## COMMUNITY INVOLVEMENT VERSUS BIG OIL A Case Study of the Policy Process

## Presented at the 32<sup>nd</sup> Annual Michigan Conference of Political Scientists

October 26, 2000

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On March 24, 1989, the tanker Exxon Valdez grounded on Bight Reef, spilling 11 million gallons of North Slope Crude Oil into Prince William Sound, Alaska. Over the weeks that followed, the spilled oil spread west and south, oiling shorelines and beaches of Prince William Sound, lower Cook Inlet, and the Alaska Peninsula and the Kodiak Archipelago. To date, this is the largest oil spill in U.S. history.

Public and political reactions were swift. The Governor of Alaska convened a special commission to investigate the oil spill and develop recommendations. The Alaska State Legislature passed stronger laws. In Washington, D.C., Congress began rewriting federal pollution laws for what would become the Oil Pollution Act of 1990. Citizens began pushing for involvement in decisions about oil transportation.

The Exxon Valdez oil spill was not simply a freak accident. While Exxon was responsible for the spill, there were a number of other factors that allowed it to happen. The oil industry, government agencies, elected officials and, to some extent, the citizens of Alaska share varying degrees of responsibility for conditions that allowed the spill to occur.

I was the Mayor of the City of Valdez during the Exxon spill in 1989 and today I am Executive Director for a citizens' group that advises the oil industry and government regulators. I would like to share with you my perspective about citizen involvement before and after the Exxon spill.

I offer these comments with the hope that they will be useful to citizens interested in forming similar groups. I hope you leave with the impression that citizens can play successfully in the field with big industry. In our case, it has taken laws, a well constructed contract, public support, dedicated staff and volunteers, and a secure source of funding to make it work.

There are four basic reasons the Exxon spill occurred. Leading up to the incident:

- The oil industry failed to maintain adequate prevention and response systems.
- Regulatory agencies failed to protect public resources because of ineffective or inadequate monitoring, oversight and enforcement.
- State and federal officials were unwilling to pass laws strong enough to protect the environment and give regulatory agencies the funds they needed to protect public resources.
- Most Alaskan citizens simply weren't paying attention.

I don't believe the concerns of citizens will ever be automatically or easily accepted by the oil industry – the priorities of the citizens and those of the oil industry are fundamentally different and at times directly opposed. This does not mean we cannot work together to find common ground.

Citizens organized RCAC after Exxon Valdez oil spill in 1989 specifically to increase public involvement in decision making about oil transportation issues in Alaska. Public advisory groups were hardly new, but this one was unusual in several respects:

- 1. It was mandated by federal law.
- 2. It was well funded.
- 3. We were granted independence from political and economic pressure.
- 4. We were assured a high level of access to the pipeline terminal facilities.

The Oil Pollution Act of 1990 (OPA 90) and a contract with Alyeska Pipeline Service Company guide RCAC's work. Alyeska is the consortium of oil companies that operates the Trans-Alaska pipeline and the pipeline terminal in Valdez, Alaska. RCAC funding is mandated through this federal legislation and comes directly from Alyeska.

RCAC's basic job is to give a voice to the people and communities at risk from oil transportation through Prince William Sound, the Gulf of Alaska and Lower Cook Inlet regions of Alaska. The guiding rationale is that citizens with the most at risk from the Valdez Marine Terminal and the tankers that carry crude oil from the terminal should have a say in decision that could affect them.

We provide a forum within decision-making arenas for citizens' interests and perspectives. Today, the oil industry and regulators routinely consult RCAC on oil transportation and related environmental issues. We don't always agree and they don't always take RCAC's advice, buy they typically listen and usually give serious consideration to RCAC's views.

Complacency of the part of the oil industry and government agencies is widely viewed as an underlying cause of the Exxon spill. Complacency can take the form of reduced funding for oil spill prevention and response efforts. RCAC combats complacency by monitoring state funding levels and calling public attention to reductions that could undermine spill prevention and response capabilities. We monitor state and federal legislation and regulations, and submit formal comments on oil transportation and environmental issues. We sometimes assist individual member organizations on issues of mutual interest.

RCAC keeps the public apprised of important issues through reports, community visits, attendance of relevant community events, press releases and a quarterly newsletter. We periodically publish reports for general public on issues such as tanker safety, and changes in oil spill prevention and response capabilities.

