



Regional Citizens' Advisory Council / "Citizens promoting environmentally safe operation of the Alyeska terminal and associated tankers."

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MEMBERS

January 23, 2012

Corrected Copy

Alaska State
Chamber of
Commerce

Scott Hicks
Alyeska Pipeline Service Company
P.O. Box 300
Valdez, AK 99686

Alaska Wilderness
Recreation & Tourism
Association

Dear Mr. Hicks:

Chugach Alaska
Corporation

Attached to this letter is Harvey Consulting, LLC.'s report entitled *Valdez Marine Terminal Oil Discharge Prevention and Contingency Plan (CP-35-2) Part 2, Oil Spill Prevention Review*" dated December 16, 2011. This report, unanimously approved at our Executive Committee meeting on January 12, 2012, describes the findings, results, and recommendations emanating from the prevention review conducted by Harvey Consulting during 2010. Although the review is quite detailed, a quick perusal will reveal that:

City of Cordova

City of Homer

City of Kodiak

City of Seldovia

City of Seward

City of Valdez

City of Whittier

Community of
Chenega Bay

Community of
Tatitlek

Cordova District
Fishermen United

- a. 13 prevention items from CP-35-2, Part 2, Prevention were selected for review;
- b. the intent of the review was to inquire if Alyeska could demonstrate that commitments were met on selected prevention items;
- c. documentation provided by Alyeska allowed the PWSRCAC to verify commitments were met on six of the prevention items;
- d. documentation allowed the PWSRCAC to verify partial fulfillment of four of the prevention commitments;
- e. compliance with three of the prevention items was not demonstrated;
- f. 61 summaries of individual findings were formulated as a result of the review; and
- g. 55 recommendations were developed to address the review items.

Kenai Peninsula
Borough

PWSRCAC notes that the failure to demonstrate full accomplishment of seven of the prevention measures is associated with Alyeska's inability to produce documentation confirming compliance rather than any establishment of non-compliance itself.

Kodiak Island
Borough

Kodiak Village Mayors
Association

Twenty-one recommendations developed from this review by the PWSRCAC are attached to this letter. One of the more critical recommendations is development of a documented verification process that shows prevention measures are being met. Efforts to obtain information on these prevention items began in 2009, and Alyeska was unable to easily retrieve the information requested. It took several months for Alyeska to provide documentation verifying that these prevention measures were being met.

Oil Spill Region
Environmental
Coalition

Port Graham
Corporation

Prince William Sound
Aquaculture
Corporation

PWSRCAC expects to conduct a similar review in the future. PWSRCAC is hopeful that, going forward, information request and document retrieval

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processes will have been improved upon, resulting in more efficient, streamlined responses.

If you have any questions, please do not hesitate to call either Linda Swiss, PWSRCAC's Project Manager for contingency plans, or me.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mark A. Swanson".

Mark A. Swanson
Executive Director

Enc: CD-ROM with appendices
Cc: Mike Joynor, Alyeska
Andres Morales, Alyeska
Ron Dunton, BLM-OPM
Mike Thompson, ADNR
Joe Hughes, BLM-OPM
Becky Spiegel, ADEC

PWSRCAC Recommendations to Alyeska Pipeline Service Company
From Oil Spill Prevention Review
January 16, 2012

From Harvey Consulting, LLC's report entitled *Valdez Marine Terminal Oil Discharge Prevention and Contingency Plan (CP-35-2) Part 2, Oil Spill Prevention Review* dated December 16, 2011, PWSRCAC recommends that Alyeska Pipeline Service Company make the following improvements:

Prevention Review Process

1. Develop a documented verification process that demonstrates the prevention measures in the VMT c-plan are being met.

Monthly 48-hour Leak Tests on Crude Oil Tanks and Fuel Oil Tanks

2. Review and amend as necessary the procedure for dealing with 48-hour leak tests on crude oil tanks and fuel tanks to ensure timely troubleshooting in the event of a leak.
3. Determine the maximum credible volume of oil that can escape the visual detection described in the leak detection procedure.
4. If Tank 16 is to remain in service beyond 2012, repair, upgrade and replace as necessary the tank floor and leak detection system to be in compliance with current API standards.

Annual Inspection of Tank Overfill Alarms on Crude Oil and Fuel Oil Tanks

5. Develop a process for verifying that tank overfill alarms function properly.
6. If an overfill alarm is known not to be functioning properly, and if overfill information is not redundantly available, it is recommended that the tank be taken out of service until overfill alarms can be repaired and their proper operation verified.
7. Ensure the procedure for verifying functionality of overfill alarms is consistent with the procedure indicated in the VMT C-Plan and follow that procedure, or verify that any alternative procedure being used is fully equivalent to the VMT C-Plan procedure.

Annual Inspection of Tank Overfill Alarms on Ballast Water Treatment Tanks

8. Amend the VMT C-plan to reference the correct ballast water treatment tank numbers.
9. Amend the VMT C-plan to include a test method for verifying proper functionality of ballast water treatment tank overfill alarms.

Crude Oil Storage Tank Secondary Containment Inspection

10. Collect and analyze soil samples for the presence of hydrocarbons from below the Catalytically Blown Asphalt (CBA) liners when the CBA liner is exposed for the purpose of identifying early any leaks through the liner.
11. Verify that damaged portions of the secondary containment liners around the Crude Oil Storage Tanks, Fuel Tanks, and Ballast Water Treatment Tanks identified during the 2010 inspection were repaired.
12. Verify Table 10-1 Record of Individual Spills of 55 gallons through 2007 is complete.
13. Develop a procedure that verifies integrity of the CBA liner.

Ballast Water Treatment (BWT) System Piping Inspection

14. Demonstrate that the BWT 42" piping system inspection for the B-Header and Tank 93 Branch piping has been conducted in accordance with the VMT C-Plan.

Diesel Fuel Transfer Piping – Annual Inspection and Leak Test

15. Develop a procedure to verify integrity of the diesel fuel transfer piping.

Industrial Waste Water Sewer (IWWS) System Inspections

16. Develop an inspection program for the IWWS system that verifies system integrity.

API 570 Facility Piping Inspections

17. Remove deadleg sections of facility pipe that no longer serve a process purpose.
18. Demonstrate that the API 570 facility piping integrity has been inspected and maintained via APSC's corrosion monitoring program in accordance with API 570.

Visual Inspection of Oil Transfer Piping and Valves

19. Maintain a log of visual inspections on oil transfer piping and valves sufficient to verify that inspections described in the VMT C-Plan are taking place.

Crude Oil Storage Tank Inspection Status

20. Determine floor corrosion rates for tanks with replaced floors by inspections in accordance with the provisions of API 653.
21. Perform inspections on VMT tanks according to the approved schedule in the VMT C-Plan.