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

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January 29, 2001

MEMBERS

Commander, 17th Coast Guard District (M)

Alaska State
Chamber of PO Box 25517
Commerce Juneau, AK 99802

Alaska Wilderness
Recreation & Tourism
Association

SUBJECT: Recertification Application

Chugach Alaska Corporation

Chugach Alaska Dear Sir:

City of Cordova

The Prince William Sound Regional Citizens' Advisory Council's hereby applies for recertification as the alternative voluntary advisory group for Prince William Sound, per Sec. 5002 (o) of the Oil Pollution Act of 1990.

City of Homer

In accordance with CDR J.M. Butler's Jan. 22, 2001 letter to us, this application is being prepared under the guidelines contained in the Coast Guard's Dec. 21, 2000, Federal Register notice of proposed revisions to the recertification process. (We

City of Seldovia

understand, however, that our application will be put out for public comment in accordance with the Coast Guard's original recertification procedures.)

City of Seward

City of Valdez

Under the new guidelines, the lengthy narrative of past recertification applications is to be replaced in this application by a summary of substantial changes to the information provided at the last recertification.

City of Whittier

Community of Chenega Bay Most of RCAC's major program and project activities are summarized in the 1999-2000 Annual Report, enclosed herewith. The following information highlights changes that have taken place since our 1999 Recertification Application was submitted to the U.S. Coast Guard.

Community of Tatitlek

Organizational Excellence

Cordova District Fishermen United

• In order to facilitate access to data collected, reports and other publications, RCAC launched a project in early 2000 to upgrade our electronic communication and document control system. The work continues with the overall objective to fully utilize the World Wide Web for internal and external networking.

Kenai Peninsula Barough

> Kodiak Island Borough

Kodiak Village Mayors

Association

Oil Spill Region Environmental Coalition

Prince William Sound
Aquaculture
Corporation

• During the past year, we have stepped up efforts to secure partnership and grant funding to supplement RCAC's financial contribution to important studies related to our mission. As a result, several joint project agreements are in effect with government agencies, oil shipping corporations, research and academic institutions, and our sister organizations, the Oil Spill Recovery Institute in Cordova and the Cook Inlet Regional Citizens' Advisory Council. Those agreements support the following projects: Valdez Marine Terminal Fire Protection System Assessment, Aquatic Nuisance Species Research, Ice Detection Radar System, Dispersant Effectiveness Testing, Photo-enhanced Toxicity of Oil Research, Community Impacts Planning Training Videos, and the development of Geographic Response Strategies throughout the RCAC region.

USCG\Recert\010129.103 Page 1 of 5

Valdez Marine Terminal Operations and Maintenance

• RCAC consultants conducted site visits during the summer of 2000 and an extensive document review of outstanding work orders for repair and maintenance of the Valdez Marine Terminal ballast water treatment facility. The final report for this project was approved by the Council in September 2000, and several recommendations for improving the terminal-wide maintenance program were communicated to Alyeska Pipeline Service Company.

• Through a unique agreement, RCAC and Alyeska jointly funded two fire protection and response experts who worked directly with terminal personnel to identify needed improvements in the facility's fire prevention and response system. The consultants reported directly to RCAC staff and committees to ensure that we were kept well informed about problems identified and corrective actions under way and also to ensure that the public concerns were fully communicated to Alyeska. Significant improvements to the system have been accomplished and additional work will take place in 2001.

- RCAC monitored, analyzed, and reported on a series of operational interruptions and
 mishaps while maintenance and repair projects were underway during the spring and
 summer of 2000 at the Valdez Marine Terminal crude oil loading berths. Our conclusions
 and recommendations were summarized in a white paper distributed in the fall of 2000,
 highlighting our concern that the limitations imposed by operating with only two berths
 equipped with vapor control systems increases the risks of both air pollution and accidental
 discharge of oil. Discussions continue on this subject with Alyeska and appropriate
 regulatory agencies.
- During the past year, RCAC has developed a framework for participating in the state and federal right-of-way renewals for the Trans-Alaska Pipeline System, including the terminal facilities. The existing 30-year permits to operate the system will expire in 2004, and the applications to renew will be submitted in early 2001. RCAC staff has been briefed by Alyeska Pipeline Service Company and state and federal representatives from the Joint Pipeline Office about their respective processes to determine compliance with the existing agreements. RCAC will participate by facilitating the public review process and verifying that provisions of the new agreements ensure the environmentally safe operation of the terminal throughout the term of the permit.

