion combined the review of this report with the objectives of the assigned working group. It is difficult to summarize the review of this report, except to paraphrase Graham Lascelles who, in the main, found the report accurate considering the assumptions of daylight and weather, which if changed would have changed the conclusions.

As in the past, the discussion quickly became far reaching; a tribute to the magnitude of the central question, namely how to establish a planning standard to clean up 300,000 barrels of oil in 72 hours. Through the divergent conversations an approach seemed to materialize, capturing key thoughts from Dave Nielson, Graham Lascelles and Dan Lawn. These are summarized as follows:

1. How do we maximize the performance of each piece of equipment in the "baseline" inventory of 25,000 barrels per hour of skimming capacity? In the field, most felt this question was more critical to a successful oil spill response than a planning formula for HB 567.
2. Identify the limitations of each piece of equipment and the impacts on performance.

3. Establish a "base-case" set (or range) of variables to report on the likely performance standards for equipment. Look to a statistical display of certain environmental factors, such that operating or performance standards can be linked to the factors that are present during a high percentage of the time. An example might be the daylight hours, wind speed and direction, and wave characteristics that are present 80 percent of the year.
4. ADEC will present what parameters will be selected and why. Mode, rather than average, could be considered as a characterization of the most likely day to be encountered rather than the average daily conditions.
5. Accurate determinations on viscosity, evaporation and emulsification are needed.
6. Consideration of a range of performance standards would account for the variability of environmental factors.
7. SERVS weather data needs to be put into computer form for evaluation and utilization in the weather variables project. Dave Nielson was asked to implement this project.
8. The technical working group on initial response and training met on September 21st and will meet again in Valdez on September 28th to work on the items mentioned above.

TANKER CONTRACT WITH ALYESKA

Rob Shoaf (Alyeska Legal Dept.) announced the schedule for final revisions to the contract. He indicated the contract would be signed in October but not by October 1st. He sought clarification about what legal document and title would be referenced in the contract. General clarification was then requested about "which document constituted the PWS Tanker Spill Prevention and Response Plan. Most believed it was the three volume set submitted December 31st, 1989 and supplemented January 31st, 1990 with one series of ADEC requested editorial corrections.

Rob went on to say that changes to the document would be handled as amendments to the contract, in so far as they changed the basic document referenced in the contract.

IMPLEMENTATION DOCUMENT

Nick Mitchell suggested Alyeska prepare a short "implementation document" outlining the status of the hatchery protection projects, the community response center projects, equipment purchases and installation, and training.

ICS

Tom Casey presented the basic ICS schedule for Alyeska. Urged agency attendance at all training sessions and promised a calendar of events.

OTHER WORKING GROUPS

All other working groups must begin work, as per the scope and schedule agreements presented and modified at the last meeting. Group chairmen must be prepared to report progress at the next meeting.

NEXT MEETING

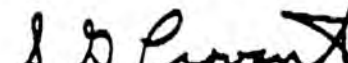
October 11, 1990 in Valdez. On October 10th, a task force exercise is scheduled using fishing boats, a barge and major skimmer and SERVS personnel. The agenda for the meeting will focus on reports from the working groups.

Meeting adjourned at noon.

REPORT SUBMITTED BY



Mark I. Hutton



Steve Provant

PRINCE WILLIAM SOUND CONTINGENCY PLAN--STEERING COMMITTEE

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Tanker Owners and Operators
in the TAPS Trade.
See distribution page

ATTACHED IS THE RECORD OF THE 10TH MEETING, HELD IN VALDEZ ON OCTOBER 11TH, 1990. ALSO ATTACHED, IS THE LETTER ALYESKA WAS DIRECTED TO SEND TO THE "TANKER OWNERS AND OPERATORS IN THE TAPS TRADE" (1) FORMALLY INVITING THEM TO JOIN THE STEERING COMMITTEE, (2) ASKING THEM FOR THE MAILING LIST OF INDIVIDUALS TO RECIEVE INFORMATION, AND (3) PROVIDING THEM A BRIEF HISTORY AND EXPLANATION OF THE STEERING COMMITTEE. THIS INFORMATION WILL ALSO BE SENT TO THE PRINCE WILLIAM SOUND TANKER ASSOCIATION.

October 23, 1990

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R. Shoaf
R. Stoltenberg

Alyeska pipeline

SERVICE COMPANY

1835 SOUTH BRAGAW STREET, ANCHORAGE, ALASKA 99512 TELEPHONE (907) 275-1611 TELEX 090-25-127

October 22, 1990

To: Tanker Owners and Operators
in the TAPS Trade

Re: Information on the Prince William Sound Contingency
Plan Steering Committee

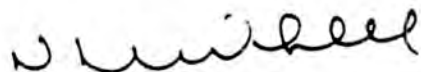
The attached report is to bring the above referenced subject matter to your attention. Please note your invitation to designate a representative that can be contacted to participate on the Steering Committee or on any of the technical working groups... or just to receive all reports.

After November 1, with the signing of the "contract" and the demise of the Alyeska/ADEC compliance consent order, responsibility shifts to the tanker owners/operators/ charterers to achieve a working relationship with ADEC; a relationship, which is now led to the conditional approval of your plans.

Alyeska will continue to be involved, as the initial conditional approval and the subsequent required technical working groups and Steering Committee are tied directly to the PWS Tanker Spill Prevention and Response Plan portion of your Contingency Plans.

If you have questions, please contact me at (907) 265-8875 or Mark Hutton at (907) 265-8879.

Sincerely,
ALYESKA PIPELINE SERVICE COMPANY



Nick Mitchell
Manager,
Oil Spill & Contingency Planning

MH/eam
Attachment

xc: J. B. Hermiller
M.F.G. Williams
L. D. Shier
T. F. Plummer
R. I. Shoaf
M. Croce, PWS Tankers Asso.
B. Lamoreaux, ADEC
S. Gotterher, RCAC
E. Thompson, USCG

THE "PRINCE WILLIAM SOUND CONTINGENCY PLAN -
STEERING COMMITTEE"

General Background Information

On Thursday, October 11, 1990, we had our tenth meeting in Valdez, of what used to be called the Prince William Sound Tanker Spill Prevention and Response Plan Steering Committee. (The official title is now the Prince William Sound Contingency Plan - Steering Committee). The purpose of the meeting was:

- to transform, officially, that group into a "Steering Committee" that will guide the work of newly formed technical working groups;
- to receive the first reports from the technical working groups;
- to officially hand over the chairmanship from Alyeska to ADEC;
- to consider the role of tanker owners/operators charterers on the Steering Committee and the technical working groups; and
- to discuss the tenants of conditional an/or interim approval.

The purpose of this report is to bring the above to your attention and to provide you a status report. We also need to resolve who in your company should be involved at the Steering Committee level and who should be involved at the technical working group level? The technical working groups for the Prince William Sound Tanker Spill Prevention and Response Plan portion of your plan have been established as follows:

- Initial Response Equipment,
- Navigation/Prevention,
- Oil Waste Disposal,
- Dispersants, In-situ Burning, Bioremediation,
- Shoreline Plans, and
- Coordination with Tanker's Contingency Plan(s)

The PWS Tanker Association Chairman and Vice Chairman, Captains M. A. Croce and R. Johnston, have attended one technical working group meeting dealing with navigation and prevention issues.

Early on, the concept of a "working group" was established to look at some very hard problems and questions for which there were no easy answers. These problems and questions ranged from "how to contain and cleanup a 300,000 barrel spill in 72 hours", to "the need to address oily waste disposal". To date, this process has worked as we have had good agency, Alyeska and citizen's cooperation, participation and commitment to a group solution. We have come to agreement on a number of significant issues.

This has worked so well, we have formalized the process; a turn of events that finds us using this "round table" approach to achieve conditional approval of the plans for PWS. It is in some respects an education process, where regulators, the regulated and RCAC work through issues in a non-regulatory environment.

Now that we (collectively) anticipate conditional approval it is time to make sure that tanker owner/operator /charterer representative understands the process and feels comfortable with a role that is probably not totally defined.

It would be presumptuous to tell you what your role is and yet it is important that we overstate the need to have you at the table.

(participation)

The Valdez Marine Operations Committee, first established by Captain Tim Plummer (Alyeska Marine Terminal, Marine Manager), has answered the call to use that committee as the technical working group on all prevention and navigation issues. It is certainly the right mix and match of players, including the Tanker Association. We assume you feel comfortable with that representation.

We will transmit directly to each tanker owner/operator /charterer representative, all of the pertinent historical reports and correspondence, especially the navigation and prevention projects. Accordingly the report of the Valdez, October 11 Steering Committee Meeting is attached. Under separate cover we will compile and send a packet of information, containing the historical documents.

We need to know the individual you designate to be on this list. We are sending a copy of this report to the Prince William Sound Tanker Association and intend to provide them this same background information.