RCAC's work is about preventing oil spills and preventing pollution from the regular operations of the marine terminal and tankers. RCAC is continually watching to ensure the oil industry has adequate resources and training to combat another oil spill in our region.

There were forces pushing for citizen involvement in oil issues before the Exxon spill. People from Cordova – a fishing village southwest of Valdez – had approached Alyeska before the oil spill, urging the company to work with local citizens. Alyeska consistently rejected the idea.

Recognizing the limited equipment and facilities available to respond to a major oil spill and the potential for a spill to happen, the City of Valdez established an environmental service area (Service Area 3) in 1986. The five-year plan for the service area included the purchase of oil spill containment booms, skimmers and related equipment.

To fund the service area, Valdez taxed Alyeska property an additional 3 mills and quickly became embroiled in a legal battle with the State of Alaska. The courts decided that Valdez could not tax Alyeska at a rate higher than other tax payers of the city. During the court battle the 1989 spill occurred.

Only a few hours before the Exxon Valdez spill occurred, Dr. Rikki Ott, a citizen activist from Cordova was speaking to the Valdez Mayors' Oil spill ad hoc committee in Valdez. This group was established to consider the effects an oil spill would have on the environment, economy and lives of people living in the area. Stan Stephens (a member of the RCAC Board of Directors) was chairing the group which had representatives from Alyeska, the City of Valdez and environmental, labor, tourism, and fisheries organizations. In those few hours before the Exxon Valdez oil spill occurred, the group was discussing the possibility of a large oil spill in the area and about the likelihood that the oil industry was not prepared to deal with it. It was at this meeting that Dr. Ott made her famous quote: "Gentleman, it is not a matter of it you have an oil spill, it is a matter of when." Less than six hours later we had the largest oil spill in the history of the United States.

When the oil spill hit, there was a lack of local involvement in decision making about the cleanup and a general lack of good information about how events were unfolding. Local individuals had to be hired and trained before a sufficient cleanup effort could even begin and precious cleanup time was lost. It became painfully evident that the proper time for planning and training is not after an oil spill has already occurred but before and that local people should be involved in that process.

Local fisherman and townspeople banded together to protect the hatcheries and coastlines. It became clear that local people are a valuable resource in an oil spill cleanup. To combat the frustrations the local citizens felt about not being included in the information and decision making loop the mayors and village leaders formed what became know as the "Oiled Mayors." This group of approximately 25 individuals met each week and discussed how to provide support to all communities in the affected area. Frequently following the Oil mayors meetings a press conference was called to announce concerns.

This idea that local citizens should be involved in decisions about oil transportation was to become a founding principle of organizing the Regional Citizens' Advisory Council. Early in the spill we became aware that government and industry had different priorities than the local citizens.

After the Exxon Spill, the same individuals who were pushing for citizen involvement before the spill began their push for a citizens' council to be required as part of the federal legislation beginning to gather steam in Congress – legislation that would become the Oil Pollution Act of 1990.

In May 1989, Cordovans testified before Congressional committee and met with Alaska Senator Frank Murkowski, urging that a citizens' advisory group be formed in the area affected by the Exxon Valdez. Within a month or two, the idea was proposed to Alyeska, and this time, (just less then two months after the oil spill) Alyeska was receptive.

Organizational meetings started in July 1989, with representatives from communities and interest groups in the area affected by the Exxon Valdez oil spill.

That first summer, the citizens' group had three primary tasks: to review and comment on Alyeska's new oil spill response plan, develop the bylaws for a permanent citizens' group, and negotiate a contract with Alyeska.

Through the summer and fall of 1989, the citizens researched and considered different structures for the permanent organization. They decided on incorporation as a non-profit and began negotiation terms of a contract with Alyeska. The contract specified exactly what services the citizens' council would provide to Alyeska.

The citizens won four important provisions during the contract negotiation: independence from Alyeska, the same access to Alyeska facilities granted to state and federal officials, a secure level of funding and assurance of long term existence. It was written into our contract with Alyeska that RCAC shall exist as long as oil flows through the Alyeska pipeline.

The Regional Citizens' Advisory Council incorporated as a non-profit in December of 1989. Alyeska and RCAC signed a contract in February of 1990.

