

The Observer

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AK Chamber of Commerce - AK Wilderness Recreation & Tourism Assoc. - Chugach Alaska Corp. - Cordova District Fishermen United - OSREC - PWS Aquaculture Corp.

Council concerned with state taking over water permitting

The council has been closely following a process that began in 2005, when then-governor Frank Murkowski set the wheels in motion for the state of Alaska to take over the National Pollution Discharge Elimination System permitting program. The program is currently under the control of the United States Environmental Protection Agency.

This permitting program helps control water pollution by regulating sources that discharge pollutants into the waters of the United States. One source requiring such a permit is the Ballast Water Treatment Facility at the Valdez Marine Terminal in Prince William Sound.

After reviewing the state's latest application to take over the program, the council found several problems. Some of these more critical issues have led the council to believe the state is not

properly prepared to take on this responsibility.

In August the council sent a letter to the Environmental Protection Agency, during a public comment period, voicing its concerns over the remaining issues.

As mandated by the Oil Pollution Act of 1990, the council is responsible for citizen oversight for all permits pertaining to the Valdez Marine Terminal's facilities. Traditionally, the Environmental Protection Agency has consulted the council, since its inception, regarding all permitting pertaining to wastewater treatment and discharges from the terminal in Prince William Sound.

The state's program description does not address the role of regional citizens' advisory groups. The council is requesting that the state, if given permitting authority,

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Council staff member to serve on national invasive species board

The council is pleased to announce that staff member Lisa Ka'aihue was recently appointed to the national Invasive Species Advisory Committee, filling the seat formerly held by former council deputy director Marilyn Leland.

The invasive species committee is composed of approximately thirty stakeholders from state organizations, industry, conservation groups, scientists, academia and other interests. The members serve two-year terms.

As a member of the committee, Ka'aihue will help advise the National Invasive Species Council on various invasive

species issues, including those of concern to Alaska. The National Invasive Species Council is an inter-departmental council that helps to coordinate and ensure complementary, cost-efficient and effective federal activities regarding invasive species.

Ka'aihue is currently involved in several invasive species projects. They include invasive species monitoring throughout Prince William Sound and Southeast Alaska and a project to describe biofouling communities on the major classes of vessels that operate in Prince William Sound, including oil tankers, barges, ferries and cruise ships.



BOOM — Responders set up 7,200 feet of protection boom to protect the Armin F. Koernig Hatchery in Saw Mill Bay Aug. 7 after the Northern Mariner ran aground. See page 3 for story. Photo courtesy of Alyeska SERVS.

Alyeska moves operational control center from Valdez to Anchorage

In October 2006, Valdez and the surrounding areas experienced a bout of heavy rainfall, resulting in flooding that damaged Alyeska's fiber optic communications channel in several places.

The damage caused Alyeska's Operational Control Center to lose the ability to remotely control all of the check valves along the trans-Alaska pipeline between Pump Station 12, 60 miles north of Valdez, and the Valdez Marine Terminal.

While loss of remote control did not result in damage to the terminal, the council became concerned about the redundancy of the communications system used to control the terminal. Redundant communications are normally used to control remote assets and to maintain control in the event of failure of parts of the communica-

tion system.

The council had previously been told that a communications failure of the type observed during the October flooding was extremely unlikely because Alyeska had in place three redundant systems: fiber optics, microwave, and satellite. However, the type of failure in the fiber optics system had not been anticipated and the microwave and satellite systems did not have the capability to compensate for it.

This year Alyeska moved the operational control center from Valdez to Anchorage. It controls not only pipeline operations, but also some of the equipment at the Valdez Marine Terminal. According to Alyeska, the system is now fully operational, through

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Volunteer Profile

POVTS volunteer provides custom sea adventures to kayakers

Despite record gas prices and a slowing economy, citizens' council volunteer Pete Heddell says he's managed to stay pretty busy this summer running his business, Honey Charters, in Whittier, Alaska.

Heddell operates the small water transport company with his wife, Marilynn, a council board member. The Heddells have been taxiing Alaskan adventure seekers and tourists from across the world throughout Prince William Sound for almost 20 years.