**PWS CONTINGENCY PLAN
STEERING COMMITTEE MEETING
OCTOBER 11, 1990
WESTMARK INN, VALDEZ**

The Prince William Sound Contingency Plan Steering Committee held its 10th meeting in Valdez on October 11, 1990 from 0830 through 1730 hours. In attendance at the meeting were:

Bill Lamoreaux, Chairman,	Steve Provant,	Dan Lawn	ADEC
Nick Mitchell,	Mark Hutton,	Graham Lascelles,	
Tim Plummer			Alyeska
Tim Robertson,	Wayne Coleman		RACA
CDR Ed Thompson,	CDR Ed Wielickiewicz		Coast Guard
Charles Lundfelt			City of Valdez
Roger Gale			BP Shipping
Myron Fedak			Exxon Shipping
Richard Halluska,	Chaim Barash		OMI Corp.

GENERAL DISCUSSION

This was the first meeting of the Steering Committee to include active participation with representatives from the shipping companies with tankers calling on the Valdez Marine Terminal. For the benefit of the new participants, the meeting opened with a discussion on the purpose of the Steering Committee and how the decisions and areas of agreement will relate to the development, refinement and implementation of the PWS Contingency Plan.

This meeting also is the starting point for establishing the PWS Contingency Plan Steering Committee as a policy oriented group with technical working groups reporting to it.

The following points were discussed:

- The Steering Committee had agreed to an operating protocol. All committee members need to be aware of its contents and agree to operate within the scope outlined by the protocol (attached).
- The Steering Committee will be as flexible as possible in order to keep the committee and the actions dealing with the PWS Contingency Plan a dynamic process.
- The Steering Committee has established six technical working groups that are responsible for evaluating various issues that must be resolved in the course of arriving at a fully approvable contingency plan. These groups will report to and make recommendations

for consideration by the Steering Committee.

- The steering committee/technical working groups process offers a unique opportunity for the regulator to work out issues with the regulated community in a non-regulatory atmosphere.
- Alyeska was directed to contact each company that submitted a contingency plan on October 1, 1990 and invite them to send a representative to Steering Committee meetings. A mailing list with the correct contact person was requested.
- Navigation/Prevention issues will be addressed by the Steering Committee through a working group and the solutions or direction will be coordinated with regulation development under H.B. 567. The PWS Tankers Assoc. are represented on this technical working group.

ADEC agreed to distribute meeting agendas to all tanker owners, operators, and charterers operating at VMT via FAX at least 72 hours prior to meetings in order for the tanker owners to make travel arrangements if topics of specific interest to them are being considered. Alyeska will put together a list of contacts with the individual tanker owners and send them a description of the steering Committee process and explain the relationship between the tanker owners, operator or charterers and the PWS Tanker Owners Assoc. involvement on the Steering Committee.

CONDITIONAL APPROVAL

The conditional approval process was discussed in some detail. ADEC is planning to issue letters of conditional approval or of disapproval to each tanker owner by November 1, 1990. Conditional approval will be contingent upon the submittal of all the various contingency plan components as has been previously discussed which includes an executed contract between the individual tanker owners, operators or charterers and Alyeska and contracts an oil shipping company with their charterers concerning contingency planning. The conditions of approval are still being drafted by ADEC, however they will focus on the preparedness, prevention and initial response capabilities of the PWS Tanker Spill Prevention & Response Plan. After conditional approval has been granted, ADEC will review the other portions of the contingency plans and work with each tanker owner, operator or charterer on an individual basis and through the PWS Contingency Plan Steering Committee to resolve the initial approval conditions and to take a final action on each plan. The time frame in which to accomplish this has not yet been determined but will probably be in the neighborhood of 6-7 months.

It was suggested that a contract briefing document be prepared in

layman terms to explain the relationship between Alyeska and any tanker owner, operator or charterer responsible for an oil spill. There was some concern raised about the role of ADEC in deciding when a management turn-over could occur. ADEC agrees that by identifying those key items that could adversely impact a turn-over and that by establishing measures or relationships to deal with them will make the management transition occur smoothly, which is ADEC's primary concern. ADEC recognizes the obligation that the spiller has to take over management of the incident as the "responsible party" and ADEC has the obligation in the transition management process to prevent a loss of momentum in the response action.

It was recognized by Alyeska and the tanker owners that service contract assignability from Alyeska to the responsible party has not been resolved and issues exist that need to be addressed.

TECHNICAL WORKING GROUP REPORTS

Regarding the functioning of all the technical working groups, it was agreed that they will all follow the method laid out by Tim Robertson for the Shoreline Cleanup working group and develop objectives, scopes of work, problems/issues definition and identification of options available that have bearing on the problem.

The reports for all the technical working groups are attached.

Navigation/Prevention

The navigation/prevention issues had been taken on by a standing committee to consider Valdez Marine Operations. However, it was agreed that the functions of the Valdez Marine Operations Committee should be solely to deal with the contingency plan and that any longer term issues should be handled by a Coast Guard Port Safety Committee. Concern was also expressed about the state imposing navigational requirements as contingency plan conditions. The state recognizes that in most cases navigation/prevention issues are complex and involve jurisdiction of other organizations. The state sees its role primarily as one of promoting reasonable measures within the framework of existing authorities.

Oil shipping industry representatives made a point that procedures, checklists and rules need to be consistent from port to port in order to minimize the chances for confusion to occur.

Mechanical Response Equipment and Drills

This working group is the former Initial Response and Training working group. It was felt that this name better reflected the scope of this group. The scope of work for this group also includes the consideration and evaluation of new concepts

such as a high capacity/high volume pumping or skimming system.

A report was given by Nick Mitchell on information he had obtained from Arco on the "Big Gulp" concept. Arco has decided not to pursue development of a skimming tanker for a number of technical reasons among which are: the 42' draft of the vessel would limit its nearshore usefulness as it would have to be close to the release site to be most effective; it must skim at about 2 kts. and at that speed would only skim about 1200-1300 bbl/hr.; the tanker would be difficult to maneuver at low speeds; building a new tanker with capability to perform is apparently not an option, since Arco was considering using the tanker to haul oil and a new bottom would have to be double hulled.

Alveska Plan Coordination with PWS Contingency Plan

Most of the issues of this working group were dealt with in previous discussions. This group will be primarily interested in the conditional/final approval process and the integration of the results from this process into the rulemaking taking place to implement H.B. 567. Nick Mitchell suggested this topic be a permanent agenda item as the results of this rulemaking must be coordinated with the efforts of the Steering Committee.

Shoreline Cleanup

This working group has developed a process for dealing with issues that will be followed by the other groups. They are presently trying to decide on the scope of their activities and are looking at shoreline cleanup activities in two areas, near shore protection (short term) and an "Exxon" type cleanup (long term). It was also decided that the concept of utilizing shorelines to "trap oil" is viable and we should refer to these shorelines as impact shorelines or beaches.

Dispersants/In-situ Burning/Bioremediation

This working group met for the first time October 9th. To properly define the problem, the group felt it important to make a complete review of the dispersant and burning information contained in the last plan submittal, since a number of the group members had not previously had an opportunity to review this material. This review could then form the basis for making an adequacy test evaluating available tools, the initial response strategy and existing on hand capabilities to utilize dispersants and burning as part of an overall strategy.

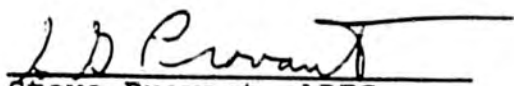
Oily Waste Disposal

The oily waste disposal working group met for the first time

on October 9th. The problem definition focused on three areas: permit options, new federal toxicity characteristic leaching procedure (TCLP) requirements, and a review of the material contained in the last plan submittal.

Submitted by:


Mark Hutton, Alyeska


Steve Provant, ADEC

MCS 42 91-038

A. R. Kukla
Production Manager
Alaska Region
Domestic Production

T 91-012
MCS



**Marathon
Oil Company**

P.O. Box 190168
Anchorage, Alaska 99519
Telephone 907/561-5311

January 23, 1991

Mr. John Sandor, Commissioner
Department of Environmental Conservation
P. O. Box 0
Juneau, AK 99811

Dear Commissioner Sandor:

RE: CISPRI Letter Dated January 16, 1991

Marathon Oil Company, Alaska Region, respectfully requests an extension for submitting Oil Spill Contingency Plans to meet the requirements of HB 567. The extension requested would be for the contingency plans to be submitted within 90 days after the date of final enactment of the State Regulations regarding Oil Spill Contingency Plans.