Under the terms of the contract, the citizens provide the following services to Alyeska:

- Monitor terminal and tanker operations,
- Conduct research and environmental monitoring,
- Provide Alyeska with local and regional input, and
- Advise Alyeska and the public on terminal and tanker operations

Throughout the last half of 1989 and into 1990, at the same time these citizens were forming the RCAC they were also working with Congress on what would become the Oil Pollution Act of 1990. The provision for a citizens' advisory group was part of the legislation. In final form, the law required two citizen advisory groups in Alaska to oversee terminal and tanker operations in Prince William Sound and Cook Inlet.

Under the law, the advisory councils are demonstrating projects; the idea was that Congress would consider requiring such councils at all crude oil terminals in the country. To date, no other RCACs have been established in the United States. But, other states and other parts of Alaska are showing interest in out organization as a model for organized citizen involvement.

RCAC has 18 member organizations and each appoints an individual to represent its interests on the Board of Directors. Member organizations are communities and special interest groups affected by the 1989 Exxon Valdez spill. Board members are citizen volunteers who live and work in the region affected by the Exxon Valdez oil spill. They include two boroughs

(equivalent to counties), seven cities, two villages in Prince William Sound and an association of villages on the Kodiak Archipelago, a Native regional corporation, and five groups representing tourism, environmental, commercial fishing, aquaculture and recreation interests.

The Board of Directors meets at least four times a year. Additional board meetings and work sessions are held to address the budget and long range planning, and on other issues, as needed. A seven-member Executive Committee meets every week or two, usually by teleconference, to handle issues that come up between board meetings.

Member organizations appoint representatives to the board for two-year terms. There is no limit to the number of terms a board member may serve. This lack of term limits has been important in RCAC's work. RCAC tends to have a better institutional memory about some oil issues than oil industry.

Representatives of a non-profit group and nine state and federal regulatory agencies sit as non-voting members of the board.

Four technical committees advise the board. The committees address specific topic areas in region: oil spill prevention and response (OSPR), terminal operations and environmental monitoring (TOEM), port operations and vessel traffic systems (POVTS) and science (SAC). The Scientific Advisory Committee also works with the other committees.

Except for the Scientific Advisory Committee, which consists of scientists from different fields, most of the committee members are interested in citizens from the region affected by the Exxon spill.

The Board appoints committee members to two-year terms. Prospective committee members are solicited from throughout the region through advertising and word of mouth.

During the first organizational meetings in the summer of 1989, the board assumed it could get by with two permanent employees: an executive director and an executive assistant. It soon became clear, however, that the amount of work the council intended to take on would require significantly more employees.

Staff was hired to support and work with each of the technical committees, and as the work expanded, so did staff. Today, RCAC has 17 full time positions. Ten employees are based in Anchorage, and seven in Valdez.

With the 1996 restructuring, RCAC has an executive director, two deputy directors, six project managers (two of who also provide administrative support to the committees), a public information manager, a community liaison, and six administrative and support staff.

Since 1990, RCAC has completed a wide array of projects that have contributed to making oil transportation safer in out area. While we have conducted many of these projects independently, we have also participated in several joint endeavors with the oil industry and government agencies.

Through RCAC's ongoing programs and projects, citizens of the region make direct contributions to mitigating the environmental and community impacts of the Valdez terminal and tanker operations. With our programs we satisfy specific requirements under our contract with Alyeska and the Oil Pollution Act of 1990. In addition, we regularly take on new projects that satisfy our mission.

The actual work of RCAC takes several forms. With the help of committee volunteers, RCAC submits written comments on oil spill contingency plans, legislation, regulations and permits, and industry policies and procedures. When RCAC board takes a position on a particular issue, it is generally based on recommendations from staff, committee volunteers and technical consultants. Individual board members with extensive knowledge on particular issues also make recommendations to the full board.

RCAC commissions reports and funds independent scientific research. Reports and findings may be used to develop policy positions and recommendations, are made available to the public.

Through the RCAC citizens of the region are involved in a broad range of special projects aimed at promoting safe oil transportation and preventing damage to the environment and our communities as a result of terminal and tanker operations.

Our special projects cover a broad range of topics, from a project to mitigate the mental health impacts of another oil spill to a study to determine it aquatic nuisance species traveling in ballast water could cause environmental damage to Alaskan waters.