A large portion of their business comes from dropping off and picking up kayakers embarking on custom trips, but they also offer charters to Cordova and Valdez, as well as sightseeing trips and spring bear-hunting drop offs.

Heddell says they do everything, but fish.

"I was raised in the commercial fishing business," Heddell said. "I've seen enough fish that I don't need to go out and catch another one."

This year Heddell says he's seen a slowdown in the frequency of trips from his regular customers, but that people are still getting out into the Sound and having fun.

"People haven't been recreating as much as years past, but they're still recreating," Heddell said. He said the slowdown has caused more and more people to catch on to Honey Charter's share-a-ride plan.

When kayakers book trips they have the option of posting the trip to the Honey Charters Web site so that others can share boat ride and save on costs.

Heddell says during the summer months he works seven days a week, but it's a labor of love and the seasonal work allows him and his wife to travel to the Lower 48 to see family during the off season.

"We've got kids scattered

from the west coast, to relatives and kids on the East Coast, so we do a certain amount of travelling during the winter," Heddell said.

But it's not all vacations and visiting in the off season. Heddell says he stays pretty busy in his Anchorage office during the winter months, booking trips for the following summer.

As a member of the Port Operations and Vessel Traffic Systems Committee, Heddell brought the issue of corrosion in double-hull tankers to the attention of the council.

While double-hull tankers have been praised for reducing the risk of spilling oil in minor collisions and groundings, the outer hull, dedicated to the containment of ballast water, is at an increased risk of corrosion.

After learning of the issue

in some mariner publications, Heddell realized the implementation of double-hull tankers in Prince William Sound would mean new issues, including vessel inspections and increased maintenance in order to avoiding corrosion.

Heddell says shippers will now need to consider applying special coatings to protect the integrity of vessels inner structures. Thorough vessel inspections and a coordinated maintenance schedule throughout a vessel's operation will be absolutely necessary. Undetected corrosion has been the cause of many of the significant structural failures in tankers over the last few years.

Heddell is a seven year veteran of the POVTS committee and has seen many changes in the oil transportation industry.

"All the issues we deal with in POVTS are ongoing, technology is evolving, vessel capabilities are evolving, and they all bring new challenges to the table," Heddell said.



Pete Heddell

PRIMACY: Council says state funding insufficient to administer program

Continued from Page 1

be required to assume the responsibility for consulting citizens' advisory groups on relevant permitting activities.

Taking over primacy is no small task and the council thinks it would require more resources and employees than the state appears to have set aside for its proposed program. Based on the state application for takeover, the council does not believe the state is prepared to provide adequate funding to maintain the program as it is maintained under the Environmental Protection Agency.

The state's proposal includes funding for

about 14 new staff positions and a small amount of money to contract work out to handle the over 1,700 existing pollution discharge permit authorizations in Alaska. The council does not see how this will be sufficient for conducting the permitting, inspection and enforcement of the program.

The state has proposed a four-phase schedule to assume permitting authority over a three-year period. The council agrees with this timeline and thinks that permitting for the oil and gas industry should be the fourth and final stage of the takeover, because of the complexities involved in this sector. Considering these complexities, the council is requesting that oil and gas permitting be handed over only if the

state can demonstrate it is able to adequately handle the first three phases.

Since the closing of the Environmental Protection Agency's public comment period on August 18, the council is waiting to see which, if any of its issues will be addressed.

Depending on the Environmental Protection Agency's review of the state's latest application, the state could begin to assume control of the National Pollution Discharge Elimination System permitting program within the next year.

However, approval hinges on whether the state's application is found to be sufficient, or if issues such as the ones voiced by the council need to be addressed before the state can move forward.

CONTROLS: Redundant system to avoid failures

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multiple, separate communication pathways.

Council staff visited the Anchorage control center in April and verified that the communications infrastructure between the Anchorage control center and the Valdez terminal appear to be a reasonably redundant system.

Should another harmful incident occur in Valdez, Alyeska should now be able to continue full control of the pipeline and terminal assets from Anchorage.