Marathon is a member of CISPRI and is in concurrence with the Background, Problem, and Proposed Solution as outlined in the referenced letter to you. We are also in the process of revising our existing plans in order to comply with the current time constraints and ensure compatibility with the CISPRI, Regional, and State plan. Our concern is that all the plans be in compliance with the intent of the forthcoming regulations. Not knowing what the contingency plan regulations will require in terms of content and format presents a dilemma in the contingency plan development.

An extension as outlined above will greatly enhance the contingency planning process. Additionally, it would reduce the possibility of substantial revisions subsequent to the review process, further delaying an effective response plan for all concerned.

I offer Marathon's assistance in expediting or improving the contingency plan development process in any way my staff or I can contribute. Please do not hesitate to call or have any of your staff call me at (907) 561-5311.

Sincerely,

A. R. Kukla
Alaska Region Production Manager

\ENV\149/BFC:mmk

cc: B. A. Cox
B. F. Collver
W. Watson

RECEIVED

FEB 16 1991

Dept of
Environmental Conservation

**COOK INLET SPILL PREVENTION
& RESPONSE INC.**

(4/6)

January 16, 1990

Mr. John Sandor
Department of Environmental Conservation
P. O. Box "O"
Juneau, AK 99811

Dear Mr. Sandor:

On behalf of the Cook Inlet Spill Prevention and Response, Inc. (CISPRI) Board of Directors, I respectfully request an extension for submitting contingency plans (C-plan) to meet the requirements set forth in HB567. The extension requested would be for the C-plan to be submitted within 90 days after the date of final enactment of the state regulations regarding Oil Spill Contingency Plans.

Background

CISPRI is making excellent progress on the development of our draft C-plan which we believe will set the standard for the State of Alaska and the nation as a whole. CISPRI has contracted with ENSR, an Alaskan Environmental corporation with extensive experience with approved C-plans within the state. In addition, Alaska Clean Seas (ACS) and the state owned Alaskan Railroad have also contracted with ENSR for the development of their C-plans. Last week, CISPRI, ACS and a representative from the Alaska Railroad met with Mr. Bob Britch of ENSR. At that meeting all parties reviewed and agreed upon the content and format of our individual C-plans. Both CISPRI's and ACS's C-plans will then become the basis of the individual member companies' facilities specific C-plans.

CISPRI and ACS have C-plan committees which include state agency representatives. These committees have been instrumental in setting the content and format of our developing C-plans. All parties involved believe this approach will assure a detailed, concise, uniform C-plan format throughout the State of Alaska. It will ensure a quality response under our individual C-plans should one be necessary. It will ensure a uniform response under the Incident Command System since all of the major oil companies operating within Alaska will be covered by these plans.

We believe this approach will meet the intent of the law which is to ensure an adequate response should one become necessary.

The Problem

CISPRI is aware that the state is currently working on draft regulation covering C-plan content and format. We also understand that these regulations will not be published in the draft form until February 1991. From that date we expect that it will be several months until the draft could be considered "final". To meet the current state criteria, C-plans must be submitted 65 days prior to the June 1, 1991 deadline. This timing means that CISPRI members' C-plans must be submitted prior to the C-plan regulations becoming final. This creates a real dilemma and does not insure a C-plan which meets the criteria of the state, and will involve additional expense and unnecessary delays.

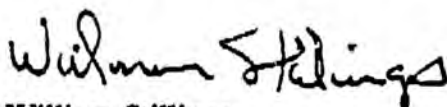
Our Proposed Solution

Once the final C-plan regulations are adopted by your department, companies should be allowed 90 days to submit their C-plans. We also would like to meet with your staff involved in developing the C-plan regulations to present our approach in C-plan development. We feel that we meet the letter and intent of the law. I believe that our C-plan will be an effective response tool, easily updated and expanded as new equipment, techniques and resources become available.

I look forward to your reply and offer CISPRI's assistance in expediting or improving this C-plan development process in any way my staff, or I can contribute. Please feel free to call or have any of your staff call if I can be of assistance. I can be reached at (907) 283-5129.

Sincerely,

COOK INLET SPILL PREVENTION & RESPONSE, INC.



William Stillings
General Manager

WIS:vja



**WILDLIFE
FEDERATION
OF ALASKA**

The Alaska Affiliate of the
National Wildlife Federation

February 20, 1991

John Sandor, Commissioner
Alaska Department of Environmental Conservation
P.O. Box 0
Juneau, Alaska 99811-1800

Dear Mr. Sandor:

As the representative for the environmental group sector of the Department's HB 567 working group, I would like to express to you our concerns regarding review of the draft response regulations. We believe that those regulations, which have already been released informally to the public, comprise an adequate public review draft and should be treated as such.

We see no reason to delay the formal public review of the draft response regulations. Indeed, to do so would be contrary to their enabling legislation, i.e., HB 567 requires that response regulations be enacted by ADEC by June 1, 1991. If the formal public review were to start immediately, the Department could comply with the mandated deadline.

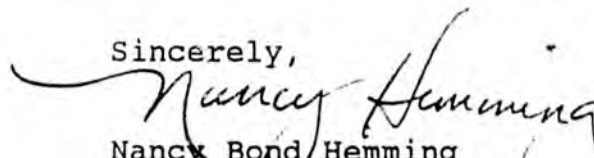
There appears to be no argument or necessity, legal or otherwise, to delay review of the response regulations until, as has been suggested, the prevention and financial responsibility regulations are in draft form. On the contrary, the response regulations are an important tool for the Department in protecting lands and waters of this State from degradation from oil and petroleum product pollution. Promulgation of the response regulations would allow both the industry and the public to know the basis upon which ADEC will review contingency plans for compliance with HB 567. Delaying the response regulations would only delay use of that important tool and would continue to expose our lands and waters to unacceptable risks.

We also believe that, within the time available, the working group would be hard-pressed to adequately consider both the response regulations and the prevention regulations. The original intent of the working group was to offer advice and guidance only on the issues to be covered by the

prevention regulations and to aid the Department in their formulation. We would like to confine the group to the original goal; injecting review of the response regulations would only dilute the process. It is our contention that the response regulations have been developed beyond the point where a working group review would be needed. Public review is the next logical step.

We are looking forward to working with you and the Department on the HB 567 prevention regulations working group.

Sincerely,



Nancy Bond Hemming
Wildlife Federation of Alaska
Alaska Center for the Environment

cc: Jeff Parker, President, Wildlife Federation of Alaska
Sue Libenson, Director, Alaska Center for the Environment
Pam Brodie, Sierra Club, Alaska Field Office
Pam Miller, Greenpeace USA, Alaska Field Office
Members, HB 567 Working Group
Sam Cotten, Chairman, Senate Oil and Gas Committee
Lloyd Jones, Chairman, Senate Resources Committee
Bill Hudson, Chairman, House Oil and Gas Committee
Cliff Davidson, Chairman, House Resources Committee

**Regional Citizens' Advisory Council
601 West Fifth Avenue, Suite 500
Anchorage, AK 99501
277-7222 (FAX) 277-4523**

February 22, 1991

John Sandor, Commissioner
Alaska Department Environmental Conservation
P.O. Box O
Juneau, AK 99811-1800

Dear Commissioner Sandor:

This letter is to express the concerns of the Regional Citizens' Advisory Council regarding your department's decision to delay the promulgation of oil spill contingency plan and financial responsibility regulations pursuant to HB567. We feel the regulations drafted by your department should be released for formal public review at this time so that the promulgation process can be completed by the legislative deadline of June 1, 1991.

Our council was formed to enable citizens of the region affected by the *Exxon Valdez* oil spill to be involved in decisions regarding the operation of the Trans Alaska Pipeline Terminal and crude oil tankers served by the terminal. Our council's mission is to ensure the safe operation of the terminal and the tankers served by the terminal so that environmental impacts associated with terminal and tanker fleet are minimized. To this end, we have worked hard to see that laws and regulations related to oil spill prevention and response are improved.

Last year we participated in the formation of HB567 by testifying before each legislative committee which held hearings on the bill. We worked closely with the legislators, oil industry representatives, and other groups concerned with protecting Alaska's resources from future oil spills. The process of developing HB567 was long and difficult, involving compromise among all the interested parties, and the bill was passed just prior to adjournment.

of the legislature. Upon signing the bill, Governor Cowper remarked about the importance of HB567 for protection of the State's environment.

We have reviewed and commented on the Prince William Sound Tanker Spill Prevention and Response Plan developed by Alyeska in 1989. We are active participants in the steering committee and working groups which are dealing with issues related to DEC approval of this contingency plan. The single greatest impediment to final approval of the Alyeska C-Plan has been the lack of regulations promulgated pursuant to HB567.

Your staff has worked very hard in drafting contingency plan and financial responsibility regulations to implement the law. We have had an opportunity to review their draft contingency plan regulations that were released informally and feel these draft regulations are complete and ready for formal public review.