Maritime Operations and Oil Spill Prevention

- There is no more visible evidence of the safety improvements in Prince William Sound oil transportation than the tanker escort system, now with a state-of-the art fleet including two 10,000 HP enhanced tractor tugs (ETTs) and three 10,000 HP Z-drive prevention and response tugs (PRTs). RCAC is now focused on training, strategies, maneuvers, and tactics that will clearly demonstrate that these tugs can effectively assist a disabled tanker in time to prevent a grounding or collision. In collaboration with the U.S. Coast Guard, the Alaska Department of Environmental Conservation, Alyeska's Ship Escort and Response Vessel System (SERVS), and the oil shipping companies, RCAC is coordinating the preparation of a paper on how the current escort system was designed and implemented. An abstract for the paper has been accepted by the American Association of Naval Architects for delivery at their annual conference.
- The tanker fleet operating in Prince William Sound has seen some retirements during the past year and the addition of two existing double hull vessels. There were changes in the operation of the fleet resulting from the acquisition of ARCO Marine by Phillips Petroleum (Polar Tankers) and the establishment of the Alaska Tanker Company to consolidate the BP chartered vessels. The effects of those changes are being monitored by RCAC and are viewed as mostly positive. RCAC participated in simulated training exercises and the christening of the first newly constructed Polar millennium class double hull tanker

USCG\Recert\010129.103 Page 2 of 5

scheduled for delivery in 2001. BP's 2000 announcement of their design and construction of new double hull tankers further illustrates that we will see significant modernization of the Alaska tanker fleet during the next five years as envisioned by the Oil Pollution Act of 1990. RCAC's analysis is now focused on the integrity of the aging fleet of tankers during the complete transition destined to take place during the next decade. We are currently developing profiles of three existing double hull tankers operated by the Alaska Tanker Company. All three of the tankers are over 20 years old and have no scheduled retirement date.

• Icebergs calving from Columbia Glacier and then drifting into the Prince William Sound tanker lanes have long been recognized as a major navigational risk. RCAC, in conjunction with industry, government, and academia, continues to coordinate efforts to address and mitigate that risk. During the past year, what have been characterized as "proposals" or "plans" have been transformed into a working project. Installation of an ice detection radar system at Reef Island in Prince William Sound is being engineered; radar equipment contributed by the USCG is in storage awaiting delivery to the site; the SERVS microwave communication system is in place and operating; and technical details have been developed through a collaborative effort. The total financial and in-kind contributions to this project now exceed \$2 million, and efforts continue for a commitment of the remaining \$350,000 which will allow this project to be complete by August 2001.

Oil Spill Response Planning and Operations

- RCAC has had a long-time interest in reviewing oil spill prevention and response plans for those portions of the Trans-Alaska Pipeline where a spill would affect the watershed and coastal resources in our region, specifically the Copper and Lowe river drainages into the Gulf of Alaska (Cordova) and Prince William Sound (Valdez), respectively. Alyeska concluded that those activities were not part of the scope of work defined in the contract between Alyeska and RCAC and objected to funds being used for that purpose. This issue became the subject for the first application of the arbitration procedures laid out in the RCAC/Alyeska contract. Most observers and participants agreed that reasonable arguments were presented by both sides. In the end, the arbiters decided that because the contract did not include specific language allowing such activities, the company's interpretation was reasonable. The RCAC Board of Directors has expressed the desire to seek alternative funding to support review of pipeline contingency plans in the future.
- In the past, RCAC has supported and co-funded the development of Geographic Response Strategies (GRSs) in Cook Inlet and the Kodiak Island area and the Copper River Delta and Flats. These site-specific oil spill response plans provide detailed information for protection of selected environmentally sensitive areas. The selections are made through a collaborative process with local citizens, industry, and resource management agencies. During the past year, significant progress has been made in the Prince William Sound region to complete at least twenty of these plans. RCAC participates in working groups and facilitates public participation in the process. RCAC is funding and supporting such a process for areas outside Prince William Sound, beginning in 2001 with the outer Kenai Peninsula.
- As reflected in RCAC's official position on the application of chemical dispersants as an alternative to mechanical recovery of oil spilled in the marine environment, our organization has sought opportunities to support and encourage additional scientific research. Our concerns center on having a better understanding of the effectiveness of available chemical products and the potential short- and long-term environmental consequences. Through innovative partnerships with NOAA's Auke Bay Laboratory in Alaska and other scientists two significant studies are being conducted. Tests are complete and results scheduled to be available in March 2001 from an effectiveness study conducted at the Auke Bay lab using both Corexit 9500 (the most recommended product) and Corexit 9527 (the product stockpiled in Alaska). The tests were conducted with temperatures, salinity, and other