With the redundant control system in operation, multiple communication failures would be necessary to prevent proper functioning of the control system.

However, even a total communication system failure is not considered likely to damage terminal assets or to spill oil, because they are programmed to go into fail-safe states when they completely lose communication with Anchorage.

Anchorage office hires new assistant, Valdez looking for Maritime Operations Project Manager

The council has had some turnover this summer and has said goodbye to some hard-working staff and hello to some new blood.

In the Anchorage office, Telena McQuery has accepted the position of administrative assistant, taking over for Anita Daniels who left the council in June.

Lena joined the council in August. She moved to Alaska with her husband Mike who is in the U.S. Army. She is originally from a very small town named Buena Vista, Georgia. Lena attended Columbus State University before starting work as a legal secretary. Before moving to Alaska she worked for a family law attorney in Columbus, Georgia.

Barbara Penrose, the council's Anchorage office Data Entry Assistant, who was temporarily

handling the administrative assistant duties during the position's vacancy, has taken on a full-time internship as a funeral director.

Emily Polley left the council in July due to a move prompted by her husband's transfer by the U.S. Army.

Following the departure of Chris Jones, the council is seeking skilled and experienced applicants for its Maritime Operations Project Manager position in Valdez.

Maritime and/or oil spill prevention and response experience is preferred, however the council is willing to train an otherwise outstanding applicant.

To check the status of this position or for information on how to apply, please visit our website at <http://www.pwsrca.org/MaritimeOpJob.html>.



Telena McQuery

From the Executive Director**Corporations held to different standards than citizens**

Following recent events such as the Supreme Court's ruling on the Exxon Valdez oil spill and Alaska's decision to vote down the clean water initiative, the council has become increasingly interested in the idea of corporate responsibility.

In an effort to extract Alaska's precious resources, big businesses are rapidly descending on our state, not only with hopes of building a gas pipeline, but through mining operations all across the state and offshore drilling in locations spanning from the Aleutians to the Chukchi Sea.

While it is generally in the interests of big businesses to avoid damage to Alaska and its people, accidents do happen. In the case of the 1989 Exxon Valdez oil spill, many Alaskans were left with their lives in ruins, while Exxon pulled through the ordeal relatively unscathed.

This brings up an issue of growing importance: the rights of individuals versus the rights of big corporations.

As with most things, the disappointing ruling in the Exxon Valdez case boils down to politics.

As a result of President Bush's appointments to the Supreme Court, the interests of big business have taken precedence over the interests of individual citizens. Even the United States Senate is starting to take notice.

In the case of Exxon, Senate Judiciary Committee Chairman Patrick Leahy said the Supreme Court's decision to cut the amount of damages awarded was out of line.

In opening statements for a hearing titled

"Courting Big Business: The Supreme Court's Recent Decisions on Corporate Misconduct and Laws Regulating Corporations," Leahy said the Supreme Court is demonstrating an increasing willingness to overturn juries.

"Nothing is more fundamental to the American justice system than our trust in the wisdom and judgment of ordinary Americans who serve on juries," Leahy said. "If Congress had wanted to cap the punitive damages for disasters that impact thousands of Americans, of course we could have done so, but we didn't."

The lawsuit centered on the dispute over an Anchorage jury's decision that Exxon should pay \$5 billion in punitive damages. The figure was later reduced to \$2.5 billion by the 9th Circuit Court of Appeals. A third appeal was brought to the U.S. Supreme Court.

In the Supreme Court's majority opinion, Associate Justice David Souter wrote that the punitive damages award should be equal to the compensatory damages and lowered the punitive damages again to \$500 million.

By doing so the Supreme Court set a precedent of capping punitive damages against big business, effectively crippling their function as a deterrent against risky corporate behavior.

This is directly at odds with how courts punish individual citizens. Despite not being persons, corporations are recognized by the law to have some of the same rights and responsibilities as actual people.

However, individuals who break the law receive mandatory lengthy sentences and, in some states, even the death penalty. This is not only to punish criminal behavior, but to deter

it as well.