Our council believes that strong regulations requiring realistic, effective oil spill contingency plans are long overdue. We are not opposed to the production and transportation of crude oil from Alaska. We simply want to see it done in a manner that protects the other natural resources upon which we depend for our subsistence, recreation, and livelihoods. In the past, the oil industry has made promises through contingency plans they couldn't carry out and the Department of Environmental Conservation hasn't held the industry to their promises, in part because of the lack of strong regulations. We've expressed our concerns to the industry and they funded our council so that our voice could be heard and we could participate in the process. We expressed these concerns to the legislature and they passed HB567. We are now expressing our concern to you that holding these regulations up is further delaying the goal we are working so hard to achieve.

We see no improvements which can be made by delaying the promulgation of these regulations. We only see opportunity for weakening them through further compromise, contrary to legislative intent. We also see that your proposed time line for promulgation ensures that these regulations will be released for public review during July and August when most Alaskans are far too busy to give them the attention they deserve. Therefore, we are asking you not to delay the publication of the contingency plan and financial responsibility regulations for public review. We believe you should

release them now, and in doing so, can realistically expect to get these regulations promulgated by the legislative deadline of June 1, 1991.

Sincerely,

Tim Robertson SKG

Tim Robertson

Vice President for Oil Spill Prevention and Response
Regional Citizens' Advisory Council

cc: Members, Regional Citizens' Advisory Council
Jim Hermiller, President, Alyeska
Sen. Sam Cotton, Chairman, Senate Oil & Gas Committee
Sen. Lloyd Jones, Chairman, Senate Resources Committee
Rep. Bill Hudson, Chairman, House Oil & Gas Committee
Rep. Cliff Davidson, Chairman, House Resources Committee
Mead Treadwell, Deputy Commissioner, ADEC
Members, HB 567 Working Group

PUBLIC OPINION MESSAGE

DEAR: SENATOR COTTEN

NAME: WILLIAM J. PHILLIPS

TITLE:

ADDRESS: BOX 1994

CITY: KENAI

ZIP: 99611

PHONE: 283-4873

BILL NO:

SUBJECT: OPENING OF ANWAR

MESSAGE: IF YOU WANT THE NEAR TERM OPENING OF ANWAR, THEN TREADWELL HAS TO GO. HICKEL CAN HAVE TREADWELL OR CREDIBILITY BUT NOT BOTH. SECRET GIVING OF DEC SPILL REGULATIONS THROUGH ALYESKA WILL BE USED BY EVERY NATIONAL ENVIRONMENTAL GROUP TO PROVE TO CONGRESS THAT ALASKA WON'T PROTECT THE ENVIRONMENT.

POMID: 13162723

DATE: 91/02/04

TIME: 16:27:23

LIONAME: SOLDOTNA LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

BAKER	BARNES	ADAMS
BOYER	BROWN	COLLINS
BRUCKMAN	CARNEY	DUNCAN
CHOQUETTE	DAVIDSON	ELIASON
B.DAVIS	C.DAVIS	FAHRENKAMP
DONLEY	ELLIS	FISCHER
FINKELSTEIN	FOSTER	FRANK
GONZALES	GRUENBERG	HALFORD
GRUSSENDORF	HANLEY	HOFFMAN
HUDSON	IVAN	JONES
JACKO	KOPONEN	KERTTULA
KUBINA	LARSON	MENARD
LEMAN	LINCOLN	PEARCE
MACKIE	MACLEAN	POURCHOT
MARTIN	M.A.MILLER	RODEY
M.W.MILLER	MOYER	SHULTZ
NAVARRE	PARNELL	STURGULEWSKI
G.PHILLIPS	R.PHILLIPS	UEHLING
SHARP	TAYLOR	ZHAROFF
ULMER	ZANACKI	

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AN ACT

Relating to oil discharge prevention and contingency plan requirements, financial responsibility requirements related to oil, penalties, and inspection authority of the Department of Environmental Conservation; relating to the oil and hazardous substance release response fund and responses to oil and hazardous substance emergencies; authorizing the Department of Environmental Conservation and municipalities to enter into agreements pertaining to vessel traffic control and monitoring systems; and providing for an effective date.

* Section 1. AS 29.35.020 is amended by adding a new subsection to read:

(d) A municipality may enter into agreements with the United States Coast Guard, the United States Environmental Protection Agency, and other persons relating to development and enforcement of vessel traffic control and monitoring systems for oil barges and tank vessels carrying oil operating in or near the waters of the state.

29.35.020(d)

* Sec. 2. AS 46.03.759(c) is amended to read:

(c) Subject to the \$500,000,000 maximum set under (a) of this section the court shall assess four times the penalty set out in (a) of this section if the court finds

46.03.759(c)

that the discharge was caused by the gross negligence or

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intentional act of the defendant;

(2) the defendant did not take reasonable measures to contain and clean up the discharged oil; or

(3) the defendant did not act or respond in accordance with an approved oil discharge prevention and contingency plan.

* Sec. 3. AS 46.03.823(a) is amended to read:

46.03.823(a)

(a) A person who is a response action contractor with respect to a release or threatened release of a hazardous substance whose acts or omissions are not contrary to a response plan or order by a state or federal agency having jurisdiction over the release or threatened release is not civilly liable for injuries, costs, damages, expenses or other liability that results from the release or threatened release unless the release or threatened release is caused by an act or omission of the response action contractor that is negligent or negligent or constitutes intentional misconduct. To show negligence of a response action contractor, a claimant must show that the acts or omissions of the contractor under the response action contract were not in accordance with generally accepted professional standards or practices at the time the response action services were performed.

* Sec. 4. AS 46.03.823(b) is amended to read:

46.03.823(b)

(b) The liability limitation under (a) of this section

(1) does not apply to a response action contractor who would otherwise be liable for the release or threatened release under state or federal law even if that person had not carried out a response action with respect to the release or threatened release; and

(2) does apply only to releases for which notification to the department was provided and received in the manner prescribed under state law [STRICTLY LIABLE UNDER THIS SECTION].

* Sec. 5. AS 46.03.823(e) is amended to read:

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(e) This section does not affect the liability of a response action contractor that may arise from the response action contractor's failure to comply with the terms or conditions of a

(1) response action contract or a remedial action plan if one has been approved by the department; or

(2) contingency plan approved by the department where the response action contractor is the plan holder.

* Sec. 6. AS 46.03.823(g)(2) is amended to read:

(2) "response action contract" means a written contract or agreement to provide response action with respect to a release or threatened release of a hazardous substance, entered into by a person with

(A) the department; OR

(B) another person who has entered into an agreement with the department that provides for response action subject to the department's oversight and control;

(C) a federal agency with jurisdiction over the release or threatened release; or

(D) another person potentially liable for the release or threatened release under state or federal law;

* Sec. 7. AS 46.03.823(g)(3) is amended to read:

(3) "response action contractor" means

(A) a person who enters into a response action contract with respect to a release or threatened release of a hazardous substance and who is carrying out the contract, including a cooperative organization formed to maintain and supply response equipment and materials that enters into a response action contract relating to a release or threatened release; and

(B) a person who is retained or hired by and is under

46.03.823(e)

46.03.823(g)
(2)46.03.823(g)
(3)

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the control of a person described in (A) of this paragraph to provide services related to the response action contract.

* Sec. 8. AS 46.04.020(e) is amended to read:

46.04.020(e)

(e) The department shall enter into negotiations for memoranda of understanding or cooperative agreements with the United States Coast Guard, the United States Environmental Protection Agency, and other persons in order to

(1) facilitate coordinated and effective oil discharge prevention and response in the state, including agreements relating to development and enforcement of vessel traffic control and monitoring systems for tank vessels and oil barges operating in or near the waters of the state;

(2) provide for cooperative review of oil discharge prevention and contingency plans submitted to the department under AS 46.04.030;

(3) provide for cooperative inspections of oil terminal facilities by the department and the United States Coast Guard or United States Environmental Protection Agency; and

(4) provide for cooperative oil discharge notification procedures.

* Sec. 9. AS 46.04.030 is amended to read:

46.04.030

Sec. 46.04.030. OIL DISCHARGE PREVENTION AND CONTINGENCY PLANS

(a) A person may not cause or permit the operation of an oil terminal facility in the state unless an oil discharge prevention and contingency plan for the facility has been approved by the department and the person is in compliance with the plan. THE DEPARTMENT IS THE ONLY STATE AGENCY WHICH HAS THE POWER TO APPROVE AN OIL DISCHARGE CONTINGENCY PLAN FOR THE PURPOSES OF THIS SECTION.

(b) A [AFTER JANUARY 1, 1981], A person may not cause or permit

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the operation of a pipeline or an [OFFSHORE] exploration or production facility in the state unless an oil discharge prevention and contingency plan for the pipeline or facility has been approved by the department and the person is in compliance with the plan.

