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ALASKA OIL SPILL COMMISSION

June 7, 1989

OIL SPILL COMMISSION MEMBERS

Walter B. Parker, Chairman

Esther C. Wunnicke, Vice- Chairman

Margaret J. Hayes

Michael J. Herz

John Sund

Timothy Wallis

Edward Wenk, Jr.

Volume 2 of 2

Paralegal Plus

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MOTION INDEX

Motion to acquire necessary space

Moved and Seconded

Page 54

Motion for subcommittee to function as a recruitment and
employing agency for the Commission and Ms. Wunnicke's
materials be considered as guidelines.

Moved

Page 67

Seconded

Page 68

Approved (off the record)

Page 72

Motion for subcommittee to be enjoined to consider and
proceed as agents of the Commission with narrowing down
these contract services subject to polling of the full
Commission

Moved and Seconded

Page 75

Amended

Page 78

Approved

Page 82

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1 (Tape #1 - 06/07/89 - Side A)

2 (On the Record)

3 MR. PARKER:years ago. We're still going forward
4 strongly. Lenin said, electricity and socialism together creates
5 civilization.

6 MR. _____: I'm glad Bob does the.....

7 MR. _____: Bob has the ultimate challenge of trying
8 to prove me wrong that Bradly Lake is actually economic in sense. We
9 had a few go arounds in the legislature on that issue. We will see.

10 MR. _____: We will see.

11 MR. _____: It's a lot more economic that what we're
12 talking about right now.

13 MR. PARKER: We've been working on our work program which we're
14 going to hope to finalize for this meeting. Not finalize in the final
15 sense, but simply finalize in this meeting after we hear from you and
16 have an exchange of information with the Commissioners, so you could
17 tell us what the Governor's office has done so far and hopes to do, why
18 it'd be most appreciated.

19 MR. LARESCHE: We might as well hand this out. Mr. Chairman,
20 I'll tell you anything you want to know in questions, but basically I
21 hope you don't end up concentrating on what State agencies are doing
22 now. Basically, what I want to do is let you know what type of infor-
23 mation -- I understand you are going to be users rather than generators
23 of that stuff -- is available know, most of which you probably already
25 know. I apologize for not being here as you were getting where you

1 are, so I might be repetitive. Basically, my first involvement, the
2 State's first involvement with third parties basically after this
3 occurred, that is those that weren't directly involved in the spill and
4 it's aftermath, was with the National Transportation Safety Board
5 hearings. The Board basically expanded their scope of inquiry beyond
6 what they do for a normal aircraft accident, let's say, in that they
7 did allow testimony and gather some evidence regarding the first 24
8 hours of response to this accident. Of course they spent most of their
9 time and effort and most of the hearings were focused on what led up to
10 the grounding. But they did expand it just a tad to look at the first
11 24 hours response, but not with a lot of energy, I guess I could say.
12 They were much more curious about whether the auto pilot was on and who
13 was steering and this sort of thing, than they were about where was
14 Alyeska once this thing happened. What we do have is a foot or so of
15 documents that they gathered and which I'll provide to you, which you
16 certainly should become conversant with -- everything from the bell
17 logger of the ship and the course recorder and all this sort of thing.
18 Interviews with all the participants, if you will. And basically we
19 were able to get into the record and continue to do so. A very impor-
20 tant set of background documents on the manning policies for these
21 tankers. As you're aware I think, the Coast Guard approves manning for
22 each vesssel that comes into the system. And as you're also probably
23 aware, Exxon has been a leader in the industry in reducing manning on
23 this type of vessel. We also have as background, most of which is not
25 in the NTSB record as yet, a large series of correspondence between

1 Exxon and their Seaman's Union, and many press accounts of problems
2 that have occurred in that area for several yeras. So, basically, I --
3 personally I feel that the NTSB record is sufficient for anybody who's
4 concerned what the immediate or approximate causes of the groundings
5 were. I would just, unsolicited, encourage you not to spend a lot of
6 time on that because the stuff's there and any body could interpret it.
7 To me the mechanical events are quite clear. What led to it in those
8 several hours before it happened are pretty clear. But what I would
9 suggest in so far as you look at what led immediately to the accident,
10 I'd suggest you look really deeply into the industry policies and as
11 opposed to the actual industry practices for manning, personnel man-
12 agement, things like this. It became really clear to me personally,
13 and to the other peope on our investigatory team that that, in this
14 instance, was really the cause of the problem. Just to put it in
15 slang, the bean pounders ar running these shipping companies now.
16 there's one controllable variable cost in moving oil from point A to
17 point B; that's personnel and I think that's the root of the problem.
18 The crew on this vessel, they all appeared at the testimony, not all of
19 them, but the ones most immediately involved appeared and gave testi-
20 mony and were cross examined. Several others were interviewed by the
21 NTSB or the Coast Guard and just my personal impression talking to
22 these people, looking at them face to face, is basically this industry
23 evolved from one of seafarers with a lot of skill and pride in their
23 work to a bunch of automotants. That wasn't the intended result of
25 this automation of the ships, but that's what really happened. Exxon

1 Shipping, and I stress that I don't think this is at all unique to the
2 industry and that's why I think it's important to look at thi. Exxon
3 shipping looked at their people like chess pieces. You're a red one if
4 you're a first mate and you're a green one if you're a third mate and
5 they moved them around on the board. People on this vessel, and I
6 don't think it's unique, most of them, most of those mostimmediately
7 involved, had never sailed with each other before or if so only two or
8 three voyages. The helmsman who happened to be at the helm had never
9 served as a helmsman for the third mate who was at the con at this
10 time. And basically I track it down to something I think is industry
11 wide and that is to the shipping companies lack of attention to the
12 human factor in this entire industry. Exxon had the best policies for
13 personnel management that money can buy, but the policies and the
14 practice were worlds apart. And frankly, I think if it would have been
15 any of the other shipping companies, the same thing probably is occur-
16 ring daily, but the other people probably don't even have these poli-
17 cies. I don't know. Exxon did not give their management people, that
18 is the mates and the masters, they didn't remotely give them the
19 where-with-all to run what basically is a human team. They didn't deal
20 with that. Their evaluations of these people were periodic, sporatic,
21 often unsigned. They never followed up on the recommendations of the
22 evaluator's made and, in my mind, it's a lot more human failing than it
23 is a mechanical or electronic failing that led to this and I would
23 really encourage you to look closely at that sort of thing. The State
25 is going --right now we're drafting up finding and recommendations as

1 the NTSB allows. We have 30 days from about a week ago, I believe to
2 submit these to the NTSB.

3 MS. WUNNICKE: Are those available to us or are they
4 confidential.

5 MR. LARESCHE: I was going to suggest -- no, they're not
6 confidential at all and I was going to suggest that if you have the
7 time or inclination I'd like you to review our drafts before we submit
8 those.

9 MR. _____: We'd be happy to. What's the timeline.

10 MR. LARESCHE: Probably they need to be in within about 3
11 weeks. I haven't seen the draft yet. Our attorney's drafting it now.
12 The clock started ticking when we received the final transcript which I
13 understand they did about a week ago. We also have full transcripts of
14 the hearing which will be available to you. Yes sir?

15 MR. _____: Just a quick question. Roughly, how
16 large a document are you drafting to submit to the NTSB.

17 MR. LARESCHE: It will be fairly small. But basically we are
18 going to try to structure it to match what their general findings and
19 recommendations are which comes in an eight of an inch booklet.

20 MR. _____: That sounds merciful.

21 MR. LARESCHE: The transcripts themselves, however, I haven't
22 seen them, but they're huge, I'm sure. Basically, as I sit here know,
23 I suspect we're going to have all sorts of recommendations on enhanced
23 nav aids, put re-cons on the police, transponders on the vessels, this
25 kind of things. We probably have some recommendations for enhancing

1 the Coast Guard VTS system. It's kind of a sore point if you look at
2 the VTS systems around the nation. They've never been popular and
3 they, in the past, I don't think they've been all that effective.
4 Basically they're designed like air traffic control systems to keep
5 ships from hitting one another and they're pretty successful at that.
6 But they.....

7 MR. _____: May I ask a question. Are you going to
8 address the issue of voluntary risks mandatory

9 MR. LARESCHE: Yes, I think so. And I'm not sure where we'll
10 come down on that because frankly if you put yourself on the bridge and
11 in the Coast Guard radar room simultaneously, compulsory or not, what
12 would the guy at the Coast Guard have done. He would have said, you're
13 out of the lane and Bligh Reef's ahead. And the third mate would have
14 said, yeah, I know that and I gonna go back in once I go around the ice
15 and he still would have hit the reef. There's no way you can really
16 shift minute-to-minute command from the bridge to the Coast Guard radar
17 room. So that's something to think about, but the easy solution
18 doesn't lie there I don't believe, now. We'll probably recommend, I'm
19 sure the NTSB will, sure in my own mind, something akin to cockpit
20 management systems, which the NTSB has taken to recommending in recent
21 years and which the chairman at this hearing mentioned several times.
22 Once we got them interested in Exxon's personnel management and as-
23 signment of crews and this sort of thing, they really latched on to
23 that and I think it became clear to them as it was to us, that it was
25 the interaction between the people that was sorely lacking in this

1 case. And I suspect our recommendation will also address manning, at
2 least in terms of numbers as well as in terms of training. The fact of
3 the matter is that these new vessels, the newly manned vessels, all had
4 a lot more electronic redundancy than they had human redundancy and I
5 think in the end we'll trace a lot of the pre-grounding problems to
6 that.

7 After the grounding, the NTSB as I implied, couldn't go into
8 that too deeply. However, we were able to bring out a few things in
9 the hearing. Things that I think everybody at this table, or at least
10 the Alaskans at this table already knew. It became really clear that
11 Alyeska Pipeline Service Company is a bunch of vapors. Basically, as a
12 couple of us have always thought, they are a paper organization and
13 totally controlled by the owner companies and basically created to be a
14 shield between the owner companies and the regulatory agencies. They
15 didn't produce 1% of what they promised in these fought out contingency
16 plans. We are also able to bring out the fact that, at least in the
17 past, Alyeska management periodically had requested enhanced manning
18 for their response teams, maybe some new equipment, maybe a dispersant
19 airplane. You couldn't get them to be too specific. That all went
20 down the black hole of the Owners Management Committee. They never got
21 funded. The owners are not in the habit of spending any of their money
22 through Alyeska although they are in the habit of counting on them to
23 keep their terminal running, which includes all the permits and con-
23 tingency plans. Now it's a fact that Alyeska is being totally shaken
25 up now by the owner companies. They've suddenly realized that this

1 isn't any where near the veil between them and huge liability claims,
2 so I think they're going to do something about it. But I would hope
3 you'd spend a lot of time on Alyeska, the organization. You have
4 subpoena power and I'd really like to know the corporate bylaws and how
5 the owner companies interact with this corporate shell called Alyeska
6 Pipeline Service Company.

7 MR. HERZ: If you contrast the Alyeska Pipeline Company with
8 the industry co-ops, at least the two that I'm most famliar with in
9 California, the success if they have been successful and at least the
10 Clean Bay and San Francisco Bay is refuted to be one of the best in the
11 country. I think it's a reflection not so much of the power of the
12 individual company as it of the director and how -- the degree to which
13 the director follows what he thinks his job is supposed to be. The two
14 cases I'm aware of are very strong executive officers who are the
15 coordinators and runners of the co-ops whereas, I mean, in a sense it
16 sounds to me as if the structure of Alyeska is similar to a co-op. I
17 mean, whatever company owns it.....

18 MR. LARESCHE: I think on paper its similar.

19 MR. _____: What I'm working up to is a question
20 about the management of the terminal and the directors and is that what
21 you're alluding we should be looking into?

22 MR. LARESCHE: Alyeska has never had independent directors for
23 example. The President of Alyeska, not to offend anyone, has never
23 been a strong person. Most of Alyeska's executives have been people
25 who haven't shot to the top of the corporate ladder in the owner

1 companies and they kind of get sent to Alyeska. It's never been a
2 noticeable corporate presence in the fact of the owner companies. The
3 owner companies, as near as we can discover so far, have just basically
4 ignored Alyeska. Whether Alyeska's ever given them warnings or not is
5 another question. But certainly none have ever been heeded.

6 MR. PARKER: I think the big difference between Alyeska and the
7 cooperatives is that the cooperatives, their primary goal and emphasis
8 is oil spill response. Alyeska's primary emphasis is pumping oil
9 through a pipeline and the terminal is simply to them an extension of
10 the pipeline to the ship.

11 MR. LARESCHE: Alyeska is in fact an operating company.
12 They're operating things every day and, in fact, in this instance, the
13 people who were assigned to their response crew, as you'll find out if
14 you don't already know, several years ago I'd say this disbanded their
15 dedicated response team. They say they absorbed it, but whatever. But
16 the people who were assigned to be on a response crew were also the
17 people loading tankers that night. Someone decided that their priority
18 duty was to keep loading the tankers. So basically, I think what Walt
19 said is very important. Alyeska's primary responsibility in the eyes
20 of their owners is to keep the pipeline operating and they certainly
21 don't feel in their corporate culture any primary responsibility to
22 respond to oil spills. It's just been an irritant from what I can
23 gather.

23 MS. WUNNICKE: Do you have readily available a copy of the
25 contingency plan?

1 MR. LARESCHE: Yes, there's one in Anchorage at Preston's
2 office.

3 MR. _____: Mr. Chairman, to follow up that question,
4 was your question of a plan or plans? My impression is that there are
5 quite a few different plans as between the different federal agencies,
6 the state agencies, Alyeska, Exxon, and.....

7 MR. LARESCHE: In fact, that was going to be my next point.
8 Getting away from Alyeska, you should have, and you should read if you
9 don't have it already, the report by Secretary Skinner and Mr. Riley to
10 the President which -- frankly all I've read is the cover letter, but
11 basically that struck me as pretty close to the target. They detail in
12 that all the various contingency plans. I can't even name them all,
13 but there's the Alyeska one that's required under our right-of-way
14 lease and ironically it's required of each of the owner companies
15 because they're the holders of the lease, but they got together and had
16 Alyeska, as a co-op almost, put together the contingency plan and
17 presumed to sail their vessels into Valdez daily under the Alyeska
18 contingency plan. Exxon shipping has it's own contingency plan. Exxon
19 Shipping, I don't believe, ever saw the Alyeska contingency plan until
20 five days more or less after the grounding. I'll get to that in a
21 minute. But then there's Coast Guard contingency plans, there's a
22 national contingency plan. I believe there's a DEC contingency plan
23 that's not specific to Prince William Sound. And how these five, six
23 plans interacted is beyond me. I mean frankly I don't think they did.
25 I think they were five or six organizations acting under their own

1 contingency plan and one organization, Alyeska, not acting under the
2 contingency plan that the people in the state had counted on for 12
3 years. It is a morass. That's another important thing to look at and
4 I would start looking at that by reading the Riley/Skinner report.

5 MR. _____: Is anybody, do you know or to your
6 knowledge, doing a systematic evaluation of these contingency plans,
7 number one, and number two, the regulations under which they were
8 written, and number three, the degree, if any, of interaction or
9 communication among the various people who drafted them?

10 MR. PARKER: That's what GEO is about, isn't it.

11 MR. _____: That's right, GEO is doing it.

12 MR. WENK: It seems like a huge job, but somebody's got to
13 systematically read, brought along a couple of consultants. They're
14 located in the Seattle office. They've got all the plans there already
15 and I assume that there's a similar collection in your hands, somewhere
16 in your body of all these contingency plans.

17 MR. LARESCHE: Not in my hands, but I suspect in DEC hands.

18 MR. _____: One of them is alleged to be enormous, 28
19 volumes.

20 MR. LARESCHE: I'm not sure which one that would be. The
21 Alyeska one is several volumes, probably up to 15.

22 MR. _____: That's the one.

23 MR. LARESCHE: It includes a general plan, a Prince William
23 Sound plan, a terminal plan and then a plan for each segment of the
25 pipeline, seven or eight segments. Esther.

1 MR. _____: In either the OTA evaluation or what
2 you've done, has anybody looked at the volution of these plan. They're
3 not fixed in concrete. They are supposed to be -- some of them are
4 required to be updated. Then someone is supposed to review the update
5 each year and sign off. Is that part of what OTA is going to be
6 looking at.

7 MR. LARESCHE: GAO.

8 MR. _____: I mean GAO.

9 MR. LARESCHE: Yes.

10 MR. _____: To the best of my knowledge, obviously
11 the thing had just started when I was in touch with them earlier, but
12 my impression is that they were real close covered.

13 MR. LARESCHE: As part of our NTSB work, we looked at the
14 evolution of the State's plan. That is one that's revised, I believe,
15 every two or three years. That basically has been a long series of
16 debates and of threats from the other side, basically. That's another
17 thing that struck me during this whole review is that people, of
18 course, accuse the State of well it's your fault because you didn't
19 enforce your contingency plan. That's akin to a drunk driver saying if
20 you had busted me before I never would have done it. But, the fact of
21 the matter is, the State as we sit here now has only one lever to use
22 to force improvements in this contingency plan, other than job owning,
23 but singularly ineffective. And that lever is extreme. I mean it's
23 the newt, shut down the pipeline if you don't like our contingency
25 plan. Now that's hardly a threat to base regulation on, cause we all

1 know that the state, economically, couldn't afford to do that very long
2 and probably, pragmatically, it would last about three hours before
3 federal court issued an order saying you've got to open the thing up.
4 This is interstate commerce. The State has no conventional warfare
5 weapons to force a better contingency plan.

6 MR. _____: How many years now is the DEC/EPA/Alyeska
7 debate on the ballast water treatment gone on? A long time, four or
8 five years. And neither Federal nor State seems to have what it takes
9 to move Alyeska. Mike.

10 MR. HERZ: I was under the impression that the state has the
11 authority to call either announced or unannounced drills. And that
12 under that authority the state can require improvements, changes,
13 modifications, whatever, additional equipment, if in fact the respons-
14 es, the drills do not prove out the capacity that is claimed on paper.
15 And it's also my understanding that there has not been a drill there
16 for like three years. But it seems to me that there is a lever that is
17 not as extreme as closing them down. There's a feedback system that's
18 built into the review process and the authority does reside -- the
19 Coast Guard has the authority to call drills. The State has the
20 authority to call drills. MMS has the authority to call drills, on not
21 that platform, I mean a net facility, but they do on other facilities.