#### **Project: Coping with Technological disasters**

Research shows that technological disasters, such as the Exxon Valdez oil spill, can have significant mental health impacts on communities. For example, although the fishing community of Cordova was not itself oiled, the town and its residents were profoundly affected. RCAC is funding and directing a project designed to provide communities with tools to help deal with the mental health impacts of an oil spill.

#### **End Result:**

Unlike in 1989, today there is an information resource for communities suffering from the social and mental health impacts of a technological disaster. After an oil spill in Dutch Harbor, Alaska, in early 1998, RCAC sent information to local leaders on how to use these specific strategies to help their community. The two volume set titled, "Coping with Technological Disasters" has been distributed to the communities in our region and has been sent to other communities when requested.

#### **Project: Weather Monitoring**

In 1991, RCAC believed weather-reporting station in Prince William Sound were not adequate. RCAC led a two-year effort to obtain federal funding for new weather monitoring equipment in Prince William Sound. RCAC believed additional weather stations would improve tanker safety by providing more accurate information about wind and sea conditions before a tanker

leaves the Valdez Marine Terminal and would contribute to better tanker traffic management. In 1994, the citizens' efforts paid off in the form of a \$500,000 dollar federal appropriation for additional weather reporting equipment in Prince William Sound.

#### **End Result:**

The new weather equipment was installed in May 1995

#### **Project: Disabled Tanker Towing**

In 1991, RCAC questioned the capability of existing emergency tanker towing equipment in Prince William Sound and wanted an examination of alternatives that could enhance tanker escort vessel capabilities.

RCAC worked with industry and government agencies to jointly draft a proposal for a major study of disabled tanker towing.

The study jointly funded by the oil shipping industry and RCAC, generated valuable information about the capabilities and limits of tanker escorts used in Prince William Sound and the Gulf of Alaska.

#### **End Result:**

The study resulted in changes in escort procedures, and tighter restrictions and performance requirements.

#### **Project: Aquatic Nuisance Species**

Some waterways, including the Great Lakes and San Francisco Bay, have been invaded by species not indigenous to the area. The so-called "non-indigenous species: can push out native species and cause severe ecological and economic damage. A common mode of transport of these invading species is the ballast water carried in tankers from one waterway to another. After learning about this phenomenon, RCAC became concerned that the millions of tons of ballast water carried in oil tankers could result in similar problems in Prince William Sound.

#### **End Result:**

The pilot study determined that Prince William Sound is at some risk of invasion by non-indigenous species. A follow up study budgeted at \$600,000 and conducted jointly by RCAC, the U.S. Fish and Wildlife Service and the National Sea Grant College has recently been completed.

RCAC also established a Non-indigenous Species Working Group made up of RCAC, industry and government representatives to maintain an open dialogue about this issue. RCAC also conducted a public workshop on aquatic nuisance species, in conjunction with the U.S. Fish and Wildlife Service.

#### Project: Air Quality/Tanker Vapor Control

RCAC was concerned about the possibility of harmful vapors from the Valdez Marine Terminal affecting the town of Valdez.

RCAC formally recommended that Alyeska voluntarily install a vapor recovery system. The company responded that if would only do so if a health risk is attributed to terminal sources or they were required to do so by law.

In November 1993, nearly three years after RCAC began its work on this topic, Alyeska announced that it would install a vapor control system. RCAC had been repeatedly urging Alyeska to install vapor controls. Interestingly, just prior to announcement, Alyeska and RCAC had agreed in concept to jointly conduct a second study to help determine how much of the benzene in Valdez comes from vapors emitted during the tanker loading. Also, federal regulations were expected to require vapor controls at the terminal in that next year. Indeed, federal legislation did require vapor controls and Alyeska has since installed the controls. Nonetheless, RCAC continues to work on this issue since Alyeska received federal approval to install the controls on only two of its four loading berths.

RCAC continues to push for vapor control on more loading berths and continues to monitor the general operation of the vapor control system at the Valdez Marine Terminal.

#### Project: Prince William Sound Tanker Risk Assessment

Issue: British Petroleum invited RCAC to participate in a study to identify risks in the tanker transportation system.