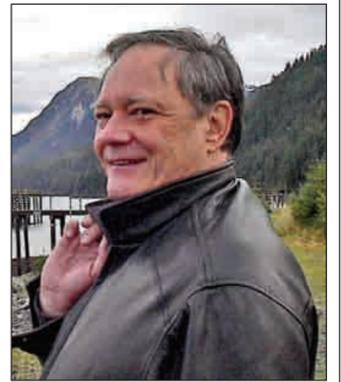
The Supreme Court's Exxon ruling seems to suggest that corporations do not merit the types of harsh punishments individuals receive and completely fails to address the issue of deterring corporate irresponsibility.

Exxon's punishment of \$500 million was less than 2 percent of its 2007 earnings of \$40 billion. For the sake of comparison, the average American with an income of \$50,000, could have dumped 11 million gallons of crude oil into Prince William Sound and gotten away with paying \$1,000 in punitive damages.

This surely is a double standard in punishment, considering that individuals found guilty of crimes can spend large portions of their lives in prison.

Alaska is a state built on the hard work of its people and the production and distribution of its natural resources. Resource production will undoubtedly be a part of our great state well into the future. But as we move forward, Alaskans must hold big businesses accountable for their actions and remember that big businesses work for us, not the other way around.

• John Devens is executive director of the Prince William Sound Regional Citizens' Advisory Council.



John Devens

Alyeska Viewpoint**Alyeska SERVS sends tug to help grounded vessel**

On August 7, 2008, the Northern Mariner went hard aground on the northeast side of Flemming Island in southwest Prince William Sound. Alaska Chadux and R&R Diving responded. Additionally, the United States Coast Guard asked Alyeska Ship Escort Response Vessel Systems for assistance to protect the Armin F. Koernig Hatchery in Saw Mill Bay.

While Alyeska's escort and vessel response is typically limited to Trans Alaska Pipeline

System tankers, we maintain a contract with the Coast Guard for use in cases involving other vessels, and Alyeska advised that it could lend a hand.

Under this Coast Guard contract Alyeska response personnel and equipment were immediately dispatched aboard the tug Endurance to respond to the incident.

The Endurance arrived on the scene early the next morning, and a response crew made up of TCC, Crowley, Chenega

Bay IRA Council, and Alyeska responders set up 7,200 feet of protection boom. The boom was pre-positioned at the response center located in the Village of Chenega Bay as part of the Trans Alaska Pipeline System tanker oil spill response plans.

In the meantime, the Coast Guard contracted with Alaska Chadux, an oil spill response contractor, to boom the Northern Mariner. Alaska Chadux in turn worked with R&R Diving to lighten the vessel. They were able to remove an estimated 25,000 to 30,000 gallons of fuel from the crippled vessel. In addition, three fishing vessels based out of Whittier and two Cordova vessels working for Alaska Chadux were deployed to Chenega Bay to assist in the protection efforts.

Initial recovery efforts focused on lightening the Northern Mariner and on the subsequent patching of the vessel to float it off of Flemming Island and move it to a more secure area. The patchwork was finished on Aug. 11, and the vessel was towed to Thumb Bay in anticipation of worsening weather conditions.

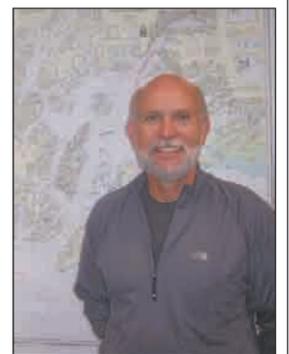
By Thursday, Aug. 14, R&R

Diving had removed enough fuel to diminish the pollution potential to the Sound.

With the pollution potential removed, Alyeska response crews began to demobilize the boom protecting Chenega Bay and the Armin F. Koernig Hatchery. The crews finished Friday evening and returned to Valdez early Saturday morning.

As of August 18, the Northern Mariner was still in the safe harbor of Thumb Bay and was awaiting the arrival of the tug Junior to be towed to Seward for final repairs.

The Northern Mariner incident, while certainly unfortunate for the parties involved, provided an opportunity for SERVS and the Coast Guard to work together and coordinate their efforts with the local resources of PWS.