22 MR. LARESCHE: Yeah, but a drill is simply the signal to begin
23 the negotiation on changes. And we don't have the authority -- I'm not
23 the definitive person on this, I mean you've got to read the statutes
25 and talk to Dennis Kelso. But, we don't have the authority to say,

1 well you failed the drill because you didn't do this so now you have to
2 buy three more skimmers. We have to encourage them to improve and if
3 they say no, we don't feel like it, our sole remedy is shutting down
4 the pipeline. One way or another that has to be changed.

5 MS. WUNNICKE: It's almost like health inspections. It's just
6 that shutting down the pipeline is a lot more drastic than closing a
7 restaurant.

8 MR. LARESCHE: Right. And, in point of fact, you're wrong
9 about no drills in three years. There was one last fall as I recall
10 and more important in DEC's mind is there was a 1,700 barrel spill at
11 the terminal in January and -- that's your best drill is a natural
12 response. And they responded reasonably well to that, which led DEC to
13 figure they had completed a drill successfully.

14 MR. WENK: I think that brings out some of the things we need
15 to look at on all spill responses including equipment. Historically it
16 has been harbour-oriented to handle both accidental and operational
17 spills and -- Iorocy (ph) in his testimonies, I heard it over the
18 television, is being at least honest when he said he really never
19 intended for any of this stuff to work on a major spill.

20 MR. LARESCHE: Right. But the fact is Iorocy (ph) and his
21 company never intended to even use any of that stuff because that was
22 Alyeska's stuff. Exxon Pipeline Company is the holder of the lease.
23 Exxon Shipping Company never saw that plan. They had their own. And
23 the two never got together somewhere in the border. That's another
25 problem. A couple more points on this. Actually, that was one of the

1 points. Letting all these various different companies come in under
2 the Alyeska plans, which Exxon Shipping had admittedly never reviewed,
3 is -- in the real world it doesn't make any sense. Maybe they each
4 should have to have their plan that DEC has to approve. Or maybe they,
5 all the shippers should, at the very least, have to sign off and
6 certify that this is the plan they're going to use in the event. There
7 was a handoff, as they euphemistically call it, between Alyeska and
8 Exxon Shipping which, as best we can determine, occurred anywhere from
9 the 15th to the 36th hour, but nobody knows. The Alyeska guy says,
10 well I knew Exxon was going to take it over. I said how'd you know
11 that, what paper passed between you? Well, none. Did he tell you on
12 the phone? No, but I can tell from his tone that they intended to do
13 it. So Alyeska just sat there waiting for Exxon Shipping to do it.
14 Exxon Shipping was totally unprepared for this specific area. They had
15 no benefit of the twelve years of contingency planning for Prince
16 William Sound. And so the relationship between Alyeska and the ship-
17 ping company that was using their plan is very nebulous, but the
18 Alyeska person, who we cross-examined -- it was very clear in his
19 testimony that he was going to do anything Exxon told him to do.
20 Again, Alyeska doesn't think of themselves as any force in this area.
21 And finally, the person from Alyeska said, on the witness stand, well
22 this is only a contingency plan. You can't expect it to work in the
23 real world. What else can I say?

23 MR. _____: You didn't.
25

1 MR. LARESCHE: Well, I certainly didn't, but that attitude is
2 just right throughout the whole operation. In fact, even Frank Iorocy
3 (ph), who's a very bright man, he keeps saying no force on earth could
4 have cleaned this up. Not true. We prepared tables and graphs that
5 shows if they had -- if their contingency plan had been followed and
6 their skimmers had cleaned up exactly what they represented they would
7 in the plan, this whole thing, theoretically, would have been gone
8 before the winds came up, after 72 hours.

9 MR. WENK: Two things the oil industry does best is find oil
10 and develop the pumps to move it. If you can pump into vessels at
11 200,000 gallons an hour, you can pump it out of the water at the same
12 rate if you so choose.

13 MR. LARESCHE: The other thing that I hope you'll keep in mind,
14 and I'm sure you will, is this spill happened under ideal conditions.
15 Conditions that probably occur less than 5% of the time in that area.
16 It was flat calm, basically. Winds under 15 knots, for 70 odd hours,
17 65-72 hours. The spill was still totally containable for three days
18 which makes it even more of a tragedy that they didn't contain it
19 mechanically. But the fact is, if this ever does happen again, the
20 odds are great that they're going to be waves and there's no way even
21 the best equipment could take care of it. So don't focus just on these
22 conditions, because they're not normal.

23 MR. _____: If there had been available, boom to
23 contain the spill during that calm period, is there any capability that
25 could have recovered the contained oil before the conditions changed?

1 MR. LARESCHE: You mean was there capability available?
2 MR. _____: Yes.
3 MR. LARESCHE: Well, they didn't make 'em available. But in
4 the contingency plan -- what the contingency plan was they had two or
5 three, I forget the name of these machines, but they had three separate
6 types of skimmers that were supposedly at the terminal, ready to reach
7 the site in five hours. As far as I'm aware, they got one of them
8 there in 14 hours.
9 MR. _____: An ARCO class 7, class 5 and 5 vicominal
10 (ph) sea pack.
11 MR. LARESCHE: And then -- in previous contingency plans they
12 envision shipping the skimmers that they have at each pump station to
13 the terminal site immediately on something like this happening. I
14 forget the total -- we have a real interesting graphic which I'll also
15 provide you. But basically, those had a total of so many thousand
16 barrels an hour. I think it was 6,800 more or less in the aggregant.
17 Theoretically, if they would have boomed off the leading edge of the
18 slick, which they never did, these things could have sucked up 240,000
19 barrels before the wind came up.
20 MR. WENK: They did move, get the skimmers from the pump
21 station?
22 MR. LARESCHE: I don't believe they ever did. I think before
23 they did that Exxon had taken over and was shipping stuff in from
23 London and all this kind of stuff.
25

1 MR. _____: I want to ask a question about a spot-
2 light you might throw on the federal responsibilities, both the na-
3 tional and regional, and forgive me if I take two minutes to put a
4 little background to this, but it might be interesting quoting that.
5 The first oil spill episode to catch the public interest was the Torey
6 Canyon wreck in March, 1967; then Ocean Eagle off Puerto Rico; Wet
7 Water off Panama, Yukon and Cook Inlet. Federal government's reaction
8 announced by President Johnson on June 7, 1968, was the formulation of
9 a contingency plan so as to have a stand by capability to contain and
10 clean up spills. I was the author of that in the White House. To go
11 on and read some more. The point however is the philosophy behind
12 that, based on some pretty careful observations, was that you had no
13 more than 10 hours to really respond and, though this was not written
14 into it, the understanding was that if the spiller did not respond in
15 10 hours, the federal government would. That was put in writing.
16 That's 21 years ago. I haven't had any reason to track it ever since.
17 But, what is your view about federal government's prescribed, even
18 mandated, responsibility, because subsequent to this there was federal
19 legislation passed to give the Coast Guard additional authority. I
20 want to mention here, this is an old book about different issues that
21 were raised by 1971. What's your view.

22 MR. LARESCHE: Several things. First of all, there's a lot of
23 confusion. There was at the hearings. There is in everyone's mind,
23 about what response means. Exxon's response, frankly, at one level was
25 outstanding. They ran through their contingency plan, which is a phone

1 book, basically. They got everybody there. They got stuff on planes
2 in London. I mean, dynamite management. That's response, institu-
3 tionally. But, their response and Alyeska's response, physically on
4 the ground with the oil was just abysmal. And people keep confusing
5 these things. Alyeska almost feels that they responded properly
6 because they called all the right people on the phone list. So,
7 somehow, it has to be drummed into whomever is responsible, that
8 response doesn't mean getting your interstructure set up, but it means
9 making it work. The federal government's response, similarly, was very
10 good at that level. The Coast Guard did a great at getting a regional
11 response team set up. They had all the meetings and they were -- they
12 approved dispersants. They did everything, really, that they were
13 required to do and that they should have done. But nobody came to this
14 well organized party with a skimmer, until it was too late. Now, in
15 terms of what you read implies, it's federal physical assumption of the
16 responsibility. Certainly in this instance, and I expect every where
17 else, there's no way, practically, that can happen. Paul Yosta said,
18 and Exxon has agreed, and I have no reason to doubt it, that had the
19 Coast Guard taken over early, there would have been a huge delay over
20 what actually happened of actually getting that equipment there. I
21 mean, the Coast Guard doesn't have the fund for this. They don't have
22 procurement authority to just go out and buy stuff. In the instance of
23 getting things to the site, the private corporation is much more
23 capable of doing that quickly than a government agency is. Unless the
25

1 government agency happens to have this stuff stockpiled in every
2 possible port.

3 MR. _____: If I may comment just very briefly. It
4 was never considered that the Coast Guard would have all the equipment.
5 What the plan expected them to know -- to inventory what was
6 commercially available in the area. When they were challenged to do
7 this, they said we can do that easily and we shall do it, but we don't
8 have any money to go out and get this equipment on an emergency basis.
9 Congress passed a fund to make that possible and my recollection is
10 about \$26 million which was to be reimbursed by taxing the spillers.
11 The last I heard about this a week ago is that the fund is down to \$3
12 million. Nobody has bothered to reconstitute it nor has the Coast Guard
13 complained about the lack of money. So, I understand your points
14 absolutely. The only thing I want to make clear is that, historically,
15 no one ever thought the Coast Guard would have the containment mitiga-
16 tion equipment themselves. It was having an up-to-date and rehearsed
17 plan, using all the facilities which were in each of the regional
18 areas.

19 MR. LARESCHE: Right. And that, essentially, is what the state
20 required of Alyeska with the results that everyone knows.

21 MR. _____: But, it seems to me, consistent with the
22 things you were talking about yesterday, that some of those things that
23 were required were required relative to a facility. So that, had the
23 spill occurred at the dock, at the loading pier at the terminal, then
25 that would have triggered some required steps and response times that

1 you were talking about are keyed to facilities. Where it starts to get
2 muddier here is when you get away from the facility and you get into
3 this patchwork as you described it yesterday where whose authority it
4 is, whose responsibility it is; whose contingency plan is controlling
5 the situation is unclear and not very well defined and I think that's
6 an area where we need to focus a lot of our attention, because there
7 are some huge loop holes there.

8 MR. LARESCHE: Absolutely. Excuse me a minute John. The State
9 contingency plan -- Alyeska's contingency plan is required by the
10 State. It took 10 or 11 years, but the DEC was finally able to get
11 them to include a scenario of a spill out in the middle of the Sound.
12 Of course, every time over the years the State approached Alyeska on
13 that they say you don't have jurisdiction out there, don't bother us.
14 But they finally beat them into coming up with this contingency plan.
15 And, incredibly, the scenario for this spill in the Sound, almost
16 exactly matched the actual incident. But, that's where federal pre-
17 emption and whether or not the State has the right to force Alyeska to
18 even plan for such a thing, that really is muddy and in the end I think
19 that led to this confusion over who was responsible from minute one.
20 Alyeska clearly, by their testimony, never intended to be responsible
21 for this. They just wrote out the scenario as a sop to get DEC off
22 their back. But they never intended it would never be needed or work.

23 MR. _____: The State issued the Alyeska terminal a
23 permit to operate. That permit is facility related, that's my point,
25

1 and there is no permit process for the open water that isn't attached
2 to a platform or a terminal.

3 MR. LARESCHE: Right.

4 MS. WUNNICKE: It's a matter of judgement.

5 MR. LARESCHE: DEC was able to stretch the pipeline permit out
6 into the sound on this scenario. But clearly, after the fact, it was
7 just a sham exercise in Alyeska's mind. Although the State, I feel,
8 clearly put too much prudence in that. Basically they believed that
9 they would do this, more than just write it down.

10 MR. _____: On the federal, from my calling around
11 the region to various colleagues, I get the sense that the Gulf response
12 team, which also handles the Atlantic now, federal team, and run by the
13 Coast Guard and the Pacific response are both much stronger organiza-
14 tions and elements, of course -- the Pacific Response Team eventually
15 showed up in Prince William Sound. Do you have any feel on that as to
16 whether the federal response is better in the gulf along the Atlantic
17 than here.

18 MR. HERZ: The experience I've seen with the Pacific Strike
19 Team as the federal team is that in California, their response has been
20 pretty quick to textbook. They have a -- the co-ops each have a
21 contract with a DEC employer who operates out of someplace in south-
22 west, that has within four hours to be on-site, full loaded, prepared
23 to carry dispersant. The Strike Team, which is headquartered in Wonega
23 Bay (ph), north of San Francisco, is supposed to be able to be
25

1 (indiscernible) within like 12, I think. But what was the timeframe
2 before they got up here. Was it a full day?

3 MR. LARESCHE: You mean, the dispersant?

4 MR. _____: Not the dispersant, but the Pacific
5 Strike Team itself, with some of their equipment.

6 MR. LARESCHE: I don't know. Oh, another thing I have that was
7 given me the other day.

8 MR. _____: It would be the Atlantic Strike Team.

9 MS. WUNNICKE: With equipment.

10 MR. _____: Pacific people were up here. Others came
11 from the Atlantic too.

12 MR. LARESCHE: I mean this, apparently, works both ways.
13 They're are several people in DEC who've gotten commendations for
14 helping people in other spills. But I also have a real thorough
15 chronology submitted to me by Exxon of everything that happened, I
16 think the first five or six days. And you'll find that useful, I
17 think.

18 MR. _____: Mr. Chairman. Bob, one of the things
19 that's going on of your coordination of everybody who's doing every-
20 thing on this. In terms of getting into this issue -- and that's a
21 case study I guess on, you know, from the date and time of the ground-
22 ing forward to some other time may be somewhat useful in discovering
23 what worked, what didn't work in terms of coming up with recommenda-
23 tions. Is there any other entity in state, federal, local, government
25 working on this aspect of it. We know the GAO thing is grinding away

1 on the contingency plan aspect. I know there's a lot of state agency
2 people running around doing things.

3 MR. LARESCHE: Not to my knowledge, and again, talk to Denny
4 Kelso, because they.....

5 (Off the Record)

6 (Tape Changed)

7 (Tape #1 - 06/07/89 - Side B)

8 (On the Record)

9 MR. _____:by this statement, I think that the
10 Puget Sound Community is keenly interested in what's happening up here.
11 Interest there goes through a saw tooth. Every time there's an emer-
12 gency spill, small or large, there is instant response, but it decays
13 very fast. I think the Puget Sound is just lucky it didn't happen
14 there. It could have. From the point of view of congressional sup-
15 port, there's no doubt about Senator Adams, I think Senator Gordon also
16 will have an interest. On the House side, John Miller, who comes from
17 the Seattle district, has held meetings twice with regard to Maritime
18 safety in Puget Sound though aimed largely at the question of ferry
19 safety. But you can't look at just one class of ships without looking
20 at the whole thing, all of the traffic in Puget Sound. And my impres-
21 sion is that there's going to be a terrific appetite down there for the
22 amount of information you produce.

23 MR. LARESCHE: The other side of that, is of course, state
23 legislation. There was a lot passed real quickly at the end of this
25 session, which hopefully you have a list of because I can't even

1 remember it all. Mike Harmon was involved in a lot of this as an aid
2 to the President of the Senate, but it strikes me, with just a little
3 knowledge of that stuff, that a lot of it is very useful. Most of it
4 probably could use some fine tuning and some of it's probably flat
5 missing, but I don't know what topics to put in each of those catego-
6 ries. And certainly one thing that the Legislature, and I think the
7 Governor, really wants specifically from your group is recommendation
8 for State legislation. A lot of that was passed just frankly because
9 people felt we better take what we can get now because it was coming
10 from a lot of industry oriented legislators. But, I'm sure, at the
11 very least, it could use fine tuning. That's about it, other than to
12 say I'll send whomever -- run through your office, Walt or where should
13 I send these sheaves of paper.

14 MR. PARKER: I think that probably the Governor's office here
15 would be the place to send them, for now, until we get our quarters set
16 up.

17 MR. LARESCHE: Okay. I'll just send down everything I've
18 mentioned.

19 MS. WUNNICKE: Chronologies that you mentioned?

20 MR. LARESCHE: Yeah. The chronology, the NTSB official record,
21 our background on the manning and personnel management questions,
22 Exxon's chronology and so on.

23 MS. WUNNICKE: Skinner/Riley report.

23 MR. LARESCHE: Skinner/Riley report. All that stuff is now
25 over with Fred Varness (ph). But I will ask him to forward copies.

1 MS. WUNNICKE: Mr. Chairman, if it's things of many volumes,
2 perhaps the most efficient way to handle that would be to just know
3 where they're located and have access for review. I wouldn't want to
4 burden Mr. Laresche's office or anyone else with duplicating of that
5 magnitude.

6 MR. PARKER: And also, the Governor's office here probably
7 doesn't have unlimited space.

8 MS. _____: I'm thinking of the contingency plans.

9 MR. LARESCHE: The contingency plan is the relevant parts
10 unless you're going to look at the pipeline, which maybe you are. The
11 pipeline includes about that much paper. The relevant parts to this
12 accident, the Prince William Sound and terminal in general are only two
13 to three hundred pages.

14 MS. WUNNICKE: So, we'll say relevant parts.

15 MR. LARESCHE: But, in point of fact, we have a hard time
16 getting our copy of that to use for the NTSB, which kind of shows how
17 readily available it was to Exxon shipping. There are also personnel
18 resources, which certainly every body in any department that you want
19 to talk to we can arrange that without having to go through a lot of
20 rigamarole. We used Randy Balis (ph), who many of you probably know,
21 who was the DEC person in Valdez for the first 8 or 9 years. He's a
22 consultant now and I'm not pitching him or anything, but he was our
23 assistant throughout the whole NTSB. So there's a good resource for
23 you to start with. Captain Kelly Mitchell, who's the port captain for
25 the Alaska Marine Highway System also was involved with the initial

1 NTSB investigatory team and worked with us throughout the NTSB hear-
2 ings. He's a real genuine expert on navigation and all the stuff that
3 happens on the ship and we'd be happy to make him available to you when
4 you start thinking about things like that. I also have received
5 several cold proposals, unsolicited proposals, to do some of the things
6 you've been talking about -- look at how the other states organize
7 these things and compare it to ours and this kind of stuff. Basically,
8 I'll make those available to the chairman, first before we deal with
9 any of those people.