USCG\Recert\010129.103 Page 3 of 5

- environmental factors common in Prince William Sound. An additional study, also in cooperation with the Auke Bay lab, will measure the potential for photo-enhanced toxicity of oil chemically dispersed into the water column. That project is scheduled for completion by September 2001.
- For the first time RCAC has been actively involved in efforts to improve the Valdez Marine Terminal oil spill prevention and response plan, based primarily on the State of Alaska's requirements on which approval of the plan was conditioned. The process to assess the risks, develop realistic scenarios and response tactics, and to design training and drill programs has been cooperative and productive. Both Alyeska Pipeline Service Company and the Alaska Department of Environmental Conservation are commended for their leadership in this process and the extent to which they have encouraged RCAC involvement.

Environmental Monitoring

- After several years of studies related to the risk of introduction of aquatic nuisance species through tanker ballast water, RCAC has begun to take a more active role in ballast management technology and policy making. In addition to RCAC's ongoing research and environmental monitoring sponsored jointly with the U.S. Fish and Wildlife Service and being conducted by the Smithsonian Environmental Research Center, RCAC continues to coordinate a multi-stakeholder working group and to participate on national and regional committees and task forces. RCAC has committed conceptual and financial support for a proposed ballast management research center in Puget Sound and is cooperating with BP Shipping Company in the development and implementation of an ozone treatment test on board one of their tankers. RCAC also submitted substantive comments on the development of a national aquatic nuisance species policy.
- In preparation for the 2002 renewal of the Valdez Marine Terminal ballast water National Pollution Discharge Elimination System (NPDES) permit, RCAC completed contracts and a work plan for a comprehensive water quality study in Port Valdez. Objectives of the project include a determination of whether hydrocarbons exist outside the permitted mixing zone; and if so, are the concentrations at levels known to cause biological harm. The monitoring will include deployment, retrieval and analysis of caged mussels, based on a methodology tested by RCAC in 1997. In addition, a technique developed by NOAA's Auke Bay Laboratory using specially designed plastic strips to measure hydrocarbons in the water will be employed, along with the collection of large volume water samples. Field deployment began in early 2001 and a final report is scheduled to be complete by December 2001. The results will provide information for RCAC's recommendations for monitoring requirements that might be appropriate for the new NPDES permit.

The Coast Guard's Dec. 21, 2000, Federal Register notice also calls for the submittal of various supporting documents with the application. We are enclosing the required documents, as well as some others we believe would assist in the evaluation of our work and in collecting comments on this application:

Documents specified in Federal Register Notice:

- Our annual report for the 2000 fiscal year.
- Our audit report and annual financial statement for the 2000 fiscal year.
- Budget and Spending Plan for the current year, Fiscal Year 2001.
 (The proposal calls for submittal of our budget for next year, but it is still in preparation.)

Additional documents being submitted:

- Observer newsletters published during and since Fiscal Year 2000
- Newspaper advertisement to be published by RCAC advising residents of our region of the opportunity to comment on our application. This will appear when the Federal Register notice of our application is published.
- Press release to be distributed to news organizations in RCAC region advising of opportunity to comment on our application. This will also appear when the Federal Register notice of our application is published.

If you need additional information please contact me or Marilyn Leland in our Anchorage office.

Sincerely,

John S. Devens, Ph.D. Executive Director

cc: Rex Brown, Liaison Richard Ranger, Liaison

Alyeska Pipeline Service Co.

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