



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

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MEMBERS January 13, 2006

Alaska State
Chamber of
Commerce

Commander, 17th Coast Guard District (M)
P.O. Box 25517
Juneau, AK 99802

Alaska Wilderness
Recreation & Tourism
Association

SUBJECT: PWSRCAC Recertification Application

Chugach Alaska
Corporation

Dear Sir:

City of Cordova

The Prince William Sound Regional Citizens' Advisory Council (PWSRCAC) 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

City of Kodiak

This application is submitted under the guidelines in the U.S. Coast Guard's Sept. 16, 2002, Federal Register notice, which established a streamlined recertification process for two years out of every three. The notice stated that a streamlined application need only "describe any substantive changes to the information provided at the last triennial recertification." The year covered by this application falls under the guidelines for the streamlined process. Substantive changes at PWSRCAC are summarized below.

City of Seldovia

City of Seward

City of Valdez

City of Whittier

Community of
Chenega Bay

Protecting the Prince William Sound Escort System

The past year saw much discussion of the possibility of modifying the tanker escort system.

Community of
Tatitlek

Under one initiative, Alyeska launched a study of whether present escort and response requirements can be met with a fleet of 8 tugs in Prince William Sound, which would be a 20 percent reduction to the present fleet of 10 tugs. The council has closely monitored this effort and has voiced concerns about the study methodology, with the goal of ensuring that any results reflect the realities of year-round operations in Prince William Sound and the northern Gulf of Alaska. The study continues as this application is filed.

Cordova District
Fishermen United

Kenai Peninsula
Borough

Kodiak Island
Borough

Kodiak Village Mayors
Association

On another front, there has been discussion of the possibility of modifying the current requirement that laden tankers in Prince William Sound be escorted by two tugs, though no formal regulatory proposal for doing so has been filed. As such a modification would in all probability be preceded by a risk assessment, the council brought Dr. Martha Grabowski, a leading expert on the subject, to Alaska in the spring of 2005 for a presentation to council staffers and volunteers. In addition, the council is attempting to persuade the Prince William Sound oil shipping companies to join with us in a memorandum of understanding about the principles and standards under which any changes to the escort system would be evaluated and implemented.

Oil Spill Region
Environmental
Coalition

Prince William Sound
Aquaculture
Corporation

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Transparency of Oil Industry Finances

In our work to ensure the environmental safety of crude oil transportation through Prince William Sound, we increasingly confront industry claims that new safety measures are too expensive and that cutbacks to existing systems are necessary for financial reasons. For the first time in our history, the council in autumn 2004 commissioned a study of oil industry profits in Alaska.

That study, by Fairbanks economic consultant Dr. Richard Fineberg, was delivered early in 2005. Unsurprisingly, it showed that the industry in our state makes enormous profits – more than \$5 billion a year – at oil prices around the \$50-a-barrel level seen recently. But it also showed the industry made a healthy return of about \$800 million in Alaska even in 1998, when prices were as low as \$13 a barrel. So, at any imaginable price level, oil companies can afford to protect the environment and the cost of doing so does not realistically pose any threat of driving them out of Alaska.

However, Alyeska Pipeline has demanded that we not use funds from our contract with the company for this type of analysis and elected to arbitrate the issue under the terms of the contract. Because we believe this type of information to be essential in evaluating the financial arguments being made more and more frequently by oil industry, we exercised our contractual rights and went to court in May 2005 to defend our ability to conduct such studies. That proceeding is active as this application is filed.

Downstream Planning Initiative

In 2004, our council joined with the Cook Inlet RCAC in commissioning a study on the feasibility of creating a network of community-based oil-spill response cooperatives in the council region, and evaluating the related "Firehouse Response Model" proposed by the Alaska Department of Environmental Conservation. While the idea of regional co-ops wasn't adopted, several areas of the state were identified where the concept could work on a smaller scale, including the council region in Prince William Sound, Kodiak and the Kenai Peninsula. To evaluate the potential of this, our council and the Cook Inlet council co-sponsored a forum on community-based response in early 2005 for representatives of agencies, industry and communities. More than 40 participants came from around the council region and a report with recommendations was issued in mid-summer 2005. Our council has been asked to present the concept at the annual meeting of the state harbormasters this winter.