10 MR. WENK: My question is already been touched on a little bit
11 by your comments of existing staff. I wonder if you could outline for
12 us where you'd go from here and the extent to which any of the people
13 that are currently assigned to this activity might be available on a
14 continuous basis to the Commission so as to gain the benefit of -- just
15 like your first hand experience there must be some others people. You
16 mentioned Capt. Mitchell, though I imagine he's got other duties.
17 Could you comment on what your office is going to do here on out and
18 the extent to which, at a minimum, coordination with your staff, and
19 this staff and Commission staff could be achieved?

20 MR. LARESCHE: Certainly, we can be available any time to
21 answer questions, point you in the right direction, give you whatever
22 documents we know about. But, our primary jobs, the next few months
23 anyway, are going to be first of all ensuring that everything that has
23 to be done in the wake of the spill, if you will, gets done properly,
25 that nothing gets done twice. That we recover actual costs from Exxon.

1 Basically, what we're concentrating on now is getting all the depart-
2 ments' budgets for the next six months under our wing and being sure
3 that the Attorney General, that the State's liability claim, of course,
4 is one of the two driving factors. The other being getting it cleaned
5 up as well as possible. But, at any rate, being sure the departments
6 know what each other is doing at this time. There's that. Our second
7 major responsibility is being a presence in the communities, almost an
8 ombudspersons in each of the major, five larger affected communities.
9 And through those people we'll get, I'm sure, hundreds of comments as
10 to what Exxon's doing wrong, what the DEC's doing wrong, what fish and
11 Game's doing wrong, etc. So we'll be the State's main point of contact
12 with the fishing groups, private individuals and communities. And then
13 the other side of that is we have a single point contact with Exxon, a
14 person who I'll be dealing with regularly to pass these things back and
15 forth, encourage them to do this, tell them to do that and this sort of
16 thing. That's basically what we're going to have to concentrate on at
17 least through the summer. We won't have any time to do any investiga-
18 tion ourselves, with the exception of finishing off the NTSB hearing.
19 But we will have people who know what's going on on a day-to-day basis
20 and you're welcome and encouraged to ask for their use whenever possi-
21 ble. As far as having somebody be part-time staff to this Commission,
22 I just can't afford that.

23 MR. _____: I think, Mr. Chairman, that perhaps we
23 could -- one of the things we talked about yesterday was a hotline to
25 the Commission or something and maybe what Bob's office is already

1 doing is providing that service that we wouldn't have to focus so much
2 on that ourselves. If those comments or if people could be assured
3 that the hotline, the calls come in, I don't know how you're recording
4 them or data-basing them or responding to them, that if they wanted
5 them passed on to the Commission that that would happen. That would
6 save us from having the expense of an 800 number and a staffing of a
7 phone to.....

8 MR. LARESCHE: I think that's very good. I'll sort of put you
9 in the same category as other State agencies. We're not presuming to
10 do the job of any State agency, we're just presuming to inform them
11 that these people here are worried about that. And basically, I think
12 that's very good. The Commission could publicize that if you have
13 anything for the Commission just call one of these six numbers which we
14 have around the state.

15 MS. HAYES: How does it actually work. There's a person, an
16 office in each community?

17 MR. LARESCHE: It hasn't worked at all yet, Meg.

18 MS. HAYES: Oh, this is prospective.

19 MR. LARESCHE: But when Harmon and I finish tomorrow, there
20 will be an office in each of the five communities: Valdez, Cordova,
21 Homer, Seward and Kodiak. There'll be a person -- I don't know where
22 he's going to live, but he's going to be basically visiting all the
23 communities regularly and trying to deal with day to day things insofar
24 as they can be dealt with on the scene. And then in Juneau, there's
25 going to be myself, a person who's basically the legal and economic

1 person, a person who's in charge of the community, of these people in
2 the communities and getting all their information request, gripes,
3 together and make sure they're answered; an environmental sciences
4 person who will mostly funnel things to DEC and a biological sciences
5 person who will be dealing mostly with fish and game and their damage
6 assessment. Basically, I've asked all the cabinet members to give me
7 their concerns every week at a certain time, preparatory to my physical
8 meeting with the Exxon person in charge. We have one other person,
9 who's an administration and budgeting person and we're going to run all
10 these tens of millions of dollars through our office to Exxon, so we'll
11 be doing all the accounting. This, in the end, will serve as a basis
12 for the legal claims. Every cent that the State spends on this will
13 have gone through us one way or another.

14 MR. SUND: Just on that point, Mr. Chairman. I think it's a
15 good service the Commission can use. I'd also like to not make it a
16 total, the only way anybody can get ahold of the Commission and we're
17 on an independent entity too, but it would help us be able to gather
18 data on a lot more comprehensive basis rather than us setting up the
19 same type of system to go side-by-side with that.

20 MR. LARESCHE: Frankly, you will -- in fact, I've got notes
21 scattered around which I'll try to put together for you. We got
22 several calls during the NTSB meeting about somebody who still works
23 for Alyeska on a pump station, so you can't say who it is, but he was
23 on the initial response team and got moved off and he knows all this
25 information. Certainly, those people will contact you. I've no doubt

1 in my mind. Balis knows a lot of those people. Basically, most of
2 the, all the calls we get nowadays don't have anything to do with the
3 accident or the initial response. They're people who say that fish and
4 game going to screw up the fishing openings, or on beach X, a thousand
5 barrels escaped from the boom after they cleaned the beach and what are
6 we going to do about it; that kind of stuff. They're current events
7 more than.....

8 MR. _____: I think as we go along we'll also find
9 there's some things it's going to be difficult for us to deal with
10 because of regulatory shortfalls or statutory shortfalls. And those
11 are the kinds of thing we can let the Commission know about for your
12 recommendations.

13 MS. WUNNICKE: Mr. Chairman, another thing too that we've
14 talked about, in terms of public participation with this body. We
15 think that's very important and very important that we certainly
16 involve these communities as well as the rest of the state. But,
17 anything that comes through your office, not only of what went wrong,
18 but anything that comes through your office of suggestions of how to do
19 better or how to cure the problem.

20 MR. LARESCHE: We're getting a lot of proposals from people who
21 want us to pay them to tell us that. Certainly, we'll pass those on.
22 But, you know, just -- quite humanly, most of the stuff we're getting
23 is the background noise you get whenever any big construction project
23 or anything's going on. Even if it'd been planned for 5 years, you've
25 still got 15% of the people complaining that its a disorganized mess.

1 You've got about 50% in this case, but, I mean, a lot of them are small
2 things. A lot of them are from people who didn't get the contract with
3 Exxon that VECO got, so they want to tell us what's wrong. They come
4 from people who have a dispersant or a boom design which Exxon has
5 chosen not to use. That kind of stuff. Which is important, but as I
6 say, it's current events and its not going to be too helpful to you.

7 MR. _____: Mr. Chairman, that brings up another
8 point I'd like to put down for our legal research issue and that is
9 where the Commission stands in regard to confidentiality of information
10 provided to the Commission. I'm kind of under the point of view that
11 we're under Freedom of Information Act, but.....

12 MR. LARESCHE: Mr. Chairman, can I come back in 30 seconds?

13 MR. PARKER: Sure. Anybody else want to stretch?

14 (off the record)

15 (on the record)

16 MR. _____: Mr. Chairman, I was just interested in
17 what everybody else in the state is doing on this. We have basically
18 five months and a couple of hundred thousand dollars to work on this
19 and I think the Commission needs to get focused on some of the things
20 we can do that other people in other entities cannot do or are not
21 capable of doing and also keep in mind that we want to produce a
22 document or recommendations or something that will help either prevent
23 these things from happening, or, if they do happen, get some better
23 coordination of how to take care of them in place than what happened
25 here. That's just -- I think the difficulty we had yesterday wrestling

1 around with it and throwing ideas at the Board how to get this thing
2 categorized. So I've got a great deal of difficulty trying to figure
3 it out. About two weeks now and I still don't have it -- I used to
4 pride myself on my ability to put things into categories and get an
5 awesome work plan figured out. I put things in little boxes, but I've
6 had a real hard time with this one so far. Any comments that Bob has
7 to get us down to trail here would help.

8 MR. LARESCHE: I'm not happy with this categorization myself,
9 because the whole thing is so intertwined, but basically I look at it
10 as five or six boxes, one of which is basically your tanker box which
11 has several little ones inside: manning, construction and equipment,
12 and Coast Guard VTS navigational type questions. But a box you better
13 look at before you worry too much about that is the State's authori-
14 ty/federal preemption box which covers the whole thing. The third one,
15 and I personally think its the most important one, is the contingency
16 planning and response box. And I would hope that this Commission has
17 the wherewithall and energy to look at that from the ground up. The
18 plans we have, what Riley and Skinner described have just evolved, been
19 added to. It's clearly demonstrated the Rube Goldberg construction of
20 a lot of good ideas that have kind of persistence, but basically in the
21 end didn't work in this instance. So basically, keeping in mind
22 whatever you discover on federal and state roles designed the way it
23 ought to be from the ground up. Personally, I think that's the great-
23 est contribution this group can make. Looking at management more than
25 anything. Looking at technology only to the extent that you define

1 what technology's lacking and has to be created. That would be my
2 suggestions, sir.

3 MR. PARKER: I was happy to hear your earlier comments on
4 marine and manning deficiencies following the United States role in
5 seeking double bottoms and other improvements of the ships in '73 and
6 '78. The International Maritime Organization has been well defined and
7 written about. Our failure at the IMO to, on upgrading crewing and
8 manning standards has been not so well written up. It seems to have
9 really, you've said, bogged down between the interplay, the team, the
10 Coast Guard, the Maritime administration, unions and industry. There's
11 an element there that certainly needs spurring and I, early on, iden-
12 tified that as an area that, probably, more input would be the most
13 cost-effective and getting back in crew safety and what input you put
14 into it. I certainly am looking for people who have some contributions
15 to make in that particular area, beginning right with the Maritime
16 Academies and so forth on up through the industry programs.

17 MR. LARESCHE: I would suggest on that one -- you probably know
18 those people. First of all, I'd caution that this is a very emotional
19 and politicized issue already in its own subculture. This is a union
20 busting type deal, basically. At least in the minds of the unions.
21 However, I got most of my knowledge on this and most of my best infor-
22 mation from the people at Master, Mates and Pilots back in my tags
23 involved more. We went out and ran their simulator. We hit the reef
23 too, by the way. Those guys have provided a lot of the background.
25 Now, you've got to create your own grain of salt, but those people know

1 it thoroughly. In fact, Bob Elson's in there. He's sitting on various
2 federal commissions dealing with manning already. And they're very
3 eager to be consulted, so I'd start there. That's not going to cost
4 you.

5 MR. PARKER: Yeah, we've worked with them in the past and they
6 were just getting their simulator up when we did the Valdez simulation.
7 We weren't able to use it then, but that -- they have the desire.
8 We'll certainly do what we can to help them in their efforts because
9 it's -- we're such a far spread industry that seems to be the only real
10 intellectual focus at the moment.

11 MR. LARESCHE: That's the way I see it. There's another
12 bizarre situation and that has to do with pilotage. And incidentally,
13 when you start thinking about pilotage, be sure you deal closely with
14 the Alaska Pilots. It's a wonderful bunch. This Ed Murphy fellow who
15 had the misfortune of being the one that piloted the Valdez out, he's
16 the best there is. He knows what he's doing. But, the way the Coast
17 Guard regulations now are, as near as I can discover from the NTSB
18 stuff, someone at the con of an American bottom, an American license
19 vessel, whatever the proper term is, in Prince William Sound is re-
20 quired to have a Prince William Sound pilotage endorsement. It's
21 arguable how far out of the Sound he needs it, but its pretty clear to
22 me he does. Whereas, some Liberian operation can come in and the guy
23 doesn't have to have the pilotage endorsement. It's just totally
23 backwards. I'm sure NTSB going to have a lot to say about that, but
25 you might check that one out.

1 MR. _____: Have to have a pilot on board.....
2 MR. _____: Foreign flag vessels don't have to carry
3 a license of Alaskan pilot if they're.....
4 MR. LARESCHE: They have to carry a pilot from the pilot
5 station on it.
6 MR. _____: Where is the pilot station?
7 MR. LARESCHE: The pilot station now is just south of Bligh
8 Reef. Previously, it was north of Bligh Reef, which is where Ed Murphy
9 got off.
10 MR. _____: But that's arbitrary and influencable by
11 a variety of different things. That's captain of the port jurisdic-
12 tion, right?
13 MR. LARESCHE: That's right. And the reason -- the pilot
14 station was at Hinchinbrook previously. They apparently sank a pilot
15 vessel and damn near killed a pilot in heavy seas moving him, so they
16 moved it up north, which was probably the right thing to do at the
17 time.
18 MR. _____: One of the questions, it seems to me, is
19 whether a certified, an Alaskan pilot who's certified for whatever
20 waters their in, should be on every tanker regardless of U.S. or.....
21 MR. LARESCHE: That's what I'm saying.
22 MR. _____: Oh, they are, from the point of station,
23 in.
23 MR. LARESCHE: Yeah, but I feel they should be from
25 Hinchinbrook in. On an American bottom, any body at the con within

1 Prince William Sound, defined as Hinchinbrook north, is required to
2 have this endorsement on his license for Prince William Sound.

3 MS. WUNNICKE: Sounds like two different things.

4 MR. _____: I'm saying, presumably.....

5 MR. LARESCHE: Everybody regardless of nationality is required
6 to take on the Alaska licensed pilot at the pilot station.

7 MR. _____: But, presumably, Smallwood was qualified,
8 had that endorsement on his license.

9 MR. LARESCHE: Hazelwood did.

10 MR. _____: I mean Hazelwood.

11 MR. LARESCHE: No one else on the vessel did. So Hazelwood
12 was, by Exxon policy, by Federal regulation, the only qualified.....

13 MS. WUNNICKE: Tthe only one qualified in Prince William Sound.

14 MR. LARESCHE:to be at the con in Prince William Sound.
15 But he wasn't.

16 MR. _____: But, if it had been a foreign bottom
17 ship, the guy wouldn't have to have the.....

18 MR. LARESCHE: That's right. In those waters at that time.

19 MR. _____: That's because the pilot would be on
20 independent.

21 MR. LARESCHE: No.

22 MR. _____: The pilot would be off too, from the
23 pilot station out.

23 MR. _____: Mr. Chairman, just a question to follow
25 that up. I was able to follow little fragments of the hearing, where I

1 first saw you, through that PBS summary, five hours of five days.
2 Somebody, some time mentioned that the Coast Guard changed their
3 regulations with regard to this endorsement in 1986 so that indeed it
4 wasn't required as it had been previously. Is that a fact?

5 MR. LARESCHE: It's a fact that Mr. Hazelwood's attorney
6 mentioned that frequently on the news.....

7 MR. _____: Yes.

8 MR. LARESCHE:But it's not a fact that it's true.

9 MR. _____: Okay.

10 MR. _____: You have not addressed, I don't think,
11 the issue of the vessel tracking system radar. I'm confused about
12 whether or not -- what the range of that radar is and whether in fact
13 what happened in Bligh Reef was just at the outer edge or whether
14 that's an issue in terms of.....

15 MR. LARESCHE: Well, people want to make it an issue, but
16 before I would make it an issue I'd decide what difference it would
17 have made if they knew exactly where they were. Could the Coast Guard
18 guy sitting in the dark room have done anything to change what the
19 fellow on the bridge did? But the fact of the matter is the Coast
20 Guard radar is pretty shabby. I fully believe that the Exxon Valdez
21 was not discernible on that radar this night.

22 MR. _____: Mr. Chairman, just a little bit broaden-
23 ing the scope beyond here. We've talked a little bit here of one of
23 the charges here is regarding discharge of large oil spills, not
25 necessarily Prince William Sound oil spills, and contingency planning

1 and I bring up the fact that the most heavily trafficked area of large
2 vessels is in Southeast with all the crew ships we have and all of the
3 tanker traffic and all the log ships and that. And that, when you have
4 a contingency plan you need to have a contingency plan for a large oil
5 spills which -- we may be able to focus on this when and say, this is
6 what is was. This is how it didn't work. This is how it should work.
7 And this is the new model, so to speak, that we should apply elsewhere.
8 And I'm just wondering from your point of whether you see in this
9 Commission of going beyond this. Just looking at what's the best
10 contingency plan for Prince William Sound.

11 MR. LARESCHE: Well, in general, I would hope that you can come
12 up with at least a managerial or organizational structure that would
13 work everywhere. That's basically why I tried to stress don't look
14 just at this accident even in Prince William Sound. It doesn't seem
15 likely to happen again in the same conditions, because those conditions
16 don't happen that often. I would hope that you'd be able to look at it
17 in the sense that the State or whoever you decide has the authority,
18 needs these for the following X number of specific areas in the state.
19 And you could probably pick them out. I mean, you've got Wrangell
20 Narrows, there's several places that it's much more likely to be a
21 problem than others.

22 MR. SUND: I guess my other point that I've brought up twice or
23 yesterday was, in this case we have Exxon with a deep pocket as a
23 liable party. What happens if the liable party is financially incapa-
25 ble or bankrupt to respond? It seems to me it's our charge to propose

1 a methodology or a method of dealing with that of either through state
2 funding, federal funding, pre-industry funding and one of the problems
3 you come up with is it's real easy to say I'll get a little tap, half a
4 penny on a barrel of oil or something, but I'm not sure that tapping
5 the oil coming out of the pipeline to build up the contingency fund to
6 respond to bankrupt liable parties helps in other parts of the State.
7 That's where we always run into this problem if you make it too steep,
8 you can't afford to run a crew ship, so to speak.

9 MR. LARESCHE: And that, I don't know the answer to that, but I
10 know as well that another avenue people are pursuing is strict, pre-
11 sumptive liability at a large level, \$50 a barrel or something.

12 MR. SUND: Yeah.

13 MR. LARESCHE: You spill it, you owe it type thing. Again,
14 that works for Exxon. It might work for BP and ARCO, but it doesn't
15 work for the guy with the Chevron bulk plant at Nikiski. So that's
16 another thing to keep in mind. I don't really know a good answer on
17 that. Mr. Chairman, there's one other thing I didn't mention, which
18 you might or might not want to get into. It's pretty clear to me that
19 Columbia Glacier had a lot to do with this accident as well. And, I
20 don't know, I haven't look at that stuff for years but there have been
21 a lot of studies done on it. And apparently, at least new knowledge to
22 me, was that you can't count on seeing ice even on the best radar.
23 That people in the past have, masters in the past, have wanted to wait
23 until daylight and sail under these conditions. For one reason or
25 another they haven't been allowed to do that.