Mike Meadors



The Northern Mariner, a 91-ft vessel, intentionally grounded in shallow water on Flemming Island after the vessel struck a rock and experienced severe flooding. Photo courtesy of Alyeska SERVS.

Community Corner**20th anniversary events set to commemorate Exxon oil spill**

After the September board meeting, staff and board members will be participating in a spill response drill, put on by Tesoro Corporation, in Niki-ski. The command post will be at Cook Inlet Spill Response Inc., and regional stakeholder committees will be set up with Tesoro community liaisons in Homer and Seward.

On Sept. 25, Alyeska Ship Escort/Response Vessel System and Cook Inlet Spill Response Inc. will participate in a field deployment exercise in Homer.

From Sept. 26-28, the council information booth will be set up at the 2008 Seward Music and Arts Festival. This festival features artists, a full schedule of musicians and dancers, and children's activities. For more information, go to www.sewardfestival.com.

On July 9, former staff member Emily Polley and I visited Chenega Bay. We showed the council's film, "Then and Now—The Alaska Oil Spill at 20," to students at the Chenega Bay School, a kindergarten through grade 12 facility. While in Chenega Bay we also presented a framed map of Prince William Sound to former board member Pete Kompkoff, thanking him for his years of service with the council.

Chenega Bay is very busy this summer with new road construction, and a new 16-house subdivision being built.

It's hard to believe, but the 20th anniversary of the Exxon Valdez oil spill is coming up. On March 24, 2009, the council will connect several affected communities by videoconference and share presentations, panel discussions, and art. The purpose of the event is to remind people not only of the spill and how we must always remain vigilant, but also of the advance-

ments in oil transportation that have been made since the spill.

Tentative topics and venues at this writing are: Cordova, socioeconomic impacts, and the status of herring; Valdez, demonstration of prevention and response capabilities; Kenai, a tour of the Cook Inlet Spill Response Inc.'s otter rehabilitation facility; Seward, tour of the Alaska SeaLife Center; Anchorage, panel of industry representatives and reporters to

discuss improvements in oil transportation since the spill; and the Bunnell Street Gallery in Homer will host an art event for artists and writers with work related to the spill and how it affected their lives. It will include a month-long show, with a reception and readings on March 24th. For the month of March, 2009 Barnes and Noble in Anchorage will feature books on the spill and the region affected by it.

November will be busy with the Alaska Municipal League conference in Ketchikan, the Society for Environmental Toxicology and Chemistry annual meeting in Tampa, and the Pacific Marine Expo in Seattle.

The free Oil Spill Curriculum is updated and available on our website at <http://www.pwsrccac.org/outreach/education.html#curric> and the free DVD, "Then and Now—The Alaska Oil Spill at 20," is available by contacting me at robinson@pwsrccac.org.

Teachers and students: the Observer would like to begin a student column. Students can write about anything relevant to the council or its work that would be of interest to our readers. Please let us know if you are interested in submitting a column.



Linda Robinson



Members Janelle Eklund, Nancy Bird, Savannah Lewis, Amanda Johnson, and Cathy Hart of the Information and Education Committee stop for a photo Aug. 5 in Girdwood during the IEC member retreat. Photo by Linda Robinson.

Prince William Sound Regional Citizens' Advisory Council

The Prince William Sound Regional Citizens' Advisory Council is an independent, non-profit corporation formed after the 1989 Exxon Valdez oil spill to minimize the environmental impacts of the trans-Alaska pipeline terminal and tanker fleet.

The council has 18 member organizations, including communities affected by the Exxon Valdez oil spill and groups representing Alaska Native, aquaculture, environmental, commercial fishing, recreation and tourism interests in the spill region.

The council is certified under the federal Oil Pollution Act of 1990 as the citizen advisory group for Prince William Sound, and operates under a contract with Alyeska Pipeline Service Co. The contract, which is in effect as long as oil flows through the pipeline, guarantees the council's independence, provides annual funding, and ensures the council the same access to terminal facilities as state and federal regulatory agencies.

The council's mission: Citizens promoting environmentally safe operation of the Alyeska terminal and associated tankers.

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