By-Laws Revision

A small committee was formed to completely review our bylaws. Although individual changes to the bylaws were made many times during our history, no complete review had ever taken place. As a result of the review, several changes were made, most of which were housekeeping in nature, but a few were more substantive. The more substantive changes included a revision of the definition of a resident of Alaska, a provision allowing for polling of the board in lieu of an in-person board meeting, and adding our Legislative Affairs and Finance Committees to the standing committees. A copy of our current bylaws is available online at: www.pwsrcac.org/about/boardintro.html

Electronic Outreach

The council maintains an extensive, award-winning website, www.pwsrcac.org, that provides information about our work, structure, membership, mission, and research. This year, we revamped the site with new categories for easier navigation, updated information and photos, and a cleaner look.

In addition, we launched *The Sound Approach*, a concise monthly email newsletter featuring information about Prince William Sound, oil transportation, and related topics. Regular departments include trivia tidbits of interest to the council or Prince William Sound communities; news about the council and its work; a listing of reports available from the council; and links to interesting web site related to our work and mission.

Ship Automatic Identification System

In December 2005, we installed an Automated Identification System (AIS) in our Valdez office. This will enable the council to track the course, speed and heading of vessels as they move through Port Valdez and some areas of Prince William Sound. Most importantly, data from the AIS will be archived, permitting a review of vessel track information during an incident, even if it comes to light only after the fact.

Marine Firefighting Symposium

In May 2005, the council sponsored its fourth Symposium on Marine Firefighting for Land-based Firefighters.

Fighting a fire on a vessel is very different from firefighting on land. Vessel fires pose risks often not present in land based fires. Yet, most firefighters in Alaska are not trained to fight fires on vessels, although many of the state's communities have small boat harbors and receive visits from larger vessels. This led the council to start this series of symposiums for firefighters from Alaska's coastal communities.

The curriculum included live exercises with hands-on training for fighting fires on oil tankers and on small vessels. Instructors for the symposium were experienced firefighters from West Coast fire departments. As is our practice, we involved numerous organizations as partners in this effort. They included the Alaska Division of Homeland Security and Emergency Management, the city of Valdez, the Valdez Fire Department, Alyeska Pipeline Service Co., the U.S. Coast Guard, Crowley Marine, the South West Alaska Pilots Association, and Polar Tankers.

Promoting Citizen Oversight In Other Areas

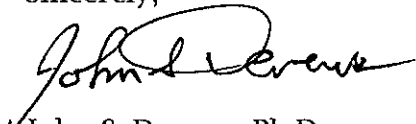
In the past year, we found interest in citizen oversight reaching higher levels than we had seen before. Accordingly, in keeping with the Oil Pollution Act's designation of the Alaska councils as demonstration projects, we helped promote the concept in other places.

We testified on citizen oversight as lawmakers in Washington state were setting up their Oil Spill Advisory Council. Last fall, I was invited by the Aleutians East Borough to speak in Cold Bay about the possibility of setting up a citizen group to deal with the risk of spills from oil and natural gas drilling in the area. In October, we facilitated a panel discussion on citizen oversight at the 8th World Wilderness Conference, which was held in Anchorage. As a result of

this panel, the wilderness conference in plenary session endorsed the idea of citizen oversight worldwide, whenever and wherever an extractive natural resource project is launched. In November, I was sponsored by the U.S. State Department to travel to Murmansk, Russia, to speak on citizen oversight at the Third International Conference of the Oil and Gas Industry and Sustainable Development of the Barents Region.

We have kept this application as brief as possible, limiting ourselves to truly substantive developments as contemplated in the Federal Register notice. This required the omission of many other worthwhile endeavors by our council, so we stand ready to furnish any additional information you may require.

Sincerely,

A handwritten signature in black ink, appearing to read "John S. Devens". The signature is fluid and cursive, with a large initial "J" and "S".

John S. Devens, Ph.D.
Executive Director

Cc: Sharon Marchant, Liaison, Alyeska Pipeline Service Co.