1 MS. WUNNICKE: Would you expand on that, because that's a
2 question I've had.

3 MR. LARESCHE: All I really know is rumors, but I do know, for
4 example, that Hazelwood and the chief engineer, when they were drinking
5 in the bar in Valdez, discussed waiting until morning because there was
6 so damn much ice out there, which I think there was. The rumors I hear
7 is that if a Master sat on his vessel at the terminal for more than an
8 hour or so, saying I ain't going out there cause it's dark and there's
9 ice, he'd have a call from Houston or some place real quick. From some
10 junior bean towner saying get out of there 'cause we've got to load the
11 next one. Whether that's true or not I don't know, but it wouldn't
12 surprise me.

13 MR. _____: That is a major difference cause I
14 remember the years in Cook Inlet when ice conditions were bad.
15 Kachemak Bay would be full of tankers waiting to go to drift rivers.
16 So, the emphasis -- there does seem to have been a change in emphasis
17 in areas like that requirement to lessen the captain's operational
18 discretion.

19 MR. LARESCHE: Right. And I don't know if that's the only
20 answer to this ice. Presumably, had they had visual lookouts on the
21 bow of this vessel, hHad they slowed the thing down, instead of accel-
22 erating, which they were doing, they probably could have got through
23 this. It might be perfectly feasible to operate these vessels in ice
23 in the dark. I don't know that. But, ice has an, as yet, undefined
25 influence on them.

1 MS WUNNICKE: The question I raised yesterday was whether there
2 was -- and whoever has the go and no go decision as to when a tanker
3 leaves port, was there any systematic method by which they took into
4 account ice conditions, weather conditions, and so forth?

5 MR. LARESCHE: None, whatsoever to my knowledge. And in
6 addition, we're able to get this out of Frank Iorocy (ph), this is the
7 newest vessel in the fleet and there is absolute -- I asked him to tell
8 me what the design criteria for the vessel were. They didn't even
9 consider ice worthiness in designing this vessel for this trade. Of
10 course, you can guess what it was. Cost and speed, efficiency.

11 MS. HAYES: Thank you.

12 MR. LARESCHE: I mean, in the past, and certainly in the
13 airlines, the pilot or the master could move his ship or not at his
14 sole discretion. And apparently that's not the case in this fleet any
15 more.

16 MR. PARKER: Well, all pilots and masters always live with that
17 kind of pressure, that goes with the job, but sometimes it can be
18 applied certainly differently in different organizations. But, on the
19 ice -- it was one of those things that, at the time we began opera-
20 tions, was essentially left unresolved and suggestions were made for
21 how to handle the problem. A range of suggestions were made and
22 avoidance was of his chosen.

23 MR. LARESCHE: And the fact of the matter is, the mathematical
23 fact, now that they goosed the pipeline up to two million barrels a
25 day, they can't get it all out at that rate, if they only sail during

1 daylight hours. At the beginning we were figuring a million and a half
2 a day weren't we, Walt?

3 MR. PARKER: Yeah.

4 MR. LARESCHE: You know, that's the main reason for increasing
5 the size of the tankers in the Valdez trade is to accommodate pipeline
6 flow.

7 MR. SUND: That brings up my other point of going back to the
8 pipeline. I think the pipeline was designed to move 10 or 15 billion
9 barrels of oil at an X rate. That was the engineering design when it
10 was built and we're exceeding the flow rate and we're going to exceed
11 the volume of oil we're going to take through that pipeline. So, here
12 we're taking another piece of equipment and pushing it beyond its
13 design criteria. That's going to cause failure. So, unless there's a
14 contingency plan built in to deal with that.

15 MR. _____: Is there an estimated lifetime of the
16 production field that the pipeline is serving?

17 MR. PARKER: Yes.

18 MS. WUNNICKE: Yes, there is.

19 MR. PARKER: The state spends a lot of money as does the
20 industry. There's....

21 MS. WUNNICKE: As when the field declines and when the volume
22 declines.

23 MR. _____: You've got a couple of former chairmen of
23 the DNR here at the table that can tell you all that.

25 MR. _____: It is declining next year.

1 MS. WUNNICKE: Yes, it's supposed to.
2 MR. _____: They've been telling me that every year.
3 MR. _____: We're talking about amount of juice and
4 if the volume of juice being moved at one time is the basic issue that
5 is controlling some of these factors, it seems to me you could look at
6 a variety of different scenarios at what slowing down the rate and
7 extending the lifetime and what the implications of that are for all of
8 the systems that we're going to be talking about.
9 MR. LARESCHE: Basically, there's no way to do that under the
10 present legal setup. But there certainly is a way to require that they
11 put another loading berth at the terminal for example. They could have
12 more ships leave during daylight hours under that scenario. I mean,
13 it'd be wonderful. It would be fascinating. It's be a great academic
14 exercise to look at the whole system from the wells to the consumer,
15 but basically nothing would ever come of it.
16 MS. WUNNICKE: If there's not legal authority.
17 MR. _____: If, in fact, regulation were that they
18 could only sail during daylight hours, they would have the alternative
19 of adding capability to do it.
20 MR. LARESCHE: Right.
21 MR. _____: But in terms of safety and systems, this
22 is a different scenario than now exists. And what I'm suggesting is
23 the regulatory system does in fact -- there is the potential of using
23 the regulatory system as a design criteria for the safety side of the
25

1 situation which is what we're supposed to be -- one of the things we're
2 supposed to be looking at. Raising that as a possible.....

3 MR. WENK: I think the problem is unless you can convince this
4 president to re-instate energy as the same level that Carter had it and
5 make it somewhat more successful, you're not going to have the kind of
6 direction it would take to change the flow of the pipeline back to a
7 million and a half barrels a day in the interest of lengthening domes-
8 tic reserve times and that sort of thing. Once they see -- what the
9 great break through was when they invented the polimeers (ph) that they
10 put in the oil to make it slide faster, why they didn't have to build
11 additional pump stations to build it up to another 2 million barrels a
12 day. So, fundamentally no extra construction expense as they were able
13 to go from a million six to two million barrels a day, just by us-
14 ing.....

15 MR. _____: The guy that invented that polimeer (ph)
16 is now the President of Alyeska? is that true?

17 MR. _____: Beats the hell out of me.

18 MR. _____: And the decision was made by all of the
19 corporations, they industry served low from Prudhoe and associated
20 fields rather than to pump it out, which we had based on field conser-
21 vation people have not said this is bad practice, as least not to my
22 knowledge. Chatter and his people said it was bad practice.

23 MR. LARESCHE: The fact of the matter is the state hasn't done
23 an MER study since the first one. But the other complicating factor is
25 now there's oil pumping four or five fields.....

1 MR. _____: Yeah, we've got other fields coming in
2 now.
3 MR. LARESCHE:some of which if their production were
4 restricted probably would be sub-economic for a while.
5 MR. _____: I read about one today that is sub-eco-
6 nomic for another year.
7 MR. _____: Bay Tee field.
8 MS. _____: I don't know.
9 MR. _____: I never even heard of that field.
10 MR. _____: Well they couldn't have reduced
11 theirflow. Very shortly there's a big corrosion problem unless ade-
12 quate are removed from it.
13 MR. _____: They might reduce the flow to zero for a
14 while.
15 MR. _____: For a couple hours.
16 MR. _____: That story's about corrosion coming
17 around which would seem to have some credibility.
18 MR. _____: Back to the last issue. Bob brought up
19 the ice calving on impact. We didn't note that yesterday.
20 MR. _____: I don't know if it got on our board up
21 here.
22 MR. _____: It's a sub-set of one of those criteria
23 on the board and the impact that that would have. What's in the ball
23 game some place.
25

1 MR. LARESCHE: I think the ice is indicative of a lot of
2 attitudes that you can exert with the good with the bad, ground breaker
3 to the cause. Open up avenues and just general attitudes to ship
4 safety.

5 MR. _____: Plus, to me, philosophically, it's a
6 perfect example of something the university spent a lot of federal
7 dollars studying. They should warn each and all, almost like earth-
8 quake warning centers.....

9 MR. _____: No changes were made subsequent to those
10 studies.

11 MR. _____: As a matter of fact, the way IDC was
12 doing a study on that and Joe LaFale (ph) on the fate of burgen (ph)
13 bits and Exxon was supporting them and Exxon cut off the money. That
14 ended that.

15 MR. _____: Even if they had not cut off the mon-
16 ey.....

17 MR. _____: There wasn't any other authority. The
18 Coast Guard was anti-interested at all.

19 MR. _____: I mean, there's a lot of slip be-
20 tween.....

21 (Off the Record)

22 (Tape Changed)

23 (Tape #2 - 06/07/89 - Side A)

23 (On the Record)

25

1 MR. _____:any ideas as to what might happen if
2 they (indiscernible-cough) given our, the coincidence I think between
3 some of our goals and those provided in this legislation? Can we look
4 to them to move swiftly enough to provide the input?

5 MR. LARESCHE: Let me tell you more particularly what those
6 organizations are. The Advisory Commission is just as the name im-
7 plies. Basically its job is to give advice to the government in
8 general and the Science and Technology Foundation in particular as to
9 what areas of research could most profitably be pursued. So whether
10 they act quickly or not is really kind of irrelevant I think in this
11 case. The Science and Technical Foundation is, as its name implies, a
12 foundation and its in business to give grants for research. Its almost
13 that general. Certainly there could be -- and its specific into health
14 and human safety things as well as just your general hardware type
15 technology research. The Foundation -- now, I happen to be a member of
16 that foundation. We have \$6 million appropriated for grants from last
17 year, plus now \$34 million in the endowment, the earnings of which
18 we're allowed to use as grant money. So there's roughly \$8.5-9.5
19 million available for these technology grants over the next year. We
20 do have out a general solicitation for projects. We've received a
21 couple hundred so far. The Foundation has just hired an Executive
22 Director. We'll probably give our first grants within a month --
23 approve our first grants.

23 MS. WUNNICKE: Who's the director?

25 MR. LARESCHE: Pardon me?

1 MS. WUNNICKE: Who's the director?
2 MS. _____: John Severt (ph)
3 MR. _____: Severt (ph)
4 MR. LARESCHE: John Severt (ph).
5 MS. WUNNICKE: Oh, I knew that.
6 MR. LARESCHE: But in any event, what I think we'll do is come
7 out with a specific solicitation for cleanup technology development. I
8 suspect we've received several proposals to do just that already. The
9 Foundation doesn't operate on a fixed period of time to consider
10 certain types of grants, but rather just consider 'em on a revolving
11 basis with a cut off date for each consideration. So I would expect if
12 there are proposals that are worthy of funding, I suspect some of those
13 will be funded this calendar year, maybe as early as August or September.
14 Certainly, this Commission, once you come up with -- if you know
15 we had this kind of skimmer or this kind of pump we'd be way ahead of
16 the game. Tell the Foundation that immediately. Essentially, we could
17 even come up with a contract proposal that creates some of this.
18 MR. PARKER: I had a meeting with the chairman the other day.
19 I'd never met him so I went over and chatted a bit about things. I'd
20 like to welcome Senator Pat Pourchot, Alaska State Senate to the
21 audience.
22 MR. _____: Lunch.
23 MR. PARKER: Any other questions for Dr. Laresche before we
23 break for lunch.
25

1 MS. HAYES: Mr. Chairman, the only question I'm at a loss on
2 still is what happens to the papers that your office has that we'd like
3 to use. Are they going to be a Fred Burness' office. Is that where we
4 should use them? Are you going to.....

5 MS. WUNNICKE: They're going to come to the Governor's office
6 here.

7 MS. HAYES: They're going to come to the Governor's office.
8 Okay.

9 MS. WUNNICKE: Until we have a place

10 MR. LARESCHE: Okay. There's going to be copies that come to
11 the Governor's office.

12 MR. _____: Yes.

13 MR. LARESCHE: Frankly, I think that would be better because
14 they're all mixed up with all the litigation material which can't be
15 public.

16 MR. PARKER: Anything else? Okay. Well, thank you very much
17 Bob. It's been most instructive and its actually probably easier for
18 our work program, our first work program. Mike Herz did you -- you
19 wanted to say something.

20 MR. HERZ: (Indiscernible).

21 MR. PARKER: Okay.

22 MR. LARESCHE: Call on us at any time for anything, Mr. Chair-
23 man. We'll either do it or tell you why not. It's always a pleasure
23 to have a reunion even under these circumstances.

25 MS. WUNNICKE: Thank you so much.

1 MR. PARKER: We'll reconvene at 1:15.
2 (off the record)
3 (On the record)
4 MR. SUND: You're back on the record Mr. Chairman.
5 MR. PARKER: Thank you, Commissioner Sund.
6 MR. SUND: Commissioner Sund. That had a nice ring to it.
7 MR. PARKER: The Oil Spill Commission is back in session at 1:20
8 on Thursday, May 7th. I'm getting used to this new format.
9 MS. WUNNICKE: Six, seven, eight, nine.
10 MR. _____: One, two, three, four, five, six, seven,
11 eight, nine today.
12 MS. WUNNICKE: Today is?
13 MR. _____: Yeah, this is the first time in a century
14 there's all three numbers, one through nine are in the time, date.
15 MR. _____: It's almost at (indiscernible).
16 MR. _____: It happens twice today.
17 MS. _____: Any minute.
18 MR. PARKER: Bob Bellelink is back with us to answer any
19 questions we might have as of yesterday. Bob, do we have any space
20 that you've been able to identify or anything like that?
21 MR. BELLELINK: Not with existing agencies.
22 MR. BELLELINK: When last we left yesterday, we knew you were
23 going to need some place, but didn't know where. You hadn't decided
23 the constraints on the space you were going to need. That is, adjoining
25 ing the agency, not adjoining agencies, adjoining with some agencies,

1 but not others because of potential conflicts of interest. probably
2 needs are going to be totally independent of location. That's where we
3 left off yesterday.

4 MR. PARKER: I think our space requirements, we haven't par-
5 ticularly defined those. But I was thinking about it and I think we
6 need a conventional reception area, at least two, maybe three, private
7 offices and three working spaces for consultants, Commission members
8 and so forth. That's based on my past experience of organizations.
9 John?

10 MR. SUND: I was just going to say about the same thing. It
11 would be nice to have, not a lot of extra space, but available for when
12 we do have a meeting in town that there's access for some of us from
13 out of town to have a working station to grind away at rather than
14 sitting in our hotel room and trying to write on our desk. But I was
15 just going to kind of say, I think it's about 1500 square foot about
16 what you just designed, either in this building or down the street -- I
17 see the Legis Affairs. I don't know if they've rented that whole
18 building down there. But if it was adjacent to other state governmen-
19 tal offices, I think we have a better possibility of not having to go
20 out and rent or buy a large copy machine or something like that. We
21 could get access to their copy machines, access to their fax machines
22 and some of their other office supplies in terms of paper, and copy
23 paper and stuff like that. It would be easier to set up an account
23 with them and just count copies than it is to go buy or rent all that
25 stuff. With that, I guess, Bob, it would get us down to this building

1 or the one a couple blocks down the street where the legislators are
2 at.
3 MS. WUNNICKE: How big is the conference room in the legisla-
4 tive?
5 MR. SUND: I've never been in that one.
6 MS. HAYES: Well, they have the huge.....
7 MR. _____: It's huge.
8 MR. PARKER: When teleconferencing, it can accomodate it.
9 MR. SUND: But also, if it's someplace where its set up with
10 recording equipment, that would be nice too. Just to get an idea of
11 what I was thinking about in terms of area or space -- I think that
12 makes it a little easier for us other than being, you know a lot easier
13 than being on the east side of Anchorage or someplace.
14 MR. BELLELINK: We probably have about 50 different State
15 offices.
16 MR. SUND: it's not my problem.
17 MR. BELLELINK: No, that wasn't the point. The point was the
18 potential of finding your 1500 feet adjoining them.
19 MR. SUND: I don't know. Is there any space in this building?
20 MR. BELLELINK: I don't know. Probably some.
21 MR. _____: Mr. Chairman. I just put together a
22 budget for an office with the coordinating office and I would like to
23 tell you that if you have to go out and acquire -- especially that
23 equipment (the copier, the copy machine, and a fax machine and I don't
25 think you'll be able to get away without getting a phone system; you're

1 going to have to get that) that that's going to take a big chunk right
2 out of your budget. If you can find a space and offices next door to
3 existing offices and you can OSA for partial use of their equipment,
4 that'll save you a big chunk of money.

5 MR. PARKER: One of the advantages of the legislative offices
6 is their teleconferencing system and abilities are substantially better
7 than anything I'm familiar with in the Frontier Building here. The
8 ability to teleconference would be important to me.

9 MR. SUND: I would move, Mr. Chairman, I think you have a sense
10 of the needs of the Commission and a feeling of us on the Commission, at
11 least those of us who've voice our opinion, I'd say, I'd move that the
12 Chairman get together with Bob and acquire the necessary space.

13 MR. WENK: Second that motion.

14 MR. PARKER: It's been moved and seconded. Any discussion?
15 Call for the question. All in favor say, "aye". I'm not familiar with
16 the new procedures. Do I have to poll everybody.

17 MR. _____: No.

18 MS. _____: No.

19 MR. _____: No.

20 MR. _____: Ask unanimous consent.

21 MR. _____: You can ask for consensus and even ask
22 for opposition.

23 MR. PARKER: They showed me something in the new procedures the
23 other day, which I'm still digesting. On important votes, especially
25 that are being recorded, people have to be polled separately. This is

1 obviously not an important vote particularly, so I guess I'll feel my
2 way through the new procedures.

3 MS. WUNNICKE: Mr. Chairman, I'd suggest that unless you get an
4 obvious division on the Commission that you not poll.

5 MR. PARKER: Alright. Are there any questions on procurement
6 left over from yesterday that anyone has? I think we're going to have
7 to do a lot more talking about this. Ed.

8 MR. WENK: Just to compress everything into one question. How
9 fast can we get someone to work on contract services? You gave us the
10 \$5,000, \$25,000.

11 MR. BELLELINK: Oh, I think you're talking in terms of hours if
12 you have somebody that would do the work.

13 MR. PARKER: If you have, you're over \$25,000, however, you
14 would have to have a reasonable number of bidders.

15 MR. BELLELINK: Yeah, that would move into the lease. Over
16 \$25,000, without doing the normal process requires "buearacratc work"
17 which takes at least 24 hours.

