

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

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**MEMBERS** January 14, 2009

Alaska State Chamber of Commerce  
Commander, 17th Coast Guard District (M)  
PO Box 25517  
Juneau, AK 99802

Alaska Wilderness Recreation & Tourism Association

**SUBJECT: 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

Progress on cutting hazardous air pollution problem at the Valdez Marine Terminal

Community of Chenega Bay

For many years, we have sought an end to hazardous air pollution from Alyeska Pipeline's tanker terminal in Valdez because of the health risks created by such emissions, which are known to cause cancer. A major step came in the late 1990s with the installation of equipment to capture the huge quantities of hydrocarbon vapors forced out as tankers load oil.

Community of Tatitlek

Cordova District Fishermen United

Late in 2006, after extensive consultations with the council, the oil industry committed to a plan that will virtually eliminate air pollution from the last major source at the terminal: the Ballast Water Treatment Facility, which EPA estimated was releasing 206 tons per year of dangerous vapors including cancer-causing benzene.

Kenai Peninsula Borough

Kodiak Island Borough

After Alyeska committed to the upgrades, the council published newspaper advertisements commending the decision and we continue to work closely with the company as work proceeds.

Kodiak Village Mayors Association

Oil Spill Region Environmental Coalition

Alyeska's plan involves adopting closed-system technology to replace or seal each of the ballast water facility's three major components: the ballast-water storage tanks, the dissolved air flotation system, and the biological treatment tanks.

Prince William Sound Aquaculture Corporation

Vapor controls have already been installed on the ballast water storage tanks, eliminating most emissions of hazardous air pollutants at the treatment facility.

This year, the council has continued working closely with Alyeska on the project. The company is still deciding what to do about the dissolved air flotation system. Options considered but largely abandoned have included induced gas flotation and walnut-shell filters. At this writing, it appears likely that Alyeska will opt to install covers on the existing dissolved air flotation system and capture the vapors given off.

The council is participating in engineering design reviews for biological treatment, the final stage of processing. Alyeska has started construction of a closed air stripper and thermal oxidizer system that will replace the current biological treatment process, which is open to the atmosphere. The air stripper and thermal oxidizer are expected to become operational in the first quarter of 2009.

With this overhaul, Alyeska projects that emissions from the facility will drop to well under five tons annually.

#### Protecting the Prince William Sound escort system

The past year saw a growing focus on the need to ensure that laden oil tankers in Prince William Sound continue to be escorted by two rescue and response tugs to minimize oil-spill risks after the federal single-hull escort requirement sunsets with the conversion of the Prince William Sound tanker fleet to all double-hulled vessels.

As this application is being completed, the council is studying various options for ensuring continued double escorts and anticipates a useful discussion of the subject at our January 2009 board with officials of the U.S. Coast Guard and the Alaska Department of Environmental Conservation.

Another concern for the council is the adequacy of the Hinchinbrook tug to perform as needed in the severe weather conditions found at Hinchinbrook Entrance and in the Gulf of Alaska waters just outside it. To better understand the system risks on this section of the tanker route out of the Sound, the council has joined the SafeTug project conducted at the Maritime Research Institute Netherlands. This project determines the performance and capabilities of tugs through the use of systematic model testing supported by computer simulations. The council is joining the project, at considerable expense, in an effort to find out the extent to which Prince William Sound's tugs are adequate for the environmental conditions they encounter.

A related council concern is the 'response gap,' a reference to the fact that laden tankers are allowed to sail from Valdez in environmental conditions that would preclude an effective response with current technology.

The council has retained a consultant to assess the response gap and develop recommendations for narrowing it. The consultant has estimated that environmental conditions in the Sound preclude mechanical response about 38.5 percent of the year—equivalent to 140 days. For dispersants, application is estimated to be impossible up to 80 percent of the year at Hinchinbrook Entrance and in some areas of the central Sound, while in-situ burning is impossible 58 percent of the year at the Entrance and in the central Sound.

The council is in the process of communicating these results to industry officials and regulatory agencies in an effort to develop a collaborative approach for addressing the response gap.

#### Fishing vessel program legislation

The council regards Alyeska's fishing vessel program as a key component of the oil-spill response system for Prince William Sound and 'downstream' areas in the Gulf of Alaska, Kodiak Archipelago, and Cook Inlet.

