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News Release

**March 24, 2004**

**Citizens' group asks EPA for action on air pollution at Valdez tanker terminal**

March 24, 2004 –The Prince William Sound Regional Citizens' Advisory Council today petitioned the U.S. Environmental Protection Agency to reconsider its failure to regulate dangerous air pollution from the Valdez oil tanker terminal operated by Alyeska Pipeline Service Co.

The vote to seek a reversal of the EPA decision came March 12 at the council's quarterly board meeting in Anchorage. The request – called a Petition for Reconsideration – was filed today at the agency's offices in Washington, D.C.

After years of deliberation, EPA in February published new regulations intended to control hazardous air pollution from the tanker terminal and other oil facilities across the nation. The regulations – called National Emissions Standards for Hazardous Air Pollutants/Organic Liquids Distribution – do cover some significant pollution sources at the terminal, such as oil storage tanks and leaking pumps, valves and other connections. But the regulations exempt one of the largest single sources of dangerous benzene vapors in the United States: the facility that cleans crude oil remnants from the ballast water of arriving tankers before discharging it into Prince William Sound.

The EPA itself recently determined that the ballast water facility releases 360 tons of hazardous air pollutants each year, including 130 tons of benzene, a known human carcinogen. These levels of pollution mean terminal emissions are at least 14 times the 25-ton threshold at which EPA classifies a facility as a "major" source of hazardous air emissions and reviews it as a possible target for regulation.

Regulated refineries in California typically emit approximately one to three tons per year of benzene each, so the situation in Prince William Sound is roughly equivalent to having 65 California-scale refineries operating in the confined air shed of the Valdez bowl.

EPA exempted the ballast water facility by deeming it a wastewater system. Under the new rule, wastewater systems at Organic Liquid Distribution Facilities are unregulated with respect to air pollution, although such systems are regulated at refineries and chemical plants.

"This makes absolutely no sense," said John Devens, executive director of the council. "It doesn't matter what you call this facility. What's important is that it releases close to 400 tons dangerous pollution, including known carcinogens, into the air around Valdez every year and will be allowed to do so indefinitely if the EPA decision stands."

EPA's authority over the terminal and other facilities that handle oil and other organic liquids comes from the federal Clean Air Act, which requires the agency to issue rules to protect the public and the environment from continuous exposure to high levels of toxic air pollution.

Under the agency's new rule, organic liquids are defined generally as those that contain hazardous pollutants that readily evaporate into the air. The definition includes crude oil, but specifically excludes ballast water, regardless of how much crude oil it contains or air pollution it emits, leading to the exemption for the ballast water facility at the Alyeska terminal.

According to a council review of EPA's new regulations, the agency erred or was inconsistent in several ways when it decided not to require Alyeska to cut emissions from the ballast water facility:

- EPA failed to complete a thorough technical and economic evaluation of emissions and emission control requirements for the Valdez terminal, even though it is one of the largest oil terminals in the country.
- EPA decided to regulate much smaller sources of hazardous air pollution at oil terminals, such as the transfer racks used to load trucks. These sources may emit as little as 7 tons a year of pollution, a tiny fraction of emission levels from the Alyeska ballast water facility.
- EPA's technical analysis incorrectly concluded that there were few options for controlling toxic emissions from water treatment facilities. In fact, air pollution control technology for wastewater facilities and ballast water facilities is well developed and readily available. The council cited numerous instances, including facilities at West Coast refineries owned by ConocoPhillips and BP – companies that are also major owners in the Alyeska terminal in Valdez. For example, vapor recovery and carbon adsorption control devices reduce benzene emissions by 95-99 percent at these refineries.
- EPA's technical analysis also said the new rule would target facilities emitting 100 or more tons of pollutants per year, despite the fact that unregulated emissions from the Valdez terminal greatly exceed that threshold.

"As we mark the 15th anniversary of the Exxon Valdez accident, we need to bear in mind that the risk of catastrophic spills is not the only problem we face in Prince William Sound because of the North Slope oil trade," Devens said. "We also have disturbing levels of ongoing pollution from routine operations and that's why we are acting today to try and cut these dangerous emissions from the ballast water facility."

The Prince William Sound Regional Citizens' Advisory Council is an independent non-profit corporation whose mission is to promote environmentally safe operation of the Valdez Marine Terminal and the oil tankers that use it. The council's work is guided by the Oil Pollution Act of 1990, and its contract with Alyeska Pipeline Service

Company. The council's 18 member organizations are communities in the region affected by the 1989 Exxon Valdez oil spill, as well as aquaculture, commercial fishing, environmental, Native, recreation, and tourism groups.