18 MR. _____: Okay. But we're not talking weeks?

19 MR. _____: No.

20 MR. BELLELINK: No.

21 MR. _____: Thanks.

22 MR. BELLELINK: We'll work out with whoever you techy is, an
23 expedited procedure to cover that sort of thing. Just one comment left
23 that -- I know as you think in terms of all the work the Commission's
25 going to do. Some things aren't going to happen until several months

1 down the road. The sooner we know about those, the sooner we can plan
2 for them. For example, I assume there's going to be some sort of
3 report prepared and if we can do it at central dup, that reduces the
4 cost. But if you're going to want to -- because of size of maps or
5 more complexity, you know we can set up a contract today for a report
6 that's going to be printed eight months from now. Then we can go bid
7 it with options and the types of things for additional pages and that
8 sort of stuff. So if -- as you see things you're going to do down the
9 road, we can approach them now and they won't become emergencies.
10 They'll be things all set up.

11 MR. _____: One critical question is what's the lead
12 time if we have to work through that State printing office?

13 MR. BELLELINK: That's relatively quick. The printing office
14 works with the Department of Administration, so we set its priorities.

15 MR. _____: With advance notice.

16 MR. _____: The state of Alaska has the unique
17 ability to chew up vanloads of paper instantly.

18 MR. _____: Sounds like GPO with congressional stuff.

19 MS. _____: Is that basically in just black and white
20 printing operation?

21 MR. BELLELINK: Yeah.

22 MR. _____: Mr. Chairman, I would suggest, perhap,
23 that the bigger question here is amongst the Commission of how we're
23 going to make decisions of what contractors to hire, how much to pay
25 them, and those things. Probably more our own internal decision before

1 we have to tell Bob, okay, here's what we want to have done. I'm not
2 sure he can.....

3 MR. PARKER: Bob, we're going to be getting into budgets and
4 personnel around two thirty and if you could come back and listen in it
5 might probably do well for you to have a sense of what the Commission is
6 feeling. Okay? Proceeding, Lyle Perrigo is here from the Arctic
7 Research Commission and I asked Lyle to just tell us briefly what the
8 Research Commission might have to offer this Commission and what -- and
9 just to make you familiar with that organization, which is a federal
10 organization but one which is created especially for the State of
11 Alaska. Lyle, you want to sit down there.

12 MR. PERRIGO: Thank you. As Walt mentioned, my name is Lyle
13 Perrigo. I'm a staff officer for the U.S. Arctic Research Commission.
14 Before I go much farther I should say that our chairman, Dr. Juan
15 Rorgre (ph), University of Alaska, Fairbanks, regrets that he couldn't
16 be here to talk to you this afternoon. So what you'll get then is an
17 unofficial statement rather than an official statement from the Arctic
18 Research Commission. Perhaps a little bit of background would be
19 helpful for some of you about what the Arctic Research Commission is
20 and is not. We were formed in 1984 by the Arctic Research and Policy
21 Act with the charge of identifying, overviewing and recommending items
22 pertaining to the arctic research needs of the United States. We could
23 go into a lot of details, but I think that should suffice. That, in
23 essence, says that our mission is research and I think that's very
25 important when considering your agenda and your needs which may bear on

1 regulation, stipulation, and many other things. We don't move into
2 those areas. Ours is a Presidential Commission. It's comprised of five
3 members, three of whom are scientists and engineers. They come from
4 either academia or research institutes in the United States. One of
5 them is a business person and and one of them represents the
6 indingenous natives in the northern part of our country. Those five
7 people then are the Commission members themselves. There's an Execu-
8 tive Director in Washington, D.C. I run the Alaska office and we have
9 one other staff member. The arctic, which is something I think you
10 should bear in mind when you think about what the Commission can and
11 cannot do, the arctic, by that act of 1984 is all of the territory
12 above the Porcupine, Yukon and Kuskokwim rivers, all the Bering Sea and
13 all the Aluetian Islands in this state. Elsewhere in the world, it's
14 everything above the Arctic Circle.

15 MR. PARKER: That includes the southern coast of the Aleutians?

16 MR. PERRIGO: Yes. Now, as to your meeting this afternoon, I
17 would like to make a few comments and then if there are questions, I'd
18 be happy to answer those. We're looking forward to hearing what you
19 have to say about research that may be needed in oil spill technology
20 development, especially as such research may or may not have an impact
21 on what could happen in our balliwick, or the arctic as I just now have
22 described it. We have been making this point in other meetings
23 throughout the country and also in Washington D.C. with various groups
23 that are considering the results of what happened in Prince William
25 Sound. We're also interested in what may be your assessment of the

1 needs for ice-capable research vessels. One of the points that we have
2 made now for over two years is that the nation needs to do certain
3 things to beef up its marine research capabilities and that is one.
4 This afternoon I will leave with you our statement on what we believe
5 the research logistic needs of the country are as far as the arctic is
6 concerned. And you may make that part of your record if you wish.
7 Also, I will leave with you a statement of our goals and objectives
8 that we have as an organization. One final thing in this general
9 overview, we have a meeting in Anchorage on the 27th of this month. It
10 will be located at the Anchorage History and Art Museum. If one or
11 more of you wish to attend that meeting, I'm sure we'd welcome you.
12 The morning session will be devoted to some discussions about how we
13 can enhance research that may be undertaken on certain kinds of issues.
14 In the afternoon, it'll be primarily a business one where we go through
15 the regular agenda. Then we're off to Dillingham that night for two
16 days there on the 28th and 29th. Mr. Chairman, that's an overview. I
17 can make any unofficial responses that you might like at this time.

18 MR. PARKER: Okay. Thank you Lyle. One of our charges is to
19 examine, as you're aware, oil spill response on a statewide basis and
20 that was, you addressed reasons that I wanted to get into, logistics
21 work the Commission has been about and generally the ability to operate
22 in the ice impacted northern waters. So, any questions from anyone?
23 Ed.
23
25

1 MR. WENK: You have, at your fingertips, or do you know it
2 exists anywhere, an inventory of current research that is arctic
3 related?

4 MR. PERRIGO: The word makes me pause, Mr. Wenk, is the one
5 "current". As you are, many of you are probably aware, AEIDC, or the
6 Arctic Environmental Information and Data Center, did compile current
7 research profiles on work that was undertaken in Alaska. But as I
8 recall, the last of those was put together some years ago and it was
9 one of the sacrifices to economies that was made in this state. At the
10 moment, nationally and internationally, I know of no comprehensive
11 overview. One thing that you may be, or you may wish to watch is what
12 hopefully will take place next month is a signing of an international
13 protocol of the eight U.S. arctic nations for arctic research coopera-
14 tion. I have a feeling that maybe one of the things that can flow out
15 of that is an inventory of arctic research worldwide. In the interim,
16 there's one other thing that may help and that is that there's quite a
17 bit of emphasis now on the federal level to get a better data and
18 information system in working order as it relates to the arctic. The
19 Commission will have a statement on that one for publication within the
20 next 1-2 months. The draft is on my desk now to handle with regard to
21 how do we typeset it, who is going to publish it and those kinds of
22 things.

23 MR. WENK: Just a followup, very briefly. Two things. First,
23 there existed in the federal government, an organization called Science
25 Information Exchange. It was run for many years by Smithsonian and I

1 believe was then transferred over to the NTIS group and Commerce. It
2 was intended to be a catalogue of ongoing, unclassified research. What
3 is being done? Who is doing it? Who is funding it? I believe that
4 you mentioned an earlier victim of fiscal stringency. I know that they
5 were threatened with a merger which would decapitate them, but I do not
6 know it's current status. That would have been a possible inventory of
7 current research. Does it exist anymore?

8 MR. PERRIGO: I can't answer other than to say I don't know.
9 But an oblique way around that is to say that our colleagues in the ten
10 or a dozen federal agencies that are supposedly coming to grips with
11 what our information and data needs have not identified that as one of
12 the things that's going to help them. So I would suggest that either
13 one of two things. It's disappeared or its one of those things that no
14 one recognizes as a resource.

15 MR. PARKER: Ed?

16 MR. WENK: A related question. The Canadians have this Arctic
17 Marine bulletin and they have an Arctic Marine Oil Spill Pollution
18 technical bulletin which -- the ones that I've reviewed, look like they
19 contain valuable, depending on the kinds of stuff you're looking for
20 and I'm wondering whether -- do you track that and have good liaison
21 with the Canadian arctic group.

22 MR. PERRIGO: Two questions. The first one, I do not track it
23 personally. The second one is that our Arctic Research Commission
23 believes it has very good relations with the Canadian scientific and
25 technical establishment. One of the chaps that played a leading role

1 in helping to define the scope of this International Arctic Science
2 Committee was Fred Rupp (ph) from Canada. Fred volunteered as a non-
3 U.S. person to work with Odd Rodnig (ph) from Norway and Tog (ph) Hope
4 from Denmark to do this as non-Soviet/non-U.S. effort and that suc-
5 ceeded. I point that out as one of the connections that we do have
6 with Canadians. We've also toured Canadian logistical facilities that
7 are focused on research at Tuck two summers ago. While he was then
8 director of the Polar Continental Shelf Program, we were in contact
9 with George Hobson (ph) and we've made contact and worked with his
10 successor Pierre LaPont (ph).

11 MR. PARKER: John Sund.

12 MR. SUND: Lyle, I guess you're on both sides of the fence here
13 with the Aluetian Islands dividing. Is, or how are we going to be able
14 to take the knowledge that we've gained from the spill in Prince
15 Williams Sound, which is outside your jurisdiction, and apply it to
16 potential spills within your jurisdiction and specifically the one that
17 comes to my mind all the time is Lease Sale 92, the Bristol Bay issue.
18 We have now in front of us an actual environmental impact of 10 million
19 barrels of crude oil. It's not theoretical any more. It seems to me
20 we need to take this knowledge base that we're gathering and say, okay,
21 if this happened in Bristol Bay what would be in the impact in that
22 area. Is the Commission working on that? Interested in that? Or how
23 does that even get in to your balliwick?

23 MR. PERRIGO: There are many questions there.

25 MR. SUND: Simple one is oil impact in Bristol Bay.

1 MR. PERRIGO: We are very interested because of the potential
2 for drilling in Bristol Bay, what you people learn and what you may
3 recommend as your assessment of the needs arising from the situation in
4 Prince William Sound. I would point to you that the lease sales are
5 not the only potential source of trouble in the Bristol Bay area. A
6 chat with Mayor Paul Pughes at Dutch Harbor will bring to your atten-
7 tion that tankers go throug Emmonak Pass at the present time and that
8 zero visibility in the middle of the winter, heavy seas, and somebody
9 that may not have full control of his ship could duplicate what's
10 already happened, only in a much more prosperous and bountiful fishing
11 area than what we have in Prince William Sound.

12 MR. SUND: Yeah.

13 MR. PERRIGO: But now, to your point about how do we connect?
14 The Commission itself is a policy making body and we -- our work is
15 implemented through what's called the Interagency Arctic Research
16 Policy Committee which is ten or a dozen federal agencies that have
17 delegated representatives that sit and respond to how the federal
18 government will do certain things. We also have a charge of working
19 directly with the Governor of Alaska and -- if he's so inclined. And
20 also to work with the municipalities and other organizations in the
21 state that are also interested. So, our influence, if one wishes to
22 say we have any, is to highlight, point and cheer loudly, or I suppose
23 boo if things don't happen. We don't have monies to fund research nor
23 do we get very specific about individual projects. We call for action
25 on a broader scale and that's the reason that we're keenly interested

1 in what your doing because pollution is a very broad issue and the kind
2 of thing that is a real problem for us. I don't know how to connect
3 the other part of your question.

4 MR. SUND: I guess I'll refine my question. Is, or has the
5 Commission made oil pollution a policy issue already in terms of
6 setting policy issues to be studied or to be worked on within the
7 arctic as oil spills or I don't know, toxic waste, I don't know how to
8 get it. I'm focused on oil right now. But is that a major policy
9 identified by the Commission.

10 MR. PERRIGO: First, I have to say I can't recall the exact
11 wording of what our duties are as they're outlined in the federal act.
12 But there are words in there that give us impetus to look at environ-
13 mental consequences and to define research needs and touch upon those
14 things. We have not, at this moment, come up with a statement such as
15 a document like this. The ones that we have out at the present time,
16 the first one is the logistical support document and I'll leave that
17 with you. It's a statement of what we believe the needs are that cut
18 across all kinds of research areas, not just the environment, but upper
19 atmospheric physics or marine research in general or terrestrial re-
20 search. The second one that is out is a statement on goals and objec-
21 tives to guide U.S. arctic research. You'll find in there some things
22 having to do with the ocean that I think will fit as a broad outline
23 for what you're trying to determine, but it won't name it specifically
23 as oil spill research. The third one of these documents, as I men-
25 tioned, is on data and information and we hope to continue generating

1 these from time to time. It seems like about every six months we have
2 one. This, of course, is in addition to the other mandated things like
3 annual reports and interactions with the Interagency Committee itself.
4 We have had meetings throughout the state to determine what the resi-
5 dents of the arctic, or people that make a living on the arctic,
6 believe the research needs are and the problems are. I suspect that
7 when we go to Dillingham on the 28th and 29th we're going to hear quite
8 a bit more about environmental issues and oil spill concerns in the
9 Bristol Bay area. I have a feeling I'm talking around part of that and
10 not answering you directly, but that's about as good as I can do right
11 now.

12 MR. SUND: Thank you.

13 MR. PARKER: Any further questions? Are the hazard mitigation
14 generally and oil spill response specifically mentioned in the proto-
15 col?

16 MR. PERRIGO: No. I can supply you with copies of the wording
17 of that act, Mr. Chairman. I'd be happy to do so.

18 MR. PARKER: Okay. Thank you. Anything else. Thank you very
19 much, Lyle.

20 MR. _____: Thank you.

21 MR. PERRIGO: Who should I turn these over to. There three
22 copies of each and I can supply large numbers more.

23 MR. WUNNICKE: May I ask a question, Mr. Chair. The research
23 then is done by individual agencies but is coordinated by the
25 interagency group under your policy.

1 MR. PERRIGO: It's a little bit more complex than that.

2 MS. WUNNICKE: More complex than that.

3 MR. PERRIGO: Let me try that. The lead agency is the National
4 Science Foundation. And as you would expect, some of the other agen-
5 cies are people like the Department of Defense, Department of the
6 Interior, etc. We try and -- since its a two-component organization,
7 our side of it is to identify broad needs. The Interagency Committee
8 then is to represent what the federal position is with regard to these
9 things and then encourage research. First they were charged with
10 developing a five-year U.S. arctic research plan. And I also have
11 copies of that. If people wish I can supply them. But, then to update
12 that every two years and that updating is in the process. The first
13 one was more or less a laundry list of everybody's wishes and this one
14 hopefully is going to be much more tightly focused. One of the things
15 that is to be found in the current, or the one that will now be coming
16 out in July, is a program emphasizing the study of the Bering Sea as a
17 system. That's scientific jargon, I guess, to say that you're going to
18 do a lot of different kinds of research rather than just oceanography
19 or just pollution research. I think of interest also to you is that
20 the impetus for the particular program came out of a proposal that
21 State Senator Arliss Sturgelewski and Paul Pughes, mayor of Unalaska,
22 put to the Commission last August when we had a meeting there, such as
23 the one we're now going to have at Dillingham. There were other things
23 added to it by the Commission and I believe that, under a slightly
25 different title now, that OMB has blessed it and is encouraging work

1 with three federal agencies in the Bering Sea that could include some
2 of the things that are of interest to this Commission.

3 MS. WUNNICKE: Thank you.

4 MR. PERRIGO: Thank you.

5 MR. PARKER: Thanks again Lyle. Okay Commissioners, do you
6 want to go to budget and personnel now or resume and work through a
7 work program and then finish up on the budget and personnel until we go
8 to public participation. Budget and personnel and schedule. What's
9 your desires. We're running short on time, so.....

10 MS. WUNNICKE: Mr. Chairman, I'd propose that we at least deal
11 with the proposed staff director coordinator which is a part of per-
12 sonnel. And, depending on our conclusions there, we might be able to
13 forego a specific budget discussion.

14 MR. PARKER: Any -- is that okay with everybody? Okay we have
15 the paper on the Staff Director Coordinator which Esther worked on last
16 night and has the discussion paper before us. Any comments on that, or
17 additions to that.

18 MR. _____: Getting the Staff Director is probably
19 the first order of business. And everybody on the Commission recog-
20 nizes this and yet we're not going to do it when we're all meeting
21 today. I'd like to propose two things and consider this a motion if
22 you like. First of all, Walt, you chair a small sub-committee that
23 would function as a recruitment and employing agency for the Commission
23 and secondly Esther's materials, especially page two that's directed to
25 this question of the requirements for the Staff Director, be considered

1 as guidelines from the entire Commission and so give you at least
2 blessing or whatever it is in terms of (indiscernible).

3 MR. _____: Is that a motion?

4 MR. _____: Consider it a motion?

5 MR. _____: I'll second it.

6 MR. PARKER: It's been moved and seconded. Does everyone
7 understand the motion.

8 MR. SUND: As I understand it Mr. Chairman, we've talked about
9 the work effort and out of the work requirements pulled out some job
10 type specifications that we need and Esther's written them down and I
11 assume everybody -- these are the types of skill levels the person's
12 going to need to accomplish our job. Is that the theory here?

13 MS. WUNNICKE: Or anything that you would want to add to this.
14 This is just a.....

15 MR. SUND: Well, two legs, two arms,

16 MR. _____: Two heads.

17 MR. SUND: Two heads, three writing fingers.

18 MS. WUNNICKE: I would say number four is pretty critical.

19 MR. _____: Work under pressure.

20 MR. PARKER: How about number seven, does not stick foot in
21 mouth, leaves that to chairman.

22 MS. WUNNICKE: Leave that to the Chairman. Yes.

23 MR. SUND: I would, I guess number one is probably fairly
23 critical in terms of the short time span -- it became evident to me
25 when Ed started talking about the federal agencies and what they were

1 doing. Most of the people I'm familiar with are very knowledgeable on
2 State agency issues, but not necessarily federal agency issues, how the
3 feds run around in circles. I'm not -- I guess I would just -- I don't
4 mind putting a subcommittee together. Maybe I'm talking my way to be
5 on it or something. But I think the person's pretty critical in terms
6 of who they are, where they come from and ability to represent the
7 Commission across the board here.