Accordingly, the council felt impelled to act when the state of Alaska, in the summer of 2007, made a new determination that captains and crews of fishing vessels engaged in oil-spill response exercises would be required to participate in the unemployment insurance program.

As such requirements do not apply to these vessels during commercial fishing operations, the new rule created a risk that vessel owners would leave the oil-spill response program because of the burden of figuring and paying unemployment taxes on their crews for just a few days of work per year.

During the 2008 legislative session, the council worked in partnership with fishermen, Alyeska, and legislators to secure a statutory exemption from unemployment insurance requirements for these vessels, captains, and crews when engaged in oil-spill response exercises. We were gratified to see the measure pass the Alaska Legislature with overwhelming support and be signed into law by Gov. Sarah Palin.

#### Amicus curiae brief in the Exxon Valdez punitive damages case

In January 2008, the citizens' councils for Prince William Sound and Cook Inlet filed an advisory friend-of-the-court brief with the U.S. Supreme Court in the Exxon Valdez punitive damages case. We took this unusual step because some of the issues raised at this, the last stage of the case, seemed to suggest that punitive damages might be barred altogether as a matter of maritime law. The two citizen's councils argued for the retention of punitive damages as a deterrent to risky corporate behavior of the sort that led to the Exxon Valdez spill. We were relieved that the Supreme Court's ruling, in June 2008, upheld the principle of punitive damages. However, we remain concerned that the size of the final award—about \$500 million—might be too small to have a significant impact on the behavior of a company the size of Exxon, which in the third quarter of 2008 reported revenue of \$131 billion and profit of \$15 billion.

#### Combating invasive marine species

For years, the council has been concerned about the risk that Prince William Sound will be invaded by non-indigenous species arriving in tanker ballast water. The council's response has included conducting research on the magnitude of the threat and ways to mitigate it, advocating for legislation at the federal level, and establishing a program to monitor for the European green crab, a well known invasive species thought to be capable of colonizing the Sound.

In 2008, the council expanded its focus to include hull fouling, or biofouling, which occurs when such organisms as barnacles or mussels attach themselves to vessel hulls. In partnership with the U.S. Fish and Wildlife Service, the council has entered into a project to research biofouling communities on large vessels that operate in Prince William Sound, including oil tankers, barges, ferries and cruise ships. The research, being conducted by the University of Washington, is intended to provide important information on which vessels pose the greatest risk of introducing invasive species via fouling and to provide recommendations for preventing it.

#### Marine fire-fighting symposium

In 2008, as in years past, the council organized a marine fire-fighting symposium for land-based firefighters. Firefighters from more than a dozen Alaska communities came to Valdez for the May symposium. They learned about shipboard firefighting, as well as fire awareness and prevention for tank farms, cruise ships,

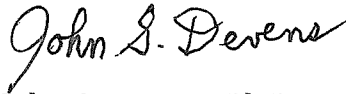
small boats, and marinas. A panel discussion was held so participants from local, state and federal regulatory agencies, industry, tug and salvage operators and local fire departments could understand how best to work together in the event of a fire aboard a tanker in Prince William Sound or at the Valdez Marine Terminal.

As in the past, the symposium was greatly assisted by participation of industry companies that allowed use of their facilities. This year, these partners include ConocoPhillips' Polar Tankers, the Southwest Alaska Pilots Association, and Petro Star.

We have kept this application brief in accordance with this year's streamlined recertification process. This required the omission of many other worthwhile endeavors by our council in our ongoing efforts to reduce the risk of another catastrophic oil spill in Prince William Sound, so we stand ready to furnish information on those as needed. Also, we would be happy to provide additional detail on any of the undertakings described above.

Next year's application will also be submitted under the three-year schedule in streamlined form. Based on the schedule of submission deadlines established previously, we understand the due date for that application to be Jan. 30, 2010. Please confirm if this is your understanding also, or if another due date will apply.

Sincerely,

A handwritten signature in cursive script that reads "John S. Devens".

John S. Devens, Ph.D.  
Executive Director

Cc: Barry Roberts, Liaison, Alyeska Pipeline Service Co.