(c) Except as provided in (n) of this section, a (A) person may not operate a tank vessel or an oil barge within the waters of the state, or cause or permit the transfer of oil to or from a tank vessel or [i.e. OR, AFTER JANUARY 1, 1981, TO OR FROM] an oil barge, unless an oil discharge prevention and contingency plan for the tank vessel or oil barge has been approved by the department and the person is in compliance with the plan [EXCEPT FOR PROSECUTIONS UNDER AS 46.03.-190(b), IT IS NOT A DEFENSE TO AN ACTION BROUGHT FOR VIOLATION OF THIS SUBSECTION THAT THE PERSON CHARGED BELIEVED THAT A CURRENT OIL DISCHARGE CONTINGENCY PLAN FOR THE TANK VESSEL OR OIL BARGE HAD BEEN APPROVED BY THE DEPARTMENT].

(d) Upon approval of a contingency plan, the department shall issue to the plan holder a certificate stating that the contingency plan has been approved by the department. The certificate must include the name of the facility, pipeline, tank vessel, or oil barge for which it is issued, the effective date of the contingency plan, and the date by which the contingency plan must be submitted for renewal. A [AN OIL DISCHARGE] contingency plan must be submitted for renewal [RENEWED AT LEAST] every three years.

(e) The department may attach reasonable terms and conditions to its approval or modification of a [AN OIL DISCHARGE] contingency plan that the department [WHICH IT] determines are necessary to ensure [ENSURE] that the applicant for a [AN OIL DISCHARGE] contingency plan has access to sufficient resources to protect environmentally sensitive areas and to contain, clean up, and mitigate potential oil

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discharges from the facility or vessel as provided in (k) of this section, and to ensure that the applicant complies with the contingency plan (WITHIN THE SHORTEST FEASIBLE TIME). The (OIL DISCHARGE) contingency plan must provide for the use (OF THE BEST AVAILABLE TECHNOLOGY) by the applicant of the best technology that was available at the time the contingency plan was submitted or renewed. The department may require an applicant or holder of an approved contingency plan to take steps necessary to demonstrate its ability to carry out the contingency plan, including

- (1) periodic training;
- (2) response team exercises; and
- (3) verifying access to inventories of (AVAILABLE) equipment, supplies, and personnel identified as available in the approved contingency plan.

(f) Upon request of a plan holder or on the department's own initiative, the (THE) department, after notice and opportunity for hearing, may modify its approval of a (AN OIL DISCHARGE) contingency plan if the department (IT) determines that a change has occurred in the operation of a facility (, MARINA) or vessel necessitating an amended or supplemented plan, or the operator's discharge experience demonstrates a necessity for modification. The department, after notice and opportunity for hearing, may revoke its approval of a (AN OIL DISCHARGE) contingency plan if the department (IT) determines that

- (1) approval was obtained by fraud or misrepresentation;
- (2) the operator does not have access to the quality or quantity of resources identified in the plan; (OR)
- (3) a term or condition of approval or modification has been violated; or
- (4) the person is not in compliance with the contingency

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plan and the deficiency materially affects the plan holder's response capability.

(g) Failure of a holder of an approved or modified [OIL DISCHARGE] contingency plan to comply with the plan, or to have access to the quality or quantity of resources identified in the plan or [AND, IN THE EVENT OF A SPILL,] to respond with those resources within the shortest possible [FEASIBLE] time in the event of a spill is a violation of this chapter for purposes of AS 46.03.760(a), 46.03.765, 46.03.790, and any other applicable law. If the holder of an approved or modified [OIL DISCHARGE] contingency plan fails to respond to and conduct cleanup operations of an unpermitted discharge of crude oil with the quality and quantity of resources identified in the plan and in a manner required under the plan, the holder is strictly liable, jointly and severally, for the civil penalty assessed under AS 46.03.-758, 46.03.759, or 46.03.760 against any other person for that discharge.

* Sec. 10. AS 46.04.030 is amended by adding new subsections to read:

(h) The department is the only state agency that has the power to approve, modify, or revoke a contingency plan for the purposes of this section. The department shall exercise its power under this section in a timely manner. Except for prosecutions under AS 46.03.-790(b) and except as provided in (i) of this section, it is not a defense to an action brought for a violation of (a) - (c) of this section that the person charged believed that a current contingency plan had been approved by the department.

(i) It is a defense to an action brought for a violation of (a) - (c) of this section that the person charged relied on a certificate of approval issued by the department under (d) of this section unless the person knew or had reason to know at the time of the

46.04.030
(h)--(q)

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alleged violation that approval of the plan had been revoked or that the holder of the plan was not capable of carrying out the plan.

(j) Before the department approves or modifies a contingency plan under this section, the department shall provide a copy of the contingency plan to the Department of Fish and Game and to the Department of Natural Resources for their review. The department shall by regulation establish the procedures and time limits applicable to agency review of contingency plans.

(k) Except as provided in (m) and (o) of this section, the holder of an approved contingency plan required under this section shall maintain, or have available under contract, in its region of operation or in another region of operation approved by the department, singly or in conjunction with other operators, sufficient oil discharge containment, storage, transfer, and cleanup equipment, personnel, and resources to meet the following response planning standards:

(1) for a discharge from an oil terminal facility, the plan holder shall plan to be able to contain or control, and clean up a discharge equal to the capacity of the largest oil storage tank at the facility within 72 hours, except that if the department determines that the facility is located in an area of high risk because of natural or man-made conditions outside of the facility, it may increase the volume requirement under this paragraph so that the contingency plan must be designed for a response that is greater in amount than the capacity of the largest oil storage tank at the facility;

(2) for a discharge from an exploration or production facility or a pipeline, the plan holder shall plan to be able to contain or control, and clean up the realistic maximum oil discharge within 72 hours;

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(3) for a discharge of crude oil from a tank vessel or oil barge, the plan holder shall plan to be able to contain or control, and clean up a realistic maximum oil discharge as provided in (A), (B), and (C) of this paragraph:

(A) for tank vessels and oil barges having a cargo volume of less than 500,000 barrels, the plan holder shall maintain at a minimum in the region of operation, equipment, personnel, and other resources sufficient to contain or control, and clean up a 50,000 barrel discharge within 72 hours;

(B) for tank vessels and oil barges having a cargo volume of 500,000 barrels or more, the plan holder shall 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 barrel discharge within 72 hours;

(C) in addition to the minimum equipment, personnel, and other resources required to be maintained within the region of operation by (A) or (B) of this paragraph, a plan holder shall maintain, either within or outside of the plan holder's region of operation, additional equipment, personnel, and other resources sufficient to contain or control, and clean up a realistic maximum discharge within the shortest possible time; the plan holder must demonstrate that the equipment, personnel, and other resources maintained outside the plan holder's region of operation are accessible to the plan holder and will be deployed and operating at the discharge site within 72 hours;

(4) for a discharge from a tank vessel or oil barge carrying noncrude oil in bulk as cargo, the plan holder shall plan to be able to contain or control 15 percent of the maximum capacity of the vessel or barge or the realistic maximum oil discharge, whichever is

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greater, within 48 hours and clean up the discharge within the shortest possible time consistent with minimizing damage to the environment:

(5) for a discharge subject to the provisions of (1) - (3) of this subsection that enters a receiving environment other than open water, the time requirement for clean up of the portion of the discharge that enters the receiving environment may, in the department's discretion, be within the shortest possible time consistent with minimizing damage to the environment.

(1) The provisions of (k) of this section do not constitute cleanup standards that must be met by the holder of a contingency plan. Notwithstanding (k) of this section, failure to remove a discharge within the time periods set out in (k) of this section does not constitute failure to comply with a contingency plan for purposes of (g) of this section or for the purpose of imposing administrative, civil, or criminal penalties under any other law.

(m) When considering whether to approve or modify a contingency plan, the department may consider evidence that oil discharge prevention measures such as double hulls or double bottoms on vessels or barges, secondary containment systems, hydrostatic testing, enhanced vessel traffic systems, or enhanced crew or staffing levels have been implemented, and, in its discretion, may make exceptions to the requirements of (k) of this section to reflect the reduced risk of oil discharges from the facility, pipeline, vessel, or barge for which the plan is submitted or being modified.

(n) A tank vessel or oil barge that is conducting, or is available only for conducting, oil discharge response operations is exempt from the requirements of (c) of this section if the tank vessel or oil barge has received prior approval of the department. The department

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may approve exemptions under this subsection upon application and presentation of information required by the department.

(c) A holder of an approved contingency plan does not violate the terms of the contingency plan by furnishing to another plan holder, with the approval of the department, equipment, materials, or personnel to assist the other plan holder in a response to an oil discharge. The plan holder shall replace or return the transferred equipment, materials, and personnel as soon as feasible. The department shall by regulation determine the maximum amount of equipment, materials, or personnel and the maximum amount of time for which it will approve a transfer.

