

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

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In Valdez:

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MEMBERS

January 6, 2012

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, or OPA90.

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 are summarized below.

City of Seldovia

City of Seward

City of Valdez

City of Whittier

Community of
Chenega Bay

Broad Representation Of, And Involvement With, Our Region

Community of
Tatitlek

Staff public service and longevity

This year two of our staff members were appointed to public service positions related to marine or civic affairs. Executive Director Mark Swanson was appointed to the Valdez Ports and Harbors Commission by the city's mayor, while Marine Operations Project Manager Alan Sorum was seated by Gov. Sean Parnell on the Alaska Boating Safety Advisory Council.

Cordova District
Fishermen United

Kenai Peninsula
Borough

In addition, two other staff members—Outreach Coordinator Linda Robinson and Environmental Monitoring Project Manager Joe Banta, a former Cordova commercial fisherman—marked 20 years of service to the organization, maintaining our strong tradition of institutional memory and deep ties to the oil spill region we represent.

Kodiak Island
Borough

Kodiak Village Mayors
Association

Youth Involvement Program

Under this program, we fund educational opportunities for students from our region to study topics related to our mission. This year, successful proposers included Alaska Geographic, which brought students in for an International Youth Eco-Forum; a Valdez high school science class field trip to Peterson Bay in Kachemak Bay, and the Wrangell Institute for Science and Environment's Copper River Watershed project.

Oil Spill Region
Environmental
Coalition

Port Graham
Corporation

Prince William Sound
Aquaculture
Corporation

Introduction of electronic newsletter

Since inception, the council has produced a free printed quarterly newsletter called The Observer. A few years ago, we started making it available on our website, as well. This year, we inaugurated an email version of the newsletter in a further effort to make council information available to as many different kinds of users as possible.

Partnership with Stakeholders and Affiliates

Marine Firefighting Symposium

Partnering with stakeholders in our region and with the companies and agencies involved with us in the area of marine safety has always been a top priority for PWSRCAC.

This year we hosted our sixth Marine Firefighting Symposium in Valdez for land-based firefighters. Some 75 firefighters, marine salvors, Coast Guard personnel, and council staffers participated. As in the past, this event succeeded thanks to the efforts of numerous partners who joined with us in the undertaking: Polar Tankers/ConocoPhillips, the Coast Guard, Marine Response Alliance/Crowley, T&T Bisso, Donjon-SMIT, the City of Valdez, Valdez Fire Department, the Southwest Pilots Association, Alaska Steamship Response, Offshore Systems, Resolve Marine Group, R&R Diving, Southeast Alaska Lighterage, the Alaska Department of Public Safety and AVTEC.

Participation in Cook Inlet Risk Assessment

The council is excited to be one of the partners in a Cook Inlet risk assessment being conducted under the management of the Cook Inlet Regional Citizens' Advisory Council, with additional participation by the oil industry, and federal and state agencies, including the Coast Guard.

This assessment will examine the risk of oil spills posed by the vessels transiting the area. It will examine the types and sizes of vessels plying Cook Inlet and dominant accident types, and attempt to identify future oil spill risks based on vessel size, type and frequency. Study results will provide a basis for the identification and initial ranking of risk reduction measures.

While our council's primary focus is Prince William Sound, Cook Inlet is also within our region, and we have several member entities from the Kenai Peninsula. Thus we regard this Cook Inlet risk assessment as another opportunity for engagement with our region, as well as for understanding and reducing spill risks within it.

Oil Spill Prevention

Safety at the Valdez Marine Terminal

The council in the past year has been involved in two major efforts aimed at evaluating and ensuring safe operation of the Valdez Marine Terminal.

The council contracted with Dan Hisey, former Alyeska chief operating officer, to conduct an advisory audit of maintenance practices at the terminal. Before finalizing the report on this audit, the council shared preliminary findings with Alyeska and with regulators active at the terminal. After the audit was

finalized, the council briefed staff members of Sen. Mark Begich, Sen. Lisa Murkowski, and Rep. Don Young on its findings. The council also presented briefings on the audit to additional Congressional committee staffers in Washington, D.C. and to Gov. Parnell's representative there.