RCAC played a significant role in an 18-month study completed in December 1996. The Prince William Sound Tanker Risk Assessment study was an analysis of the entire tanker transportation system in Prince William Sound. The study was a joint effort of RCAC, oil shipping companies, the U.S. Coast Guard, Alaska Department of Environmental Conservation and Alyeska.

The study represented the first system-wide examination of oil transportation in Prince William Sound. The final report recommended eight measures to enhance the safety of oil transportation. The recommendations included changes to the systems and vessels used to escort loaded tankers, improved vessel traffic management, and systems to reduce the risk of human error.

RCAC did receive some public criticism for its participation in this study. The criticism was in part due to RCAC's involvement being limited to three board members and the Executive Director. These RCAC representatives were directly involved in all aspects of the study.

In the study the oil industry shared proprietary information with participants. In order for RCAC to participate, RCAC had to agree that the four RCAC representatives would not share some of this information with the rest of RCAC or the public.

Some members of the public criticized RCAC for agreeing to participate under these conditions. RCAC was in a tough situation and reasoned it was better to be a part of the study under these terms then to not be part of the study at all.

#### **End Results:**

The oil industry has made changes o the tanker escort system based on the study. Included in the improved escort system are new state of the art escort vessels.

RCAC's position is that any changes based on this study, including changes to the escort system, must undergo testing once implemented to verify that they do indeed reduce risks in

operations. RCAC continues to monitor any and all changes made to the system as a result of this study.

The relationship between RCAC and Alyeska improved considerably in 1995, when they were able to agree on how to handle sensitive and controversial issues. The "protocol" as it is called establishes a process from disagreeing. The cornerstone is a no-surprise policy, in which each organization commits to keeping the other informed and up-to-date. While the relationship between RCAC and Alyeska has improved, there is still room from more improvement.

RCAC has applied the no-surprise policy to its dealings with shippers and regulatory agencies, as well. When all parties follow it, the no-surprise policy promotes frank and timely communication, good faith efforts to seek consensus, and a commitment to treat all parties with courtesy and respect. In reality, not all parties do follow the policy. There are still times when RCAC is not included in the loop.

No small part of RCAC's overall effectiveness has been its relationships with the U.S. Coast Guard and the Alaska Department of Environmental Conservation (ADEC). Formal and informal meetings, frequent communications, and a policy of sharing information have all contributed to good working relations between RCAC and the agencies. Like other state and federal agencies, the Coast Guard and ADEC serve as non-voting members of the RCAC Board.

While disagreements continue to arise – and likely always will – RCAC's existence and efforts have resulted in better communications, better understanding, and better problem solving between citizens, industry and government. It takes constant efforts to maintain cooperation, openness and honesty.

During out eleven years of operation we have learned some valuable lessons that are probably transferable to other citizen groups.

#### • Cooperation works better than confrontation.

The citizens' council became more effective when it adopted a cooperative approach to resolving differences with industry, instead of criticizing them publicly or through the press. This cooperative approach entails a good faith effort to resolve conflicts and disagreements with the oil industry through regular meetings, formal work groups and work sessions. This approach promotes better understanding and cooperation with the oil industry and government.

#### • Conflict is inherent.

The priorities of citizens and those of the oil industry are fundamentally different and sometimes directly opposed. However, such differences do not preclude citizens and industry from finding common ground.

• Trust between citizens and industry is difficult to establish and even harder to maintain. RCAC has found that trust and mutual respect are fragile; they can develop on some issues and projects, only to break down on another issue. Transience in the oil industry contributes to the difficulty, since new relationships must be built. This problem is being mitigated through

regular formal and informal meetings between RCAC representatives and industry executives. Informal meetings are important because they allow people to speak frankly and openly. Sufficient funding is essential.

One of the most important differences between RCAC and other advisory panels is that RCAC has enough money to hire technical consultants and conduct independent research. When citizens have access to independent technical experts, they are best able to present credible positions to industry and regulators. Strong funding also provides RCAC with the resources to monitor the oil industry effectively. Just as important, strong funding allows RCAC to cosponsor joint projects with industry and regulatory agencies. Joint projects foster cooperative working relationships, enhance RCAC's credibility, and result in high quality work.