(p) The department shall approve or disapprove a proposed contingency plan within 65 days after it receives a complete application for approval under this section.

(q) In this section,

(1) "contingency plan" means an oil discharge prevention and contingency plan required under this section;

(2) "in compliance with the plan" means, with respect to a contingency plan, to

(A) establish and carry out procedures identified in the plan as being the responsibility of the holder of the plan;

(B) have access to and have on hand the quantity and quality of equipment, personnel, and other resources identified as being accessible or on hand in the plan;

(C) fulfill the assurances espoused in the plan in the manner described in the plan;

(D) comply with terms and conditions attached to the plan by the department under the authority of (e) of this section; and

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(E) successfully demonstrate the ability to carry out the plan when required by the department under (e) of this section;

(3) "realistic maximum oil discharge" means the maximum and most damaging oil discharge that the department estimates could occur during the lifetime of the tank vessel, oil barge, facility, or pipeline based on the size, location, and capacity of the tank vessel, oil barge, facility, or pipeline; on the department's knowledge and experience with the tank vessel, oil barge, facility, or pipeline or with similar tank vessels, oil barges, facilities, or pipelines; and on the department's analysis of possible mishaps to the tank vessel or oil barge or at the facility or pipeline or to similar tank vessels or oil barges or at similar facilities or pipelines;

(4) "region of operation," with respect to the holder of a contingency plan, means the area where the operations of the holder that require a contingency plan are located, the boundaries of which correspond to the regional boundaries established by the commissioner for regional master planning purposes under AS 46.04.210.

* Sec. 11. AS 46.04.040(a) is amended to read:

46.04.040(a)

(a) A person may not cause or permit the operation of an oil terminal facility in the state unless the person has furnished to the department, and the department has approved, proof of financial ability to respond in damages. Proof of financial responsibility required for a crude oil terminal is \$50,000,000 per incident. Proof of financial responsibility required for a noncrude oil terminal is \$25, per incident, for each barrel of total noncrude oil storage capacity at the terminal or (WHICH HAS BEEN ACCEPTED BY THE DEPARTMENT) ABILITY TO RESPOND IN DAMAGES NEED NOT EXCEED \$50,000,000 BUT MUST BE IN AN AMOUNT (1) NOT LESS THAN \$10, PER INCIDENT, FOR EACH BARREL OF STORAGE

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CAPACITY AT THE OIL TERMINAL FACILITY: OR (2) \$1,000,000, whichever is greater, subject to a maximum of \$50,000,000. For purposes of this subsection, an oil terminal facility that stores both crude oil and noncrude oil is subject to the financial responsibility requirements applicable to the type of facility that corresponds to the type of oil storage that predominates at the facility. However, if the facility stores more noncrude oil than crude oil, the \$25 per incident, per barrel requirement of this subsection applies to each barrel of oil storage capacity at the facility.

* Sec. 12. AS 46.04.040(b) is amended to read:

(b) A [AFTER JULY 1, 1981, A] person may not cause or permit the operation of a pipeline or an [OFFSHORE] exploration or production facility in the state unless the person has furnished to the department, and the department has approved, proof of financial ability to respond in damages [HAS BEEN ACCEPTED BY THE DEPARTMENT]. Proof of financial responsibility required for a pipeline or an offshore exploration or production facility is \$50,000,000 [MAY NOT BE LESS THAN \$35,000,000] per incident. Proof of financial responsibility required for an onshore production facility is \$20,000,000 per incident. Proof of financial responsibility required for an onshore exploration facility is \$5,000,000 per incident.

* Sec. 13. AS 46.04.040(c) is amended to read:

(c) Except as provided in (m) of this section, a [A] person may not operate a tank vessel or an oil barge within the waters of the state, or cause or permit the transfer of oil to or from a tank vessel [.] or [.] AFTER JANUARY 1, 1981, TO OR FROM] an oil barge, unless the person operating the tank vessel or oil barge has furnished to the department, and the department has approved, proof of financial ability to respond in damages. Proof of financial responsibility required

46.04.040(b)

46.04.040(c)

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under this subsection is

(1) \$300, per incident, for each barrel of storage capacity or \$100,000,000, whichever is greater, for a tank vessel or barge carrying crude oil;

(2) \$100, per incident, for each barrel of storage capacity or \$1,000,000, whichever is greater, subject to a maximum of \$15,000,000, for a tank vessel or barge carrying noncrude oil (RESPONSIBILITY FOR THE TANK VESSEL OR BARGE HAS BEEN ACCEPTED BY THE DEPARTMENT. FINANCIAL RESPONSIBILITY UNDER THIS SUBSECTION SHALL BE IN THE FOLLOWING AMOUNTS:

(1) FOR A TANK VESSEL OR OIL BARGE INVOLVED IN THE TRANSPORTATION OF TRANS-ALASKA PIPELINE OIL, THE AMOUNT REQUIRED BY THE FEDERAL MARITIME COMMISSION UNDER 43 U.S.C. 1653(c)(3) (SEC. 204(c)(3), TRANS-ALASKA PIPELINE AUTHORIZATION ACT);

(2) FOR ANY OTHER OIL BARGE, THE AMOUNT REQUIRED BY SEC. 311(p)(1) OF THE CLEAN WATER ACT, OR \$1,000,000, WHICHEVER IS GREATER;

(3) FOR ANY OTHER TANK VESSELS, THE AMOUNT REQUIRED BY SEC. 311(p)(1) OF THE CLEAN WATER ACT, OR \$20,000,000, WHICHEVER IS GREATER).

* Sec. 14. AS 46.04.040(d) is amended to read:

46.04.040(d)

(d) Except for prosecutions under AS 46.03.190(b) and except as provided in (k) of this section, it is not a defense to an action brought for violation of (a) - (c) of this section that the person charged believed in good faith that proof of financial ability to respond in damages had been furnished to, and approved by, the department (THE VESSEL OPERATOR POSSESSED PROOF OF FINANCIAL RESPONSIBILITY ACCEPTED BY THE DEPARTMENT)

* Sec. 15. AS 46.04.040(e) is amended to read:

46.04.040(e)

(e) Financial responsibility may be demonstrated by (i) self-SEC CSRB 567(FLn)

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insurance, (2) insurance, (3) surety, (4) [OR] guarantee, (5) letter of credit approved by the department, or (6) other proof of financial responsibility approved by the department, including proof of financial responsibility provided by a group of insureds who have agreed to cover pollution risks of members of the group under terms the department may prescribe. An action brought under AS 46.03.758, 46.03.759, 46.03.760(a) or (e), 46.03.822, or AS 46.04.030(g) [OR TO COLLECT PENALTIES IMPOSED UNDER AS 46.03.759] may be brought in a state court directly against the insurer, the group, or another person providing evidence of financial responsibility. The applicant, and an insurer, surety, [OR] guarantor, person furnishing an approved letter of credit, or other group or person providing proof of financial responsibility approved by the department shall appoint an agent for service of process in the state. For purposes of this subsection, an [AN, insurer, other than a group of insureds whose agreement has been approved by the department, must either be authorized by the Department of Commerce and Economic Development to sell insurance in the state or be an unauthorized insurer listed by the Department of Commerce and Economic Development as not disapproved for use in the state.

* Sec. 16. AS 46.04.040(f) is amended to read:

(f) Acceptance of proof of financial responsibility expires

(1) one year from its issuance for self-insurance;

(2) on the effective date of a change in the surety bond, guarantee, [OR] insurance agreement, letter of credit, or other proof of financial responsibility; or

(3) on the expiration or cancellation of the surety bond, guarantee, [OR] insurance agreement, letter of credit, or other proof of financial responsibility.

46.04.040(f)

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* Sec. 17. AS 46.04.040(g) is amended to read:

46.04.040(g)

(g) The person whose proof of financial responsibility is accepted by the department under this section shall notify the department at least 30 days before the effective date of a change, expiration or cancellation in the surety bond, guarantee, (OR) insurance agreement, letter of credit, or other proof of financial responsibility. Application for renewal of acceptance of proof of financial responsibility under this section must be filed at least 30 days before the date of expiration.

* Sec. 18. AS 46.04.040 is amended by adding new subsections to read:

46.04.040
(j)--(m)

(j) Upon acceptance and approval of proof of financial responsibility under this section, the department shall issue to the applicant a certificate stating that the state's financial responsibility requirements have been satisfied. The certificate must include the name of the facility, pipeline, tank vessel, or oil barge for which it is issued and the expiration date of the certificate.

(k) It is a defense to an action brought for violation of (a) - (c) of this section that the person charged relied on a certificate of approval issued under (j) of this section unless the person knew or had reason to know at the time of the alleged violation that the approval had been revoked or was expired.

