



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

In Anchorage: 3709 Spenard Road / Suite 100 / Anchorage, Alaska 99503 / (907) 277-7222 / FAX (907) 277-4523
 In Valdez: P.O. Box 3089 / 130 South Meals / Suite 202 / Valdez, Alaska 99686 / (907) 834-5000 / FAX (907) 835-592

MEMBERS *Electronically Submitted*

Alaska State
Chamber of
Commerce

October 6, 2014

Alaska Wilderness
Recreation & Tourism
Association

Docket Management Facility (M-30)
U.S. Department of Transportation
West Building Ground Floor, Room W-12-140
1200 New Jersey Avenue SE
Washington, DC 20590-0001

Chugach Alaska
Corporation

City of Cordova

RE: Coast Guard Docket No. USCG-2013-1006 Consumer Price Index
Adjustments of Oil Pollution Act of 1990 Limits of Liability - Vessels,
Deepwater Ports and Onshore Facilities

City of Homer

City of Kodiak

Dear Sir/Madam:

City of Seldovia

The Prince William Sound Regional Citizens' Advisory Council ("PWSRCAC" or "Council") hereby recommends approval of the proposed, referenced rulemaking issued by the Coast Guard. Some specific comments are contained below.

City of Seward

City of Valdez

City of Whittier

PWSRCAC is an independent, non-profit corporation whose mission is to promote environmentally safe operations at the Valdez Marine Terminal (VMT) and associated tankers (operating in Prince William Sound, the site of the 1989 *Exxon Valdez* oil spill). The Council's work is guided by the Oil Pollution Act of 1990 (OPA90) and its contract with Alyeska Pipeline Service Company. PWSRCAC's 19 member organizations are communities affected by the 1989 *Exxon Valdez* Oil spill, as well as commercial fishing, aquaculture, Native, recreation, tourism and environmental organizations.

Community of
Chenega Bay

Community of
Tatitlek

Cordova District
Fishermen United

Kenai Peninsula
Borough

Kodiak Island
Borough

Kodiak Village Mayors
Association

Oil Spill Region
Environmental
Coalition

The Council supports the proposed adjustment to limits of liability as this is one way to ensure potential polluters continue to adequately pay for pollution response commensurate with the potential spill volume should a spill occur. Tying future adjustments to the consumer price index is in keeping with the intent of OPA90. The addition of new subsection 138.240 to 33 CFR will make the adjustments a routine regulatory change rather than the somewhat unsystematic and undisciplined approach currently taken. The new section also helps define a "significant increase" in the consumer price index, which will help all affected stakeholders know what the minimum increase will be. It is also encouraging that in the new section there will be annual reviews if the significance threshold is not met after the initial 3 year period.

Port Graham
Corporation

The Council believes that the liability limit for onshore facilities should be inflation-adjusted starting with the 1990 baseline up through the current date, rather than starting at the 2006 level and adjusting for inflation forward from

Prince William Sound
Aquaculture
Corporation

the 2006 date (section V.II). As this would be the first limit adjustment, in the Councils' view, onshore facilities should go through the same adjustments already undertaken by other facilities. This level of adjustment will ensure that defined spill clean-up funding liability limits for shore based activities are re-established to be on the same standard as potential ship based oil spill clean-up funding liability limits.

Thank you for consideration and acceptance of these comments. If you have any questions please feel free to contact either me or Mr. Steve Rothchild on staff in our Anchorage office.

Sincerely,


Mark Swanson
Executive Director

CC: Scott Hicks Terminal Director Alyeska
CDR Joseph Lally, USCG MSU Valdez
PWSRCAC Board of Directors