#### • A citizens' group can be independent even with industry funding.

The contract explicitly protects RCAC's independence and promises continue funding as long as oil flows through the trans-Alaska pipeline. However, the level of funding is renegotiated every three years. An industry-funding citizens' group will likely always face some skepticism about its independence. RCAC has concluded that its work must speak for itself and that public confidence in RCAC's integrity will flow from the quality of its work.

#### • Agreeing on how to disagree reduces conflict.

Once RCAC and Alyeska agreed on a process for handling disagreements, the relationship improved dramatically. They developed a protocol, outlining communication procedures and a quasi-mediation process. The protocol is designed to eliminate surprises and foster consensus whenever possible.

#### • Logic is persuasive, passion is not.

The Exxon Valdez oil spill personally affected many of the people involved with RCAC. Passions still run high for some. But arguments based on passion and emotions don't work with corporations. Citizens earn credibility when they base their recommendations on sound information, reason and logic. The effectiveness of an advisory group ultimately hinges on its ability to put forward credible proposals that make sense.

#### • <u>It pays to acknowledge industry and regulators when they do right.</u>

Positive recognition reinforces the notion that good works generate reward. It also makes construction criticism more palatable. An advisory group willing to publicly recognize positive efforts reinforces its own credibility and dispels criticism that it only wants to bash industry.

#### • All affected citizens should be represented on the Board of Directors.

The RCAC Board of Directors represents 18 different communities and interest groups, stretching over a large, fairly diverse expense of Alaska. The member entities range all over the political spectrum. Decisions by the board carry influence precisely because of the diversity of its members.

#### • A smaller board would be more efficient and easier to manage.

An 8-10 member Board of Directors would be ideal. RCAC's board has 19 members, which makes it difficult to manage. However, at the same time, 19 board members allows us representation from nearly all affected communities and interest groups in the area.

#### • Expectations of directors should be realistic.

When RCAC was first organized, board members did all the work. Many of them devoted 20 to 40 hours a week on RCAC business. For some directors, RCAC work became part of their regular jobs, but for most of them, time spent on RCAC was at the expense of, or on top of, their regular jobs.

The level of activity and participation by board members has declined dramatically over the years. A few board members continue to be very active, but the organization has had to reexamine assumptions about the work board members could reasonably accomplish.

In retrospect, many of those assumptions were not realistic. The energy level generated by a major catastrophe naturally declines over time. Board members could not have continued to do the amount of work they did in the first couple of years after the spill.

#### • Expectations of Directors should be clearly communicated and enforced.

RCAC needs an active and engaged Board of Directors, since it is the board members who represent citizen and community interests. Inactivity and absenteeism are problems on the RCAC Board. However, there are a few actual requirements for board members and selection of board members is at the discretion of the member organization.

The Board of Directors does have authority to remove a member organization because of inactivity, but it has not chosen to exercise that authority.

#### • Board members do not have to be experts.

They do need to be diligent, use common sense, know when to hire technical experts, and how to use them. However, one of RCAC's weaknesses has been its failure to develop an orientation program for new board members and committee volunteers. We have since rectified this problem and have annual meetings with new board members and committee volunteers.

#### • The role of advisory committees should be clear from the start.

RCAC's technical committee always advised the Board of Directors, but they frequently functioned more like staff, albeit without the accountability and management oversight that staff normally have. Conflicts between the committees, the board and management might have been avoided if internal systems have been developed to match the committees' actual working function.

# • Concerned citizens should have the opportunity to participate in a meaningful way. Each member of the Board is responsible for representing the interests and perspectives of his or her member entity, but the organization should provide avenues for participation by other citizens, too. Citizens can contribute valuable knowledge, ideas and perspective. At RCAC, citizens may apply to be on the advisory committee and they assist project staff in areas in which they have expertise.

#### • A diverse constituency needs strong community outreach.

One of RCAC's long-standing challenges has been community outreach, in part because of differing opinions about the appropriate mechanism for obtaining citizen advice and conveying information. RCAC had envisioned that part of the board members' job was to act as a liaison

between RCAC and their community or group. That has proved to be difficult for most directors because of the significant demands that RCAC already makes on their time.