(l) Notwithstanding the requirements of (e) of this section, the applicant may provide evidence of financial responsibility provided by an insurer or other person who does not agree to be subject to direct action in state courts or to appoint an agent for service of process if

(1) the department is satisfied that the insurance or other form of financial responsibility covers judgments under the statutes listed in (e) of this section;

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(2) the applicant provides proof of \$50,000,000, or the amount required by (a) - (c) of this section, whichever is less, in insurance or other form of financial responsibility that meets the requirements of (e) of this section; and

(3) the applicant provides a sworn statement or affidavit that insurance or other form of financial responsibility that meets the requirements of (e) of this section is not available in greater amounts.

(m) A tank vessel or oil barge that is conducting, or is available only for conducting, oil discharge response operations is exempt from the requirements of (c) of this section if the tank vessel or oil barge has received prior approval of the department. The department may approve an exemption under this subsection upon application and presentation of information required by the department.

Sec. 19. AS 46.04 is amended by adding a new section to read:

Sec. 46.04.045. ADJUSTMENT OF DOLLAR AMOUNTS. (a) The dollar amounts in AS 46.04.040 change, as provided in this section, according to and to the extent of changes in the Consumer Price Index for all urban consumers for the Anchorage metropolitan area compiled by the Bureau of Labor Statistics, United States Department of Labor (the index). The index for January of the year in which this section becomes effective is the reference base index.

(b) The dollar amounts change on October 1 of each third year according to the percentage change between the index for January of that year and the most recent index used to determine whether to change the dollar amounts. After calculation of the new amounts, the resulting amounts shall be rounded to the nearest cent.

(c) If the index is revised, the percentage of change is calculated on the basis of the revised index. If a revision of the index

46.04.045

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changes the reference base index, a revised reference base index is determined by multiplying the reference base index applicable by the rebasing factor furnished by the United States Bureau of Labor Statistics. If the index is superseded, the index referred to in this section is the one represented by the Bureau of Labor Statistics as reflecting most accurately changes in the purchasing power of the dollar for Alaskan consumers.

(d) The department shall adopt a regulation announcing

(1) on or before June 30 of each third year, the changes in dollar amounts required by (b) of this section; and

(2) promptly after the changes occur, changes in the index required by (c) of this section, including, if applicable, the numerical equivalent of the reference base index under a revised reference base index and the designation or title of any index superseding the index.

(e) The department shall also provide notification of a change in dollar amounts required under (b) of this section to the clerks of court in each judicial district of the state.

* Sec. 20. AS 46.04.050 is amended to read:

Sec. 46.04.050. EXEMPTIONS. The provisions of [BECAUSE OF THE RESTRICTED NATURE OF THE OPERATIONS AND THE MINIMAL DANGER TO THE ENVIRONMENT POSED BY THE ACTIVITIES.] AS 46.04.030, 46.04.040, and 46.04.060 do not apply to an oil terminal facility that has an effective storage capacity of less than 5,000 [10,000] barrels of crude oil or less than 10,000 barrels of noncrude oil.

* Sec. 21. AS 46.04.060 is amended to read:

Sec. 46.04.060. INSPECTIONS. In addition to other rights of access or inspection conferred upon the department by law or otherwise, the department may at reasonable times and in a safe manner

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enter and inspect oil (OIL) terminal facilities, pipelines, (OFFSHORE) exploration and production facilities, tank vessels, and oil barges in order (ARE SUBJECT TO INSPECTION BY THE DEPARTMENT) to

(1) ensure compliance with the provisions of this chapter;

or

(2) participate in an examination of the structural integrity and the operating and mechanical systems of those vessels, barges, pipelines, and facilities by federal and state agencies with jurisdiction.

* Sec. 22. AS 46.04.060 is amended by adding a new subsection to read:

(b) When the department determines that no federal or state agencies with jurisdiction are performing timely and adequate inspections of an oil terminal facility, pipeline, exploration or production facility, tank vessel, or oil barge, it may perform its own inspection of the structural integrity and operating and mechanical systems of a facility, pipeline, tank vessel, or oil barge by using personnel with qualifications in the areas being inspected.

46.04.060(b)

* Sec. 23. AS 46.04.200 is amended to read:

Sec. 46.04.200. STATE MASTER PLAN. (a) The department shall prepare and annually review and revise a statewide master oil and hazardous substance discharge (AND) prevention and contingency plan.

46.04.200

(b) The state master plan prepared under this section must

(1) take into consideration the elements of an oil discharge prevention and contingency plan approved or submitted for approval under AS 46.04.030;

(2) clarify and specify the respective responsibilities of each of the following in the assessment, containment, and cleanup of a catastrophic oil discharge or of a significant discharge of a hazardous substance into the environment of the state:

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- (A) agencies of the state;
 - (B) municipalities of the state;
 - (C) appropriate federal agencies;
 - (D) operators of facilities;
 - (E) private parties whose land and other property may be affected by the oil or hazardous substance discharge; and
 - (F) other parties identified by the commissioner as having an interest in or the resources to assist in the containment and cleanup of an oil or hazardous substance discharge.
- (3) specify the respective responsibilities of parties identified in (2) of this subsection in an emergency response; and
 - (4) identify actions necessary to reduce the likelihood of catastrophic oil discharges and significant discharges of hazardous substances.
- (c) In preparing and annually reviewing the state master plan the commissioner shall
- (1) consult with municipal and community officials, and with representatives of affected regional organizations;
 - (2) submit the draft plan to the public for review and comment;
 - (3) submit to the legislature for review, not later than the 10th day following the convening of each regular session, the plan and any annual revision of the plan; and
 - (4) require or schedule unannounced oil spill drills to test the sufficiency of an oil discharge prevention and contingency plan approved under AS 46.04.030 or of the cleanup plans of a party identified under (b)(2) of this section.

* Sec. 24. AS 46.04.210(a) is amended to read:

46.04.210(a)

(a) For any region of the state, the boundaries of which are SCS CSHB 567(Fin)

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determined by the commissioner by regulation, in which the department is required to review and approve an oil discharge prevention and contingency plan submitted by a person under AS 46.04.030, the department shall prepare and annually review and revise a regional master oil and hazardous substance discharge (AND) prevention and contingency plan.

* Sec. 25. AS 46.04.900(8) is amended to read:

(8) "[OFFSHORE] exploration [OR PRODUCTION] facility" means a platform, vessel, or other facility used to explore for [OR PRODUCE] hydrocarbons in or on the waters of the state or in or on land in the state; the term does not include platforms or vessels used for stratigraphic drilling or other operations that [WHICH] are not authorized or intended to drill to a producing formation;

46.04.900(8)

* Sec. 26. AS 46.04.900(15) is amended to read:

(15) "tank vessel" means a self-propelled waterborne vessel that is constructed or converted to carry liquid bulk cargo in tanks and includes tankers, tankships, and combination carriers when carrying oil; the term does not include vessels carrying oil in drums, barrels, or other packages, or vessels carrying oil as fuel or stores for that vessel;

46.04.900
(15)

* Sec. 27. AS 46.04.900 is amended by adding new paragraphs to read:

(18) "pipeline" means the facilities, including piping, compressors, pump stations, and storage tanks, used to transport crude oil and associated hydrocarbons between production facilities or from one or more production facilities to marine vessels;

46.04.900
(18), (19)

(19) "production facility" means a drilling rig, drill site, flow station, gathering center, pump station, storage tank, well, and related appurtenances on other facilities to produce, gather, clean, dehydrate, condition, or store crude oil and associated hydrocarbons

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in or on the water of the state or on land in the state, and gathering and flow lines used to transport crude oil and associated hydrocarbons to the inlet of a pipeline system for delivery to a marine facility, refinery, or other production facility.

* Sec. 28. AS 46.08.040 is amended to read:

46.08.040

Sec. 46.08.040. PURPOSES OF THE FUND. The commissioner may use money from the fund to

(1) investigate and evaluate the release or threatened release of oil or a hazardous substance, and contain, clean up, and take other necessary action, such as monitoring and assessing, to address a release or threatened release of oil or a hazardous substance that poses an imminent and substantial threat to the public health or welfare, or to the environment;

(2) pay all costs incurred

(A) to establish and maintain the oil and hazardous substance response office and for the expenses of the oil and hazardous substance response corps and the oil and hazardous substance response depots established by that office;

(B) to review oil discharge prevention and contingency plans submitted under AS 46.04.030;

(C) to conduct training, response exercises, inspections, and tests, in order to verify equipment inventories and ability to prevent and respond to oil and hazardous substance release emergencies, and to undertake other activities intended to verify or establish the preparedness of the state, a municipality, or a party required by AS 46.04.030 to have an approved contingency plan to act in accordance with that plan; and

(D) to verify or establish proof of financial responsibility required by AS 46.04.040;

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(3) provide matching funds for participation in federal oil discharge cleanup activities and under 42 U.S.C. 9601 - 9657 (Comprehensive Environmental Response, Compensation, and Liability Act of 1980); (AND)

(4) recover the costs to the state or to a municipality of a containment and cleanup resulting from the release or the threatened release of oil or a hazardous substance; (.)