The council's work on this audit, and in particular Alyeska maintenance employee interviews with the council's audit contractor Dan Hisey, turned up issues relevant to operation of the trans-Alaska pipeline, which is outside the council's purview. The council facilitated—but did not attend or otherwise participate in—confidential briefings to senior Alyeska management on this subject by Mr. Hisey.

The council's other major effort regarding safety at the Valdez Marine Terminal in the past year was a review, by Harvey and Associates, of Alyeska's adherence to prevention commitments contained in its contingency plan for the terminal. As this recertification application was in preparation, the contractor's report was undergoing final review. When complete, it will be presented to Alyeska and shared with regulatory agencies.

Performance evaluation for Prince William Sound escort tugs

The Prince William Sound tanker escort tugs are a vital component of the safety system built up since the Exxon Valdez spill. Crowley Maritime, Alyeska's contractor, uses two designs for the tugs, and the council wants to make sure each is suitable for such service.

To analyze this issue, the council contracted with Det Norske Veritas, a major Norwegian classification society, to evaluate the performance data available for the two designs and estimate their capabilities in light of the best and most widely accepted safety and operating standards available for escort tugs. Alyeska and Crowley were cooperative in providing the performance data requested by Det Norske Veritas for the analysis, with a report issued in November 2011 highlighting the various tug performance areas and parameters now routinely assessed as a best-practice standard of care to establish an escort tug's capabilities and limitations that were not assessed or examined when these vessels were newly constructed. The council's expectation is that this evaluation and the eventual completion of the tug capability assessments that have not been completed to date will enable the council to better inform and advise both the users of the system, and our own member entities as concerned stakeholders, on the level of escort capability available today, and on what adjustments, if any, would be appropriate to ensure the safest and best use of the world-class escorts tugs we rely upon to protect the Sound.

Iceberg detection radar system

The council over the past year has continued its efforts to determine the best and most appropriate way to utilize iceberg-detecting radar capability in the Prince William Sound safety system.

During the latter part of 2011, the council entered into a process with Coast Guard Marine Safety Unit Valdez to analyze what contribution the ice radar system can make to safety, and whether an upgrade to the present technology would be beneficial. Possible elements of this analysis include:

- research into the future glaciology of central Prince William Sound, especially iceberg calving by Columbia Glacier

- comparison of the iceberg-detecting capability of the Coast Guard's TERMA radar with and without the signal enhancement provided by the system developed by the council and other stakeholders approximately a decade ago
- a Formal Safety Assessment.

Combating Invasive Species

For well over a decade, the risk that Prince William Sound could be invaded by non-indigenous species arriving in tanker ballast water or on tanker hulls has been a major concern for the council, and we have supported research efforts and other measures to address this threat. This past year, we continued to support the idea of creating an Alaska invasive species council to serve as a statewide clearinghouse and coordinating body on the issue for state and federal agencies as well as non-governmental stakeholders in the issue. While no state legislation has yet been forthcoming, the council did write a letter urging Gov. Parnell to use his executive authority to designate a non-indigenous species coordinator in each state agency dealing with the problem.

In response, the governor's office indicated general concurrence with our concerns about the issue, and initiated some steps in line with our suggestion. Thus the council remains hopeful that continued effort will see progress on this important issue to Alaska's environment and economy.

Preparing to Respond to Oil Spills

Researching new technology for spill response

The council collaborated with BP and the Cordova-based Oil Spill Recovery Institute to field-test a new technology for aerial observation of oil-spill response: a tethered helium balloon carrying video and infrared cameras. The council funded the field testing and BP and the Oil Spill Recovery Institute contributed significantly as well, with results indicating such a system could prove valuable in spill response. The council sees this technology as complementary to more traditional over-flights because the balloon can stay in the air almost indefinitely, and is far cheaper to operate. Additionally, because the balloon is more stationary, it can provide an ongoing picture of a single task or area, which is difficult for aircraft.

The final report commented on lessons learned, considerations for setting up a system such as this, and operational limitations. The council hopes that industry will continue to test and refine this promising tool for aerial observation.