RCAC conveys information to constituents through a quarterly newsletter and press releases, but those communications are only one-way. Many of RCAC's directors feel that their communities are not sufficiently aware of RCAC, nor do they understand what it does. They believe RCAC needs visible support from the communities it represents if it is to be viable and effective in the long term. In response to these concerns, in mid 1996, the board approved a new staff position of community liaison to foster closer communications with RCAC member communities and organizations.

#### • Funding should not have strings attached.

Under the contract, Alyeska will fund RCAC as long as oil flows through the Alyeska pipeline. However, the level of funding is renegotiated every three years. Some people believe a third party should decide the funding level, to unsure independence and protect the advisory group from undue pressure. Maintaining an adequate level of funding is essential. The best protection for funding is to have it required in state or federal law.

#### • Advisory groups should have mandated by state or federal statue.

By the time the Oil Pollution Act was enacted in August 1990, with the provisions requiring a citizens' advisory group for Prince William Sound, RCAC had been functioning for months under its contract with Alyeska.

However, Alyeska had incentive to negotiate a contract with citizens because it was clear that federal law would require it, anyway. It is not at all clear that the contract would have become reality without the prospect of OPA 90. Should RCAC's contract be voided, OPA 90 would require Alyeska to fund a new citizens' group.

The oil industry is very transient and different leaders have different priorities. Statutory requirements ensure continuity for citizen advisory groups, regardless of turnover among industry leaders.

#### • A clear mission and identity should be established early on.

RCAC suffered an identity crisis the first few years. Was RCAC a watch dog or a partner? To be a watch dog implies oversight, challenge, a hint of enforcement, and a somewhat adversarial relationship. To be a partner implies none of that.

The contract with Alyeska stresses RCAC's independence, but clearly envisioned RCAC as a friendly advisor. The Oil Pollution Act is somewhat confusing. It refers to "citizen oversight," which carries a tone of regulatory-type authority. It also refers to a partnership among local communities, industry and government.

Over the last couple of years, RCAC settled into a position of vocal advisors. RCAC does challenge the industry, but does so face to face. It attempts to handle differences with a minimum of adversarial confrontation.

There is still disagreement about RCAC's proper role. Some in the oil industry believe RCAC should be a public relations arm of Alyeska Pipeline. On the other hand, come citizens – including committee volunteers – think RCAC should take stronger stands and be more aggressive.

• <u>Citizens are more effective if they have formal relationships with those who make decisions.</u> OPA 90 requires the operation of the Valdez Marine Terminal – Alyeska Pipeline Service Co. – to fund a citizens' advisory group. RCAC's contract is with Alyeska, a consortium of the seven oil companies that own the pipeline. The contract specifically refers to Alyeska as a party to the contract, itself, and as agent for the owner companies. However, RCAC does not have a true relationship with the owner companies, which exert hands-on control over Alyeska.

Nor does RCAC have formal relationships with the companies that ship North Slope crude, even thought it has been dealing with the shippers increasingly since 1992. RCAC's relationship with the shippers has been rocky at times, but progress is being made. To date, the shippers have shied away from a contract or formal agreement. However, their executives meet with RCAC on a regular basis, and RCAC and the shippers are working together cooperatively on several important projects.

RCAC's relations with state and federal regulatory agencies have been mostly smooth and positive. RCAC works closely with the U.S. Coast Guard's Marine Safety Office in Valdez and the Alaska Department of Environmental Conservation.

#### • Backsliding is always a threat.

Catastrophes frequently generate a flurry of public and political activity, but as memories dim, commitments can wane. RCAC has found it must constantly be alert to backsliding. For example, in response to declining revenues, the State of Alaska cut back its spill prevention and response budgets. A decline in regulatory oversight makes it increasingly important that RCAC be vigilant to potential degradation of spill response capability and complacency among operators that could lead to a catastrophic accident.

In closing, I would like to say that much still needs to be done. Citizens of the region affected by the 1989 oil spill now share responsibility with the state and federal agencies and the oil transportation industry to ensure existing programs are fully implemented and maintained, that the new escort vessels are integrated into the system, and that a continuous improvement system is in place as new technology becomes available.

In seems a shame that it requires a disaster before positive changes can take place. How much better it would be it we were able to convince our government and industry of the need for citizen oversight before there is a pipeline disaster, an Exxon Valdez, an Amoco Cadiz, or an Erika, but I believe history has shown us that these disasters are the catalyst for change.