8 MS. HAYES: In fact, Mr. Chairman, I'd just like to raise the
9 question of some of this. We had been talking on breaks about whether
10 or not we wanted -- whether or not the staff person, particularly the
11 Executive Director, should be held for the same standards as the
12 members of the Commission (ie: not being employed by any of the stake
13 holders, not being -- at one point I think someone mentioned that it
14 was possible to have a state employee in the civil service come into
15 this position and then go back to their previous job.) I think I'd
16 just like to raise the question for discussion whether or not we think
17 that that's a wise choice given the amount of possible public percep-
18 tion of the problem of doing that.

19 MR. _____: I think that's an important point to
20 raise, and just for clarification, thinking of people who might have
21 some of these skills are not necessarily agency employees, but what
22 about legislative aides who have a lot of management skills and know
23 these rules and know the players. It would seem to fit, would they -- I
23 mean I can see where we might not want agency -- perception of
25

1 association with agency, but we might similarly feel the same way about
2 legislators even though the person is on leave.

3 MR. PARKER: Yes, we have applications from legislative aides
4 who would like to work for us in the interim. So it's important point.

5 MR. SUND: I understand Meg's comments. I don't think I agree
6 with them. I think there's a standard that we were all put on to be
7 picked on here, but I would -- what I would do is hold the person to a
8 professional standard, which is the ability to do the job and leave as
9 many personal biases, as we all have, at home. The second thing is
10 that I think to fill this job criteria here, I think you may find more
11 eligible people in government than outside of government. If you want
12 to search for someone outside of the state, local federal government,
13 which is one of the standards we have, and outside the oil industry, I
14 think you're limiting the field of very, very qualified people for, I'm
15 not sure what reason.

16 MR. PARKER: I think that's an important point because, remem-
17 bering the great old Law of the Sea conference, we used to have aca-
18 demics who could give great papers on the law of the sea, but they sure
19 couldn't cut a deal with so long on the committees.

20 MR. SUND: The other advantage there is that some of these
21 people may come out of government, they may go back. I don't know who
22 it is, but they may carry on something they learned from us. You know,
23 rather than bringing their personal biases to influence us, we may be
23 able to influence them to be neutral. I don't know that that's real
25 critical.

1 MR. _____: Part of it seems to me is item five: the
2 degree to which the person handles meeting priorities and in the
3 absence of the Chair serves as a spokesperson, is probably one of the
4 reason why -- I mean we might want to answer how much their going to do
5 that before we answer the question about whether they should have to
6 answer the same criteria that we do.

7 MS. WUNNICKE: If I may? I think that the kind of experience
8 that you're talking about that comes from government might be impor-
9 tant. I suppose that would be how closely allied they were to a par-
10 ticular point of view and maybe how visible they had been in contro-
11 versies of that nature. Because I think we do certainly seek an
12 unbiased view as far as this body as a whole is concerned.

13 MR. _____: It gets back to the appearance issue.
14 Appearance and credibility of appearance.

15 MS. WUNNICKE: I was thinking about space in an agency, not one
16 perception.

17 MR. _____: If I could say one more thing. If we are
18 so careful that we end up ruling out the best candidates, then I don't
19 know that we're doing the best thing.

20 MS. WUNNICKE: A service, yes, I agree. I think we should just
21 keep it in the background.

22 MR. PARKER: Any further discussion on that vein. That's been
23 a good guidance for me. The motion is still before us. In clarifying
23 the motion, would it be the intent of the maker that I select a
25

1 subcommittee or do you wish to select the subcommittee as part of the
2 motion?

3 MR. _____: I think the Chairman should feel free.

4 MS. WUNNICKE: That was the motion.

5 MR. PARKER: Okay, with that clarification.....

6 MS. _____: Question.

7 MR. PARKER: Ask for question.....

8 (Off the Record)

9 (Tape Change)

10 (Tape #2 - 06/07/89 - Side B)

11 (On the Record)

12 MR. _____: It seems to me that, for example, famil-
13 iarity with computer data-base uses would be a very important skill for
14 that person to have. A lot of clerical people can do word processing
15 period. So I think it ought to be somebody more than a clerical
16 position. It ought to be someone who has.....

17 MR. SUND: It's a slip of the tongue. I've never used the word
18 secretary in the last ten years. I should have never done that --
19 administrative assistant.

20 MR. _____: I think you used clerical and I implied
21 secretary.

22 MR. SUND: My implication is that anybody in that position
23 would have all those skills. When I was in the legislature, everybody
23 in my office has computer data-base operating skills well beyond
25 anything I dreamed of having. But also I'll note that you're not

1 locked into those pay ranges. Those are recommended 12A, 22A. A lot
2 of times what we did is we split em, made two 17's out of them. So
3 what you have is a total number you're locked into. You can't go over
4 -- You can't make the 22A a 23 or 24, but you can make two 17's or a 19
5 and a 15 or play around with it however the Chairman feels fit.

6 MR. _____: My only point was that I think that
7 person should -- we've got an awful lot of substantive work staff is
8 going to have to do and rather than have that be an entry level admin-
9 istrative type person, I'd like to see it be someone who has some
10 skills.

11 MR. _____: What is a 12A?

12 MR. _____: \$1,800

13 MS. _____: No, it's about two thousand.

14 MR. _____: A month.

15 MR. WENK: The kind of questions the colleagues are raising
16 here brings to mind that really the second chute have dropped along
17 with the motion I made that carries a vis a vie. This employment has
18 to do with a very early approach to contract services and I guess I'm
19 wondering out loud whether that's appropriate to discuss and whether
20 and if so whether we ought to go into.....

21 MR. _____: I just happened to have that.

22 MR. _____: I thought you might.

23 MR. WENK:Because, as I see it, it may even -- I'll tell
23 you right off the top, I think we're saying committee eventual respon-
25 sibility for some of these contract services. And secondly, it would

1 not surprise me if you can get the contract services even before we get
2 the full time technical director. This kind of person is a rare bird
3 and may have other lives. Anyway.....

4 MR. PARKER: Under the open meeting law, we're restricted from
5 going into Executive Session except to discuss personalities. We're
6 discussing functions in which to hire, we have to stay in open session.
7 So, I, I guess I need a little more.....

8 MR. _____: I would like to get a little more spe-
9 cific than functions.

10 MR. PARKER: You want to discuss people we might want to hire.

11 MR. _____: Yes.

12 MR. PARKER: What is the -- do you want to do that at this
13 time? What's the feeling of the membership?

14 MR. _____: Not that I want to hire, I want -- it
15 turns out I've got, out of the blue, a couple of things addressed to
16 me. Why, I'm not sure. I want to get rid of them fast.

17 MR. PARKER: I've got a stack of applications here that we have
18 to winnow through and respond to eventually. I think the best thing to
19 do is simply to put them in a stack and coordinate with you on the
20 telephone, unless you have something you want to discuss beyond that.

21 MR. _____: This is up to the Commission. I have no
22 favorite contractor, but I have a few ideas.

23 MR. PARKER: I know we're counting on you having lots of ideas.

23 MR. _____: No, what I mean, it's hard to separate.
25 Well, that's the point. In terms, especially moving swiftly.

1 MR. PARKER: One of the things that made me extremely happy
2 about this Commission is having the background of many of the members
3 that are bringing extremely strong personal networks in the areas of
4 concern to us. It remains to separate who's good and who's very good.
5 There are areas of concerns, because in the time frames we're in, we
6 don't have time to train anybody. We're certainly -- the important
7 thing's what we're about. We certainly don't want to hire anybody
8 who's not going to contribute more than we know about the subject.

9 MR. _____: Mr. Chairman, may I proceed then with a
10 second motion. And then leave it then to, as you'll see in the motion.
11 I think that moving swiftly with some modest contract services is
12 equally important to moving swiftly with (indiscernible). My motion is
13 that the same subcommittee which was approved earlier by the Commission
14 also be enjoined to consider and to proceed as agents of the Commission
15 with narrowing down these contract services subject to, on an interim
16 basis, polling of the full Commission. The main thing is for us to
17 have an agent to get on with the job.

18 MR. PARKER: Does everyone understand that motion? Is there a
19 second?

20 MR. _____: For the sake of discussion, I'll second
21 it. I have a question at this time. It's not clear to me what the
22 contract services are going to be and when we're going to be making
23 decisions about what -- I agree with the procedure. It's an abstract
23 motion at this point because I don't have a sense of where we're going
25 with those services.

1 MR. WENK: There's several things we've already talked about.
2 One has to do with legal counsel. I think there is some agreement in
3 that. Second has to do with a very high level of administrative
4 support where you might be able to find certain -- I'm not sure what
5 the name of all the services are, but providing some type of instant
6 office dynamics. Where you can buy a package, turn a switch on those
7 and your office is off and running. I'm not talking about telephones,
8 fax and so on. I'm talking about some warm bodies. And I can just
9 imagine, I'm just imagining things of that sort quite apart from the
10 legal counsel where it seems to me having someone with library experi-
11 ence or services is going to be important. We're going to have so
12 doggone many documents coming in. Having to track, then the person is
13 going to have to parcel them out to us, or get them reproduced. A
14 tremendous amount of that sort of thing I think is going to happen fast
15 and that's the reason I'd like to leave some of these judgements to
16 committee. But remember, the motion was subject to final sign off by
17 the whole commission. I mean, the Chair and the committee would have
18 the confidence that we aren't going to come here later one and make
19 light because of something they did.

20 MR. _____: Is that language in this motion in terms
21 of hiring a staff director.

22 MR. WENK: No, it was not, but the Chairman said he would do
23 that.

23 MR. _____: Pardon me if I'm wrong, Mr. Chairman, but
25 the position that we have with respect to the physical note, doesn't

1 have to be an Executive Director position. For example, John suggested
2 we could make it 18/16 range and perhaps hire two researchers with
3 clerical background. And the Executive Director could be hired through
4 contract.

5 MR. SUND: Just the point I was going to try to bring out that
6 that's available here and it may be faster to get some of the adminis-
7 trative help on board before then. The second thing I wanted to bring
8 out on the contracting end, I guess I would like to see kind of a job
9 spec like we have here on this Executive Director laid out on a con-
10 tract. We talked about legal counsel, but I'm a lawyer and there's a
11 lot of lawyers out there who know a lot about law and who know nothing
12 about what we want to know. So I -- before we go jumping on legal
13 counsel I would like to get a job spec on the areas of law that we're
14 going to have some concern over. Obviously, one is federal/state
15 preemption. I'm not sure that the best lawyers in the state on feder-
16 al/state preemption don't work for the Attorney General's office and
17 we'd have tap onto them for free. So there's a little bit of ground
18 work I think that we ought to lay into that first.

19 MR. PARKER: The chair would like to assure the Commissioners
20 that in this particular area, I haven't been involved in it for ten
21 years, but things haven't changed that much. I remember what research
22 capabilities were available to the state in that area and my colleague,
23 Commissioner Wunnicke, knew as much about that as anybody else and had
23 done as much research in that particular area at the Federal Field
25 Committee and later at Mineral Management Services. I agree with you.

1 I think probably the AG's worked this because it's not an area that
2 most private clients go out and pay an attorney to do for them. So, it
3 would have to -- I would have have to really be convinced that any
4 legal folks that we hired was -- knew more than the Commission members
5 on the particular subject and was up to speed in the whole feder-
6 al/state preemption dialogue at the moment above and beyond where the
7 Attorney General's office is.

8 MR. SUND: Mr. Chairman, there's a motion on the table. I
9 guess we need to.....

10 MR. _____: I was going to volunteer to amend it
11 slight. I like two of the things you said there John. The first is
12 the option to maybe go after the Executive Director being contract
13 services.

14 MR. SUND: That's Tim's.

15 MR. _____: Tim's proposal. But also the notion of
16 being far more specific, being specific in defining responsibilities
17 for these many contract employees. And I, just to make it simple, those
18 are the ideas. To amend the motion to give this subcommittee respon-
19 sibility for drafting those job descriptions, number one, and number
20 two give them that flexibility as between the two alternative ways of
21 hiring a staff director. This is all still subject to approval by the
22 whole Commission presumably by mail or phone or whatever, so that they
23 have the confidence to support them. I just want to see it move as
23 swiftly as possible because I think that every day counts.

25 MS. HAYES: Yeah.

1 MR. _____: Excuse me, what did you say about subject
2 to the whole Commission?

3 MR. _____: That, number one they're job descrip-
4 tions, just as this one was subject to our review, but job descriptions
5 for contract services be subject to a similar review by the Commission.
6 I guess the final award, the proposal to award, be subject to approval
7 by the Commission, but not necessarily waiting for the (indiscernible)
8 recession. Be able to do this someway, by fax machine, mail on its
9 own. What I'd like to do is to make sure the whole Commission is on
10 board with these steps and not have somebody, one of us somehow or
11 other, feel disappointed and.....

12 MR. PARKER: I say again, I can assure you, unless you have to
13 take an impact tour of the Antarctic, you'll know what the feelings of
14 the subcommittee are before any decisions are made. Any further
15 discussion on the motion?

16 MS. WUNNICKE: Just one comment, Mr. Chairman. I think I would
17 agree with John Sund. I would not rush in to legal counsel. We've had
18 an offer from the Attorney General's office to assist us in any --
19 until we identify a legal problem that needs to be researched that's
20 not otherwise being researched and the results not made available to
21 us, I think I would not rush into legal counsel.

22 MR. PARKER: Let's comment on that.

23 MR. _____: It's kind of the inherent, anti-legal
23 bias that runs through the state.

1 MR. _____: This makes me wonder whether I have a
2 pro-legal bias, which I would instantly deny. But I'll tell you what
3 was on my mind. But I'll tell you what was on my mind and it wasn't
4 the key issue of the federal/state jurisdiction, but a belief which I
5 discussed at break with Bob Laresche about how our proceedings are
6 going to end up in virtually every one of the (indiscernible) now going
7 on in one form or another. Obviously, the final report, even the
8 proceedings here, the kind of testimony we collect and so on. And I,
9 having had some recent experience in this sort of thing, unpleasant,
10 feel that advice from an attorney with regard to our proper stance unde
11 those circumstances of what might happen six, nine months from now
12 might not hurt. Now that may not take a legal counsel to do it. Maybe
13 we can get all that necessary advice from AG now.

14 MR. _____: Mr.Chairman, I just maybe recommend -- I
15 haven't reflected too much on it, but maybe at our next meeting, which
16 we haven't talked about, it may pay to, if that is the feeling of the
17 Commission, to ask the AG to come in an just take an Executive Session
18 and go into a review of the litigation as they see it. I'm not real
19 sure I want to do that in terms of -- I don't want to start prejudicing
20 my position in terms of what I know and don't know. People ask me to
21 keep something secret, I'd rather not know it. Then I don't have to
22 worry about whether I got to keep a secret or not. That is one way to
23 tackle that. The other one that I think you're getting at is proce-
23 durally how does this Commission proceed procedurally in order that any
25 evidence that it gathers is usable down the road. That's something we

1 might want to think about. But the real common -- I want to go back a
2 real long way back ago, is talk about what these 22A and 12A's are,
3 right. The 22A is \$4,000 a month and the 12A is \$2,000. Coming from
4 the private sector, I can get one heck of a body for that kind of
5 money. The public sector thinks it's kind of cheap -- so I've got a
6 whole bunch of qualified people that would work long hours, days for
7 that kind of money. So we may be able to get the Executive Director
8 for the 22A, but if not I think Tim's got the right issue. If we can't
9 recruit the person that we're looking for with these qualifications, we
10 could revert to the contract process and then go back to the committee
11 as Ed said and try to run it by everybody on the committee and go down
12 that road. But again, that contract process, if you're going to go for
13 six months at five grand is going to be 30 grand.

14 MR. _____: It's even worse than that, though. On
15 top of the \$2,000 a month is 36% for benefits.

16 MS. _____: That's true.

17 MR. _____: Anyway, I just throw those comments. I
18 think the motion on the table is probably a good idea. If I understand
19 it, its just to create a job spec to the best knowledge that we know
20 what the work product is today and bring that back to the committee, if
21 I translated it correctly.

22 MS. WUNNICKE: I feel guided, Mr. Chairman.

23 MR. PARKER: Okay, did we ever vote on that motion?

23 MS. _____: No.

25 MR. _____: Uh, hum.

1 MR. PARKER: Are we ready? Call for....all in favor

2 COMMISSIONERS: Aye.

3 MR. PARKER: Opposed? Motion carries unanimously. Proceeding
4 on the budget, which by my reckoning, in addition to the two positions
5 at whatever level of hire, we have authorized, we'll probably be able
6 to afford about 36 months of staff people, which would break down to
7 six people working six months or whatever increments of that. It may
8 be that we have two people working for six months and four people work
9 for four months and so forth. But I think, generally in our budget we
10 have about 36 months. We also have to work out our public meetings
11 budget, which I think that John Sund in his earlier comments yesterday
12 at 4,000 a meeting is probably about right for here with additions for
13 Valdez, Kodiak and so forth, probably about 5,000 a meeting over there.
14 It would be my hope to keep our momentum up but we would meet either
15 two short meetings or one long meeting a month. Preferably probably
16 two shorter meetings and some of those meetings be prepared to go for
17 an entire week. Some we may be able to do the work in two to three
18 days, but that's how it appears in my mind at the moment. Comments on
19 that.

20 MR. _____: Mr. Chairman, just a comment on the cost.
21 I think it's about \$3,500 for us to meet here. I think if you travel
22 its closer to \$7,000 a meeting than five. I had a little spreadsheet
23 on it. I left it someplace. But the other comment on the meetings.
23 I've been thinking about the whole process. This is kind of a unique
25 Commission. We have no pressure to meet anywhere else in the state

1 other than the affected area. There is pressure, I feel, for us to
2 meet in Kodiak, Valdez on a day meeting because I understand there's no
3 night accommodations down there, at Cordova and Homer. We have the
4 ability to meet in Anchorage for convenience purposes. And really, I
5 don't know about you, Tim. I don't feel any pressure for us to go up
6 to Fairbanks, but I have not pressure for this to go down to southeast.

7 MR. WALLIS: Just one other comment. I do think it would be
8 proper to at least visit one or two areas in the Bristol Bay area.

9 MS. HAYES: And I think we probably want to hit Fairbanks for
10 some of the scientific symposia. They're going to be on the spill. I
11 believe there might be one this month, but there's certainly one in
12 September.

13 MR. PARKER: I'm glad. I really appreciate any information on
14 those as soon as someone hears about them. Despite being President of
15 the august academy of Engineering and Science, I'm not in a lot of
16 peoples loop's and sometimes hear about a lot of these things the day
17 before they happen. So, I think that there is enough there. We have
18 to allow enough flexibility and make sure that we retain enough flexi-
19 bility in the budget to ensure that we can pick up on these things.
20 Esther?