(5) prepare, review, and revise

(A) the state's master oil and hazardous substance discharge (AND) prevention and contingency plan required by AS 46.04.200; and

(B) a regional master oil and hazardous substance discharge (AND) prevention and contingency plan required by AS 46.04.210; and

(6) restore the environment by addressing the effects of an oil or hazardous substance release.

* Sec. 29. AS 46.08.060(a) is amended to read:

(a) The commissioner shall submit a report to the legislature not later than the 10th day following the convening of each regular session of the legislature. The report may include information considered significant by the commissioner but must include:

(1) the amount of money expended under AS 46.08.040 during the preceding fiscal year;

(2) the amount and source of money received and money recovered during the preceding fiscal year as specified in AS 46.08.020;

(3) a summary of municipal participation in responses funded by the fund;

(4) a detailed summary of department activities in

46.08.060(a)

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responses funded by the fund during the preceding fiscal year, including response descriptions and statements outlining the nature of the threat; in this paragraph, "detailed" includes information describing each personal services position and total compensation for that position, each contract in excess of \$20,000, and each purchase in excess of \$10,000; and

(5) the projected cost for the next fiscal year of monitoring, operating, and maintaining sites where response has been completed or is expected to be continued during the fiscal year.

* Sec. 30. SURVEY OF SMALL NONCRUDE OIL TERMINAL FACILITIES. (a) By January 31, 1992, the Department of Environmental Conservation shall survey, inspect, and prepare an inventory of noncrude oil terminal facilities in the state with an effective storage capacity of 5,000 to 10,000 barrels in order to determine for each facility

- (1) its actual storage capacity;
- (2) the type of noncrude oil products stored;
- (3) its age, design, construction, and general condition;
- (4) the design and construction standards applicable or relevant;
- (5) the presence or absence of containment structures and equipment;
- (6) its ability to respond to a release or threatened release;
- (7) the environmental sensitivity of the surrounding area and the potential risk to the environment if a release occurs;
- (8) the presence or absence of surface and subsurface pipelines and storage tanks; and
- (9) other appropriate information.

(b) By January 31, 1992, the Department of Environmental Conservation shall report to the Legislature the results of the survey required under SCS CSHB 567(Fin)

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(a) of this section and its written recommendations concerning discharge prevention and contingency requirements or design review requirements that should be enacted for noncrude oil terminal facilities with storage capacities of less than 10,000 barrels.

(c) Upon completion of the survey required under (a) of this section, the Department of Environmental Conservation may

- (1) notify each facility of the results of the facility's inspections; and
- (2) provide each facility with recommendations and technical assistance concerning identified deficiencies.

(d) The Department of Environmental Conservation may conduct the inspections required under this section notwithstanding the provisions of AS 46.04.050. The department shall conduct the inspections at reasonable times.

* Sec. 31. STUDY RELATING TO NONCRUDE OIL TANKERS AND BARGES. By July 1, 1991, the Department of Environmental Conservation shall conduct a study and report to the legislature its recommendations concerning the following issues related to oil discharge prevention and contingency planning for tank vessels and oil barges carrying noncrude oil in bulk as cargo:

- (1) appropriate locations for regional response depots, based on an assessment of historical evidence of where noncrude oil discharges are most likely to occur and the needs of remote areas of the state such as western and northern Alaska and the Aleutians;
- (2) appropriate discharge response times;
- (3) requirements for personnel and equipment that should be imposed on contingency plan holders;
- (4) appropriate roles for industry and state and local governments in the purchase, ownership, and positioning of discharge response

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efforts.

* Sec. 32. TRANSITIONAL PROVISIONS. (a) AS 46.04.030(k) - (m), enacted by sec. 10 of this Act, do not apply to oil discharge prevention and contingency plans until June 1, 1991. On and after June 1, 1991, a contingency plan must comply with AS 46.04.030(k) - (m), enacted by sec. 10 of this Act, regardless of whether the contingency plan is due for renewal under AS 46.04.030(d), as amended by sec. 9 of this Act.

(b) The amendments to AS 46.04.040, made by secs. 11 - 18 of this Act, do not apply to persons required to show proof of financial responsibility until June 1, 1991. On and after June 1, 1991, proof of financial responsibility must comply with AS 46.04.040, as amended by secs. 11 - 18 of this Act, regardless of whether acceptance of proof of financial responsibility has expired under AS 46.04.040(f), as amended by sec. 16 of this Act.

Eff. 6/27/90

* Sec. 33. This Act takes effect immediately under AS 01.10.070(c).

mit when, in the opinion of the department, modification of the permit is necessary to protect the environment. (Eff. 4/23/77, Register 62)

Authority: AS 46.03.020(10)
AS 46.03.740

18 AAC 75.230. TERMS OF PERMIT. (a) The department will attach terms and conditions to a permit issued under 18 AAC 75.190 which it finds necessary to protect the environment and potentially affected property owners.

(b) Each permit issued under 18 AAC 75.190 is subject to the permittee's stipulation and agreement to immediately cease all permitted activities when served with an accusation to terminate the permit under 18 AAC 75.210, or to immediately modify activities when served with an accusation (or other appropriate notice) to modify the permit under 18 AAC 75.220. (Eff. 4/23/77, Register 62)

Authority: AS 46.03.020(10)
AS 46.03.740

Article 4. Oil Discharge Contingency Plans

Section	Section
305. Application for approval	345. Tank vessel and tank barge requirements
310. (Repealed)	350. (Repealed)
315. Telexed applications and variances	355. Approval criteria
318. Renewals	360. (Repealed)
320. (Repealed)	365. Decisions on contingency plan reviews
325. Contingency plan contents	375. Notification of nonreadiness
330. (Repealed)	385. Discharge exercises
335. Terminal, offshore exploration facility and offshore production facility requirements	390. Proof of contingency plan
340. (Repealed)	395. Definitions for 18 AAC 75.305 — 18 AAC 75.395

18 AAC 75.305. APPLICATION FOR APPROVAL. (a) Application for approval of oil discharge contingency plans required by AS 46.04.030 must be made

- (1) for an oil terminal facility, by the owner or operator;
- (2) for oil tank vessels or oil tank barges by
 - (A) the charterer, if the vessel is chartered by demise;
 - (B) the owner of the vessel or barge, if agents or employees of the owner retain control and responsibility for the operation of the vessel or barge; or
 - (C) in any other case, by the person with primary operational control over the vessel or barge;
- (3) for an offshore exploration or production facility, whether mobile or fixed, by the lease holder.

(b) Applications must be made in writing and contain information including the name, address, and telephone number of the applicant; and

(1) for facilities, the name, location, address, type of facility for which the application is being made, and expected date of commencement of operations; or

(2) for vessels, the vessel's name, official number, country of registry, projected route, and period of operation in state waters.

(c) Applications for approval of an oil discharge contingency plan must be accompanied by two copies of the plan and must be served on the department's regional office with jurisdiction over the operation for which the plan has been prepared, at least 65 days before the applicant initiates operations in the state, or for existing facilities within 180 days after September 9, 1981.

(d) Applicants may employ oil discharge response organizations, cooperative arrangements, cleanup contracts or other arrangements to satisfy the requirements of this chapter and are responsible to ensure that those services are in full compliance with the provisions of this chapter.

(e) Oil discharge contingency plans previously received by the department and still in full effect may be submitted by reference in the application.

(f) Oil discharge contingency plans prepared for purposes other than for this chapter may be submitted to satisfy the requirements of this chapter if they are in full compliance with the provisions of this chapter. (Eff. 9/9/81, Register 79)

Authority: AS 46.03.020
AS 46.04.030
AS 46.04.070

Editor's notes. — Applications may be submitted to the department's regional offices at the following locations: Southeast Regional Office, P.O. Box 32420, Juneau,

Alaska 99803; Southcentral Regional Office, 3601 C Street, Suite 1350, Anchorage, Alaska 99503; Northern Regional Office, Box 1601, Fairbanks, Alaska 99701.

18 AAC 75.310. CONTINGENCY PLANS. Repealed 9/9/81.

18 AAC 75.315. TELEXED APPLICATIONS AND VARIANCES. (a) The department will, in its discretion, accept telexed applications when unforeseen events prevent the applicant from using the normal written procedure and when the applicant's oil discharge contingency plan has been approved by the department. However, the telexed application must be approved by the department before operations may commence in the state. A written followup application must be submitted and received by the department no later than 10 working days after commencement of operations.