Monitoring the fishing vessel response fleet

The council continues to monitor the health of the fishing vessel spill response program. The program had faced challenges about a year ago because participants were concerned about compensation. In March of 2011, the council met with fishing vessel owner representatives from Kodiak, Cordova, Seward, Homer, Whittier, and Valdez and listened as the captains discussed issues concerning the fleet as a whole and their individual ports. Alyeska addressed this

matter and the vessel captains reported that participants were now generally satisfied with the program and that participation had grown over the past year. The captains also felt there was a continuing need to address such longer-term unresolved concerns as training, insurance, and communications with Alyeska. They suggested a process for addressing issues and negotiating contract terms, such as setting up a committee for those purposes. The council feels that these concerns are important and has reported the main meeting issues and related suggestions to Alyeska.

Among the outcomes of this process has been the establishment of a periodic newsletter to be published by Alyeska for the benefit of participants in the fishing vessel program.

Improving Prince William Sound oil tanker contingency planning

The Prince William Sound Tanker Oil Discharge Prevention and Contingency Plan was renewed in November 2007 for a period of five years. The next renewal is slated for November 2012.

As part of the 2007 approval, the Alaska Department of Environmental Conservation committed to partner with the council and the Sound's oil shippers in a steering committee to guide a work group process continuing to improve the plan. Within the past year, a work group was formed to address the changing properties of the Alaska North Slope crude oil handled at the Valdez terminal and hauled out of Prince William Sound by tankers.

Phase 1 of this work group, completed in 2011, focused on oil properties. Phase 2 will also look at oil properties, but will take into account emulsification and the effects of skimmers. It is anticipated this information will be used by the shippers when the contingency plan is renewed in 2012.

Toward More Effective Communications

Regular meetings With MSU Valdez, and Alyeska senior managers

Over this past year the council has embarked on a series of bi-weekly informal meetings and telephone conferences with senior leaders from Alyeska, and monthly meetings with the leadership cadre at the Coast Guard MSU Valdez. Every two weeks our executive director and director of programs sit down with managers of Alyeska's Valdez Marine Terminal and Ship Escort/Response Vessel System. The council has also been engaging in a series of phone conferences with Alyeska's senior vice president for operations. The intent and the success of these regular meetings has been to air substantive issues of mutual concern, share ongoing projects and priorities, explore opportunities for alignment and cooperation, and reduce the chances for surprises and misunderstandings.

Coast Guard column in Observer newsletter

The council has offered Coast Guard Marine Safety Unit Valdez space in the council's Observer newsletter for a column comparable to the Alyeska column that has run for several years in each issue of the publication. While no column has yet been submitted, it is our understanding that MSU Valdez remains open to the idea of taking advantage of this opportunity for outreach to our constituents and affiliates as circumstances dictate.

Coast Guard Alaska television show

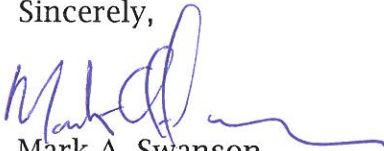
At the conclusion of a Valdez Marine Safety Committee meeting in December 2011, council Executive Director Mark Swanson was one of several people interviewed on camera for the reality show Coast Guard Alaska.

Mr. Swanson took advantage of the opportunity to speak of the excellent safety partnership among the council, the Valdez community, and the Coast Guard. He detailed the Coast Guard missions and resources in Valdez that contribute to environmental protection and to maritime safety. Among the topics he covered were the responsibilities of Marine Safety Unit Valdez's marine inspectors for the mechanical and operational integrity of the tankers hauling oil out of Valdez, and the role of the unit's facility inspectors in the safety of the oil transfer docks at the Valdez Marine Terminal. Mr. Swanson praised the efforts of the Vessel Traffic Service in monitoring and directing the safe transit and navigation of the tankers including their two tug escorts.

In Conclusion

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 maximize the safety of terminal and tanker operations in Prince William Sound. 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.

Sincerely,



Mark A. Swanson
Executive Director

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