21 MS. WUNNICKE: Because it is a statewide agency, I agree
22 there's no pressure perhaps to go to other parts of the state for
23 meetings, but I think we can approach that through teleconferencing so
23 at least make available to people in Fairbanks and Barrow and other
25 parts of the state, the opportunity to make public comment to us by

1 teleconference.

2 MR. PARKER: I think, you know -- it's been brought up by two
3 Commissioners about Bristol Bay and the tie there. I certainly believe
4 that's a very real tie between what we are about and the whole Bristol
5 Bay dispute and I look forward, with interest, to the return of the
6 Arctic Research Commission from their meeting to see exactly what came
7 out of their meeting and I think after the red run is over we could
8 very likely want to go to Bristol Bay. On this whole business of
9 scientific symposia, what have you, I don't feel myself a strong need
10 to get out to public hearings too soon. I do feel a strong need for us
11 to be in Valdez for a couple of days fairly quickly. The reason for
12 that is I think that you need to have some interaction with all the
13 federal and state and industry scientists who have (indiscernible) on
14 the spill down there. They are constantly rotating, so the chances of
15 having a person who was there in the first days, be there when we are
16 there are about 50-50. They seem to go back and forth between Anchor-
17 age and Seattle and wherever their home base is and are replaced.
18 Still, I think we'll be able to meet with more of them there than
19 trying to get them for us here. I think it's important for the Com-
20 missioners to have a sense for Valdez, which is still not all put back
21 together yet as I understand it. So I think I'd like your feelings on
22 that. Would you go for the Fourth of July?

23 MR. _____: Week after next.

23 MR. PARKER: The week of the 20th. Could people manage that?

25 MS. HAYES: That's a problem for me.

1 MR. _____: It's a problem for me. I'm unavailable
2 on the 18th to the 22nd.
3 MR. PARKER: 18th to the what?
4 MALE: 22nd.
5 MR. _____: If most of us can make it we'll call it a
6 subcommittee.
7 MR. _____: Don't let me hold you up. I've never
8 been to Valdez. I'd like to go.
9 MS. WUNNICKE: What about the week of the 26th?
10 MS. HAYES: That's okay.
11 MR. PARKER: How about that week of the 25th. Am I in the
12 right year? No.
13 MS. WUNNICKE: Sunday's the 25th.
14 MR. _____: Sunday.
15 MR. _____: Are we talking both holding a public
16 hearing and having an independent Commission meeting?
17 MR. PARKER: When we go there, we're going to have to hold a
18 public hearing of some kind. I also want to meet with the shoreline
19 committee which is a mixture of agency people and citizens and with the
20 R&D Committee. I'm not actually certain myself of the correct names of
21 all the groups that are put together there, but there is an R&D Com-
22 mittee composed of federal and state agencies and it interacts with the
23 industry people working the spill who I would want to be absolutely
23 certain that we could get together with. There's also the Commander
25 Donaghue, the Coast Guard Captain. I think he's captain of the port

1 now. I'm not sure. But anyway, he seems to be in charge of the Coast
2 Guard there and of course the Admiral is out here at Elmendorf and
3 that's another question I'll get to later about when we want to get
4 with the Admiral. As far as going to Valdez, how is that week of the
5 25th. Mike, you mentioned earlier to me that close to the 4th was bad
6 for you. Can you manage that?

7 MR. HERZ; How many days are we talking?

8 MR. PARKER: Well we can go to Valdez Monday and Tuesday, the
9 26th and 27th.

10 MS. WUNNICKE: We can't overnight.

11 MS. HAYES: Unless you bring your tent.

12 MR. HERZ: So, in terms of travel time is there a day, a half a
13 day of travel there?

14 MR. PARKER: No, it's a short hop over there. You just fly
15 over Monday morning.

16 MR. _____: Rent Winnebagos and drive.

17 MR. PARKER: If you want to leave over and drive a Winnebago
18 and get there -- the last time I flew into Valdez I drove back, but
19 that was in the winter time.

20 MR. _____: Is there housing in Cordova?

21 MR. _____: I can check.

22 MS. WUNNICKE: I would propose, Mr. Chairman, that we meet one
23 day in Anchorage that week and go together to Valdez for a day in
23 Valdez for a public meeting and a meeting with the scientific community
25 there. Could that all be accomplished in one day?

1 MR. PARKER: It might not. I will agree with you on the one
2 day in Anchorage. We may need two days or a day and a half in Valdez
3 to get everything done. But they're very busy people down there. The
4 main thing I want to do is to establish the networks between you, we
5 may even have some staff by that time, and.....

6 MR. _____: Better

7 MR. PARKER: Maybe. No promises. Mainly establish the net-
8 works between you and the people who are working the spill down there
9 or the agencies or the industry, primarily the scientific and engi-
10 neering personnel that are working in the oil spill.

11 MR. SUND: Mr. Chairman, if I could propose that you work this
12 out. I think the Commission agrees that we ought to go to Valdez and
13 Cordova and that there ought to be an agenda that includes a public
14 forum and maybe a panel or an invited guest, invited witness type
15 panel. We could -- the dates are fine that week of the 25th. The rest
16 of it is kind of mechanical. I would throw one mechanical suggestion
17 down and my understanding is that there is zero to no housing in
18 Valdez. There might be some in Cordova and it may pay to go to Valdez
19 in the morning and spend the day there. Then go and overnight in
20 Cordova and have a hearing there the next day and then leave. That
21 might work out to be a present for the Commission to get into Prince
22 William Sound, hit two towns for a rational reasons.

23 MR. PARKER: I think that could be worked out.

23 MR. SUND: I would leave it up to you and Esther here, and the
25 people in Anchorage here to work out that and the specifics of the

1 agenda. Again, I think you've got to get your arms around this agenda
2 a little bit.

3 MR. PARKER: Yes, I really wanted to nail down a time and an
4 agenda concept.

5 MR. _____: Two things, just to pick up a point.
6 Someone like myself, from outside Alaska, it would be very helpful if
7 we could fly over Prince William Sound and really see some things. I
8 don't know whether the Coast Guard, for example, could lay out a plane
9 for us.

10 MR. _____: There won't be any problems with getting
11 plans.

12 MR. _____: Could that be worked in, too? Maybe en
13 route to Cordova.

14 MR. SUND: You're looking at a guy who was born and raised in
15 Alaska who's never been to prince William Sound. So, don't feel like a
16 stranger.

17 MR. PARKER: I think we can.....

18 MR. _____: Southeast has it all.

19 MR. PARKER:work it out with my good friend in the
20 Governor's office down there, I think he can help us work out some of
21 the logistics of that end to ensure that monies can be continued to be
22 made available to us since we'll have none of our own until July 1st.

23 MR. _____: Mr. Chairman, on that point, I would just
23 bring up again the appearance issue of the fly over. I really think
25 that's a valuable thing to do. I'll tell you who's going to donate it.

1 You could get it out of Exxon, out of the oil companies. I've got some
2 private contractors from my town that are working the spill that have a
3 King Air and they would love to take us on a flight. I would prefer it
4 be government. I don't care if any other governmental agency pays for
5 it, but I think the appearance here is important of this Commission.

6 MR. PARKER: I wasn't going to put you in an Exxon airplane. I
7 agree with you wholeheartedly.

8 MR. _____: I took one of those flights once. I'm
9 still regretting it. I was off to raise money for the Boys Club in
10 Kenai to play a voluntary basketball game against the Seahawks and got
11 plastered all over the press for taking a private airplane for that.

12 MR. _____: Mr. Chairman, do you want to set those
13 three days.

14 MS. WUNNICKE: 26th, 27th, 28th.

15 MR. PARKER: Yes, those three days.....

16 MS. WUNNICKE: 26th, 27th, 28th.

17 MR. PARKER:And possibly those schedules are sop up to
18 heavy on the 29th please until you hear we've....

19 MR. HERZ: Three days.

20 MR. CHAIRMAN: We'll make it three days mike if at all possi-
21 ble.

22 MR. HERZ: My problem is that I can't get back to the Bay area.
23 I can get back to Seattle. I've got an extra day of travel. Normally
23 I wouldn't be serious, but I'm, a couple days after July 4th I'm
25 (indiscernible) and might not just in terms of getting that done.

1 MR. _____: It's okay, I can't get back to Ketchikan
2 tonight either.
3 MS. WUNNICKE: If we get you to Cordova you'll be alright.
4 MS. HAYES: You're halfway there.
5 MR. PARKER: You might -- even send you south from Cordova. I
6 guess Alaska Airlines still lands at Cordova.
7 MR. _____: Yeah. Every day.
8 MR. PARKER: Seldom as I take the whistle stop any more, it
9 seemed an airplane I used to live on.
10 MR. _____: Well, if in fact we're going to start
11 down there might we, not have to come all the way to Anchorage.
12 MR. _____: No, you've got to go to Anchorage.
13 MR. _____: Guarantee you. Let the Chairman figure
14 this out. All of us are expert travel agents.
15 MR. PARKER: One of the things I would hope to get out of this
16 is I want you to think of whether we would like to, at no cost to
17 ourselves, encourage the formation of another governmental interagency
18 advisory committee through this group that would identify people within
19 each of the affected agencies who would relate to us in conveying
20 information from there agencies. And also get them together. If they
21 already have it together why I'll see. I want to explore this, if
22 there's other down sites to this too.
23 MR. _____: Mr. Chairman, on that regard, I think we
23 can help you. Bob's office is now setting up a single point of contact
25 with all state agencies to deal specifically with the oil spill. It

1 had people with actual authority to get things done. So it might be a
2 good idea to share those. Once that network is established to provide
3 that to you and you can just use the same.

4 MR. PARKER: Okay, well I wait until I hear from you before
5 taking any further steps.

6 MR. _____: I'm not, nor have I ever been a bureau-
7 crat. When I hear about forming advisory committees that are only
8 inter-governmental agencies, I begin to get a little concerned because
9 I think there are a lot of entities who have something to input and I
10 would like to -- I love the idea of having an advisory entity that is
11 made up of all relevant agencies, but I'd also like to see some enti-
12 ties like perhaps some representation of the fishing industry, some
13 representation of the environmental community. There are a number of
14 affected publics.

15 MR. _____: Oil industry.

16 MR. _____: Yeah, oil industry. I guess what I want
17 to say it shouldn't be just government agencies, it should be other
18 agencies as well.

19 MR. _____: At this point I think your intent, if I
20 understand it correctly, is really to establish a liaison.

21 MS. WUNNICKE: We've got that.

22 MR. PARKER: Yeah, I would for information, not particularly
23 policy.

23 MR. _____: We've got that. So the liaison would not
25 then make these individuals members of an Advisory Committee and it

1 wouldn't be necessary. But I think having this representation from
2 stake holders is something we touched on lightly and I think -- I got
3 the impression everybody was sort of in favor of doing this but that we
4 need to get our own ducks in order first before we get swamped with too
5 much new information at one time. We may get an information over-
6 load, in not only having too much come in, but not being prepared to
7 hear what these people are saying.

8 MR. _____: I wasn't thinking of that being so much
9 representation of the general public. There are entitites -- I don't
10 know what fishing associations there are, but there are environmental
11 groups that have coalitions and a representative from each of those --
12 there's a lot of information flowing through those various entities
13 which is, I think, useful.

14 MR. PARKER: My colleague, Ms. Wunnicke, set up advisory
15 committees in the past and exactly of the type you describe. I would
16 like to hear her.....

17 MS. WUNNICKE: I think they're extremely valuable. I think if
18 we were of longer duration I would certainly endorse that wholeheart-
19 edly. Because they can operate with a freedom that this body cannot,
20 that the legislative body cannot. But I think our time is so short
21 that maybe the way we get that participation of those stake holders, as
22 you call them, is an invited testimony from representatives of all
23 those various groups, because our time is so short. If we were of
23 longer duration, I would certainly agree with you that an advisory body
25 made up of all those various interests, unencumbered as we are, would

1 be a very valuable tool.

2 MR. _____: Let me make one more comment then I'll
3 drop it. One of the things that I've seen in several incidents that
4 attracts is the agencies are already working together, often behind
5 closed doors because of litigation involved. And people with much
6 expertise and input which is valuable to solving problems, get frozen
7 out of the process. By setting up an advisory, intergovernmental
8 advisory body.....

9 MS. WUNNICKE: I'm not talking about intergovernmental.

10 MR. _____: Okay. But that's where I was -- started
11 from because I thought that was what we were.

12 MS. WUNNICKE: Well, I'm not talking about intergovernmental at
13 all.

14 MR. _____: I re-interpret what Walt said about it
15 being a liaison and not an advisory, not an intergovernmental advisory.

16 MS. WUNNICKE: I'm talking about I think what you're talking
17 about, which is a representative from fishing interests, but there are
18 lots of different fishings interests many of them in conflict with one
19 another; a representative of the environmental community, but there are
20 lots of environmental organizations sometimes in conflict with one
21 another; a representative of the shippers and the oil industry. And if
22 its properly done and balanced and done so it represents, those become
23 spokespeople for those interests which can be a very, very valuable
23 thing. I, my sense is that our duration is so short that we don't have
25 the luxury of establishing that as a means. I think we have to go at

1 it maybe a little bit more direct and just inviting testimony from all
2 of those interests. That would be my feelings, Mr. Chairman.

3 MR. _____: Mr. Chairman, just to lend a bit of
4 support to Esther's notion. It also seems to me that if you formalize
5 some sort of advisory committee, the first thing they're going to ask
6 for is staff and some logistic support in order to meet. This, apart
7 from the limitations on time, it is something we might maybe take a
8 look at when we meet next after a budget is -- but that could be a
9 fairly expensive process.

10 MS. WUNNICKE: It's not the expense so much as just the time
11 necessary to do it well and do it right. And what Walt is refering to
12 is at the Joint Federal/State Land Use Planning Commission, we had an
13 excellent advisory committee. In fact, many of the major recommenda-
14 tions that came out of the Commission as such were generated in the
15 advisory committee because they could sit across the table from one
16 another, not bound by their constituencies and say, well now I hear you
17 saying this and I hear you saying that and let's see if we can't come
18 to some recommendation that satisfies us both. It was a very fine
19 experience, but it takes time.

20 MR. PARKER: That was the advisory committee for the gentlemen
21 for purgenes (ph) and ardent developer.

22 MS. WUNNICKE: Walt was on the advisory committee.

23 MR. _____: Mr. Chairman, I just want to make two
23 comments on scheduling here. One, I don't mind working on weekends and
25 actually I would prefer meeting on weekends in terms that its less

1 interruption with my business and my whole partnership would prefer
2 that. Secondly, if we're going to meet in Cordova, if you don't want
3 to become the laughing stock of the town, don't plan a meeting in
4 Cordova during fishing season. I think the fishing week in Cordova is
5 noon Sunday to probably noon Tuesday or Wednesday. Those are the
6 general openings.

7 MR. PARKER: I was going to check with CDM, you or the mayor or
8 somebody.

9 MR. _____: I'd check with fish and game. I know in
10 Southeast our openings go from noon Sunday and then whether it's a two
11 or three day week, through noon Tuesday or noon Wednesday. So, you can
12 really get a fishing organization real upset when you come to their
13 town and the only time they're there is while there out fishing.
14 There's nothing more irritating than that. So, I'd just throw those
15 two ideas on the table. I personally don't mind weekends. I prefer
16 weekends for this. I see we're planning a Monday, Tuesday, Wednesday.
17 It might be that the Wednesday is in Cordova and that might work out
18 with, but check the fishing week during that week.

19 MR. PARKER: How do the rest of you feel about weekends.

20 MS. WUNNICKE: Fine.

21 MS. HAYES: Fine.

22 MR. PARKER: Well, we.....

23 MR. _____: Give you a little more flexibility in your
23 plannig.

25 MR. PARKER: Does this seem okay with you, Tim?

1 MR. WALLIS: I love weekends.

2 MR. _____: Mr. Chairman, would you like to speculate

3 at least on the following meetings. The more lead time all of us have,

4 including yourself, the better.

5 MR. PARKER: Well, I would accept anybody's recommendations on

6 the following meeting. It's somewhat nebulous now. I'd say either

7 toward the end of the week of the 10th or the beginning of the week of

8 the 17th is when I would be a timeframe to shoot for.

9 MR. _____: Mr. Chairman, timing also goes with

10 location. Are you -- see what the Commission feels about moving on

11 into Homer or the Kenai Peninsula or going to Kodiak.

12 MR. PARKER: I'd.....

13 MS. WUNNICKE: Seward, don't forget Seward.

14 MR. PARKER: If, in contacting -- I was going to primarily

15 utilize the local mayors as the initial point of contact and discern

16 what a good time to come to their town would be. And check with

17 fishing organizations and as many as I could check with to determine

18 the best time.

19 MR. _____: Mr. Chairman, the mayors are all meeting,

20 of all Prince William Sound communities, are all meeting here tomorrow

21 at 10 o'clock in the Alascom building, old Alascom building.

22 MR. PARKER: Are you saying I should be there?

23 MR. _____: You might want to stop by there and say

23 hi.

25 MR. PARKER: okay. Would you come with me Esther.

1 MS. WUNNICKE: 10 o'clock. Sure.
2 MR. PARKER: Meg, you want to come?
3 MS. HAYES: Sure.
4 MR. PARKER: Anybody else going to be in town? Which confer-
5 ence room is that?
6 MR. _____: I don't know which -- it's over in the
7 old -- C&RA, where C&RA is now, over at the old Alascom building on
8 36th.
9 MR. PARKER: Alright.
10 MS. WUNNICKE: 36th and?
11 MS. HAYES: New Seward
12 MS. _____: Across from the Golden Lion.
13 MS. WUNNICKE: Oh, where MMS is now.
14 MR. PARKER: And that's Prince William Sound mayors?
15 MR. _____: Yes sir.
16 MR. PARKER: Okay.
17 MR. _____: Without narrowing down notion of reaching
18 other cities, would you want to set -- this is only for voting purposes
19 -- Thursday the 13th, 14th, and Saturday the 15th would be follow up.
20 MS. HAYES: That looks okay.
21 MR. _____: Just in order to blank out some dates.
22 MR. PARKER: Is that satisfactory to everybody to blank those
23 out.
23 MS. WUNNICKE: 13th, 14th and 15th?
25 MR. _____: That was a suggestion.

1 MS. WUNNICKE: That's good.

2 MS. HAYES: I should certainly be able to make the 14th. I'm

3 not sure about the 13th, but there would be a quorum most likely.

4 MS. WUNNICKE: When do you get back?

5 MS. HAYES: The 13th, maybe, if the weather's good and the

6 ferry runs.

7 MR. _____: The ferry always runs.

8 MR. PARKER: I'll get a full schedule to you as soon as possi-

9 ble, beyond that last date that you just blocked out, but that gets us

10 a month ahead.

11 MR. _____: Is the general plan here to meet every

12 three weeks, or twice a month, or -- looks like we're down to like a

13 three week agenda here now.

14 MR. PARKER: Well, that seems to be what is working out. I

15 think in order to -- if we want to meet twice a month, why possibly we

16 should really block out the 27th, 28th, and 29th. If that's.....

17 (Off the Record)

18 (Tape Changed)

19 (Tape #3 - 06/07/89 - Side A)

20 (On the Record)

21 MS. WUNNICKE: Okay Mr. Chairman. Thats as far as we can

22 probably plan at this time and we will at least have met our purpose of

23 visiting the affected communities - most affected communities.

23 MR. PARKER: Anything else on budget, personnel or scheduling

25 anybody wants to bring up at this time.

1 MS. HAYES: It's just Mr. Chairman that I would hope that you
2 and I and Commissioner Wunnicke might be able to get together tomorrow,
3 perhaps after our meeting with the mayors, and just talk a little about
4 how to proceed with the personnel.

5 MR. PARKER: That's fine. We don't have to advertise 'cause
6 it's just three of us.

7 MS. HAYES: That's right. We can't decide anything.
8 (Indiscernible - Simultaneous talking)

9 MR. PARKER: No. The.....

10 MR. _____: That's dependent on the fishing schedule.

11 MR. PARKER: Yes, the fishing schedule at Cordova. So we're
12 going to move around the fishing period in Cordova.

13 MR. _____: Really, all these are tentative.

14 MR. PARKER: Yes. They're the firmest we've got right now. If
15 there's no further questions or comments on the budget, personnel and
16 schedule, moving back to the work program, we now have several inputs
17 to pull together on that. It would be my intention to, working with
18 the Deputy Chair and Meg Hayes, to pull these together and on to one
19 document and get it out to you by overnight mail or fax, depending on
20 how voluminous it becomes, as rapidly as possible. Is that satisfac-
21 tory?

22 MR. WENK: It sure is satisfactory. But if there is time for
23 five or ten minutes?

23 MR. PARKER: There is.

25 MR. WENK: And there's absolutely nothing holy about this one

1 page I produced except for the admission that it's based on whatever
2 other people produced. The point was to try to put a different disci-
3 pline on what we've been doing. And I had a feeling that a few minutes
4 on this wouldn't hurt, even at this first meeting, as we begin to look
5 ahead at budgeting time. What I tried to do here, in as few as possi-
6 ble words, was to encapsulate what has already been discussed. I don't
7 think there's anything original on this sheet. But I tried to put it
8 into some sort of a sequence, hopefully logical, that would say some-
9 thing about what do we do Monday morning or what the staff do Monday
10 morning. But also to think about how much time we have for these
11 different phases, because that's going to bounce back in terms of
12 agenda for these future Commission meetings. The six months is just
13 going to evaporate.

14 MS. WUNNICKE: Yes, it is.

15 MR. PARKER: Well, as I told Senator Pourchot on the way out,
16 it was going to be January before I knew it. You're right, it will
17 evaporate extremely rapidly and I think in our time frame we have to
18 move ahead on all fronts and not wait for the exact right moment to
19 achieve anything, because if we wait too long for anything, we won't
20 get there. So, on the data collection and synthesis, a major item on
21 -- I think we're going to acquire all the input we have. We know the
22 GAO part will be available August 1st and the rest of that until we get
23 staff working on it, is going to be -- well, I'll just emphasize, we've
23 got to get staff working on it as soon as possible.

25 MR. SUND: Mr. Chairman, Just a couple of my thoughts running

1 here. That we had a very good day and a half throwing work items on
2 the table. We've had two or three attempts here to organize them in
3 some work fashion. With Mr. Laresche coming this morning, I think he
4 put a different perspective on this. And I think other people as they
5 come to testify or comment will have a little different slant. All of
6 that is going to continue to focus where we're going. I think what we
7 have here is we have a need for a little bit of time to digest this,
8 work on it, talk to some other people. I personally want to talk with
9 Commissioner Kelso and some of the other people who have been buried in
10 this to their eyebrows for a couple months or a month and a half
11 because I think they have a perspective that's worthwhile too, and
12 continue to focus it. I guess what I'm getting to is I think the three
13 of you in Anchorage here need to get together, pull this together and
14 let's do a little circulation between all of us, either faxes or
15 overnight mail. Do you have a fax down there, Mike? Do you have
16 access to one?

17 MR. HERZ: I have a fax number.

18 MR. SUND: I think, Ed, do you have access?

19 MR. WENK: I have access, yes.

20 MR. SUND: Anyway, that's the fastest way to run this around.
21 And then just keep pulling it together. The first day of our next
22 meeting, or at least the first few hours, perhaps we could try to then
23 have a draft document in front of us that we can pound out and say,
23 this is where we want to go forward from here. And that would help set
25 the parameters a little bit on discussions with other people or at

1 least lead the questioning or how we want to get out. Anyway, I just
2 throw that on the table now to see just where we ought to go from here.

3 MR. PARKER: Do you want to have Commissioner Kelso at the next
4 meeting here in Anchorage, the 26th?

5 MR. SUND: I think you need to work with the schedule a little
6 bit and see what's possible. But, I feel very uncomfortable going into
7 Valdez, or Cordova or some of the other places with a 360 degree open
8 pot. I think we have to have by then try to go through this -- not
9 close it off, but at least get a focus of what direction we're going so
10 we have some way to respond to people that say, are you guys going to
11 work on this or are you going to do anything about that. You can say,
12 yes, no, maybe or that's a new idea, which I'm sure there's always
13 some. I'm just.....

14 MR. PARKER: I think we're very close to that in being able to
15 answer those questions. I agree with you, we need to concentrate on
16 that Monday here to -- if it works out to be a Sunday or whatever --
17 but concentrate on that here.

18 MR. SUND: I think we can circulate that amongst us before, so
19 when we come back maybe we'll have an agreed upon schedule there.

20 MR. HERZ: I think that's a great idea. I wanted to come back
21 to Ed's in here. It seems to me that what he's trying to do is criti-
22 cally important. In the last four or five years I've worked on two
23 projects which had to do with gathering a lot of information from other
23 sources that were going to be collated, evaluated and weighed. One of
25 them had to do with water in California, which is a big subject. But,

1 I spent about 9 months of the first year of a 2-year project getting,
2 physically, my hand on documents on needed to do the work. So I think
3 that some of these things that are on this list, someone can tomorrow
4 start writing -- you can hire a temporary, give them minimal direc-
5 tions and they could start requesting the documents we've got to have.
6 For example, phase II is review contingency plans. Well, one of the
7 things I worked on last year was contingency plans. I found that even
8 within agencies that control contingency plans, like Coast Guard, they
9 didn't know what version was current, whether something was in draft
10 and was going to be done in time for us to use it or not. We haven't
11 even identified absolutely what contingency plans are in effect and
12 whose jurisdiction stayed with what. So a lot of that stuff needs to
13 start yesterday if we're going to have the documents available by the
14 time we have the staff that are going to do the analysis and evalua-
15 tion. So, I think, particularly the data collection emphasis, I think
16 we need to start enumerating what the documents are, get those lists,
17 and get those questions out.

18 MR. PARKER: I would not see any problem in the Commission
19 acting, who have access and know what they want collected, in acting
20 independently on this and starting to get the document flow going as
21 soon as we have an office to send them to.

22 MR. _____: Mr. Chair, I already shared with you that
23 EPA chronology, which is a start. I think GAO may be willing to give
23 us some interim materials. For example I know full well they've got
25 the full package of all contingency plans right in the office in

1 Seattle. The thought occurred to me, Walt -- I hate to put you in this
2 burden. I'd be glad to try to ferret that out. I'm wondering whether
3 there might be some advantage if you could make a trip to Seattle and
4 the two of us visit there. With your coming as the Chair of the
5 Commission, it might be taken more seriously.

6 MR. PARKER: I could come down for a day if you thought it
7 would be valuable, when you get back from your Greenport meeting.

8 MR. _____: Let me sound them out and then maybe see.

9 MR. _____: All those might be available right here
10 in Anchorage, Ed.

11 MR. WENK: They ought to be. The problem is they don't seem to
12 be in one place, based on what Bob was saying this morning. Someone
13 here asked him that very question and he did not have them himself.

14 MS. WUNNICKE: Just so they weren't.....

15 MR. _____: The lawyers have them. I think the
16 lawyers have them.

17 MS. WUNNICKE: Yeah. They're together.

18 MR. PARKER: That's one of the reasons I wanted to get to
19 Valdez early on was to open up those linkages to get that data accumu-
20 lation flow going at that level. In other words to get what we call
21 the grey material going so tha we weren't totally dependent on what's
22 already been published in our data accumulations, because obviously
23 there won't be very many formal publicatons of results of this infor-
23 mation until next year some time before the scientific process works
25 its way. I want to pick these peoples' brains now for whatever

1 information they can divulge, especially on oil spill response for
2 tankers and prevention. Generally it's different.

3 MR. _____: I think on Mike's point, lesson learned
4 already. I can be there in the phase I. That's going to have to be
5 done by direct contact with the different participants. That can be
6 really a very powerful part of this data collection. I'm not quite
7 sure what the procedure would be to do that. These folks may not be as
8 forthcoming as we might like, but I have a feeling that during the next
9 little while, before we meet next, that that and maybe one or two of
10 the other items might be developed.

11 MR. _____: When was the first encounter dated? And
12 was that Coast Guard?

13 MR. _____: The Coast Guard and from the logs of the
14 ships themselves.

15 MR. _____: Those are proprietary, aren't they. Are
16 they public domain.

17 MR. PARKER: Yeah.

18 MR. _____: We have the power to request them.

19 MR. PARKER: Yeah, but I think ship's logs -- the Coast Guard
20 has absolute access all the time.

21 MR. _____: But that doesn't make them necessarily
22 non-proprietary.

23 MR. WENK: The time that they will shield them is if there is
23 possiblity of legal liability in terms of the information that's in the
25 logs. And if its a close shave an not an accident that's pretty

1 unlikely. If it were an accident, then the Coast Guard is then under
2 constraint. The best thing is that element. I was able to get access
3 in Seattle when I was doing my study, under those ground rules. I have
4 to tell you though, initially it wasn't easy. I had to use the Freedom
5 of Information Act to get the Coast Guard data. Once I got that
6 unlocked, I don't think I got skittish then.

7 MR. PARKER: In line with that, I think it's important for all
8 Commissioners to get down in writing as these things to the data
9 sources that they are aware of so we have something to give staff
10 direction as soon as they're on board. Mike, are you going to be in
11 town tomorrow?

12 MR. HERZ: Yes sir. I'll call you tonight.

13 MR. PARKER: Alright. I think for that simple fact, we'll be
14 able to get the staff off and running on getting this information
15 together as rapidly as possible. Any other comments on Phase I of the
16 work plan? Ed?

17 MR. WENK: The comment I was going to make has to do with "A"
18 on page 2. I think GAO is going to use for their evaluation that thing
19 that I shared with you this morning on evaluating contingency plans.
20 Again, there's nothing sacred about it. What it would be interesting
21 to see what they come up with and at least we can get a schedule from
22 them, Walt, that might save us some work. Because they are going to
23 definitely have to get that done long before they draft their report
23 due the first of August.

25 MR. PARKER: Oh, yeah. They're going to have 15 people working

1 on it. That's the biggest plus that come into this so far. GAO is
2 usually getting a lot of work out of their people. Anything on page
3 three that you want to elaborate on or any off the rest of it. It's
4 pretty.....

5 MR. _____: It's pretty done, just very briefly
6 explain.....

7 MR. _____: I think it was John that identified the
8 trade offs on your phone and some of the management decision making.
9 This is not very clear, Tim, I have to admit. And there's a half of a
10 parenthesis there that I didn't fill in because even I got a little
11 stuck. But, essentially it was recognizing that there is most funda-
12 mentally is a trade off between the environment and the economy or the
13 economic factors or the side effects. The basis for that decision
14 making is based on the estimate of liability by the people making the
15 decision. I think what John was suggesting is that these people
16 thought the chances of an accident were pretty doggone slim and there-
17 fore tilted their decision, rightly or wrongly, tilted it toward the
18 cheapest possible way to move oil. People in that avenue -- they were
19 involved in the double-bottom issue is clearly there. They're saying,
20 well it's cheaper to do that and if we have a suit, it's still cheaper.
21 The classic example of this is the pinto vulnerability to a rear end
22 collision and fire. The Ford Motor Company knew this was vulnerable.
23 The engineers had recommended strengthening the gas tank and management
23 found, with some legal advice, in their judgement, not proven to be
25 true, that if there were going be a few accidents with fatalities, it

1 was cheaper to pay the damage. So this is a matter of evaluating --
2 essentially, I guess a better way to say this is to examine the trade
3 off issues rather than liability issues.

4 MR. _____: I think also as Walt was saying, basi-
5 cally is use the liability theory to hopefully enforce safety as
6 prevention. If you don't do it right and something happens you're
7 going to be liable. Liability is the deterrent methodology we've used
8 in the law and in this case it didn't work.

9 MR. _____: Liability as a deterrent is a downer.

10 MR. _____: That's one....

11 MR. _____:Basically as part of "A" then.

12 MR. _____: Yeah, well you could put prevention at
13 the top of this page I guess and everything else just falls under it.
14 But I think that's kind of why it's there. The other issue that I
15 brought up, and we're not going to be able to get into it is that
16 there's no current methodology. There may be something out of this
17 bill, a methodology to evaluate economic impact to the environment. To
18 put a dollar value on impact to the environment. There is economic
19 impact to Exxon to clean up the oil, the physical act of cleaning it
20 up. They're having to pay for that and they're getting to pay a little
21 bit of economic damages to people who are being deprived of their
22 livelihood (inability to go fishing and stuff), but nobody yet is
23 really talking about -- and we had economic impact on state to get
23 involved with the cleanup, right. But, how much is the environment
25 worth and how much has it been damaged, and who is the party? Even if

1 you found the damage to the environment is \$100 million, right, theo-
2 retical or whatever it is. Who do you pay it too. Do you pay it to
3 the State government? Do you pay it to the federal government. Do you
4 cut everybody in the neighborhood a check? Who's the party. It's a
5 common property resource that is in both State and federal waters. I'm
6 saying from an Exxon point of view or an oil company point of view,
7 that's a zero cost. So there's no incentive to build safety in on that
8 site. Loosing airplanes is a different matter. We've proven there is
9 a cost to killing people. We figured out economic values of people.
10 You kill a six month old baby, I've got a great lawyer in your town
11 who'll tell you how much that baby is worth. But we don't do it with
12 non-humans to any great degree, we have a little bit. Anyway that's
13 kind of the other side to that theory. We're not going to get in to
14 developing any theories of values of deterrents there.

15 MR. PARKER: Interestingly enough, when we were going through
16 the development of the National Air System in the 60's and brand new
17 appropriation was one of the, was our major contract on that. We got
18 into planned program budgeting. We were never able to establish the
19 value of a human life, even though courts, of course, do it all the
20 time. We could never do it for planned program budget purposes because
21 of the obvious political implications. Nobody wanted to wander up to
22 capital hill and look at a Senator in the eye and say, we'll we've
23 figured out the average American citizen is worth about \$5 million in
23 this equation and this is how we cranked them into our equation. We
25 can do it in the courts, but you can't do it in the planning process.

1 Any other comments before we go into public participation.

2 MR. SUND: Jus so I understand where we're at. We're kind of
3 following -- we've got three or four different plans down here, so the
4 three of you are going to try to take and put these together and run
5 'em around and those of us who haven't written up our work plan yet can
6 still write one up.

7 MR. PARKER: You can still write yours up.

8 MR. SUND: I thought I wouldn't clutter the table here today.
9 There's a lot of good ideas here.

10 MS. HAYES: I just wanted to, before we got into public testi-
11 mony, make a laundry list of everything everybody's got to do so that I
12 know what my job is and you all know what your jobs are. Mr. Chairman,
13 I don't know if you've kept track of all of that and I'm sure I don't
14 have an exhaustive list. Mr. Chairman, you were going to be in charge
15 of trying to get space with the Department of Administration as quickly
16 as possible given the discussion that's going on. The subcommittee,
17 chaired by your chairman, was going to do the hiring of staff if
18 possible. The same committee was going to look at trying to put the
19 draft, the work plans together, although we won't have the benefit of
20 John Sund for that part, except as we would be sending information back
21 and forth. The same committee is also going to look at the draft
22 contractual job specs for legal assistance and some kind of library
23 data collection. Three of us are going to meet with the mayors tomor-
23 row.

25 MR. PARKER: 10 o'clock.....

1 MS. HAYES: 10'clock.
2
3 MR. PARKER:in the old Alascom building, which I guess is
4 the ATU building.
5 MS. HAYES: And we're all going to give data sources that we
6 have available, or know are available, to the Chairman as soon as
7 possible. Anybody else have any other jobs to do so that I can just
8 keep track?
9 MR. _____: No. You just triggered an issue that I
10 brought up yesterday that we were going to put off to this time right
11 now.
12 MS. HAYES: Which was?
13 MR. _____: A definition of what is committee busi-
14 ness. I'll throw on the table -- I'd like to put an hour a day because
15 it's measurable. I would throw out a discussion of two or three hours
16 a day is a day spent on committee business. I don't know how other
17 people feel about that.
18 MS. HAYES: Just as John has done, and I have done, we ran some
19 figures about what an average of one day a week costs in terms of our
20 budget and I think that that's probably more the limiting factor that
21 how much any one of us actually works on committee business. I'm sure
22 we're all going to work way more days than we actually get paid. But
23 the difference between working an average -- I mean it's about \$30,000,
24 if we all work one day a week on committee business, it's about \$30,000
25 for the six months. And you can do the mathematics as you see as I
can. The difference is how much money we have available for contract

-111-

1 and how much money we claim for committee business. So I'd just leave
2 that for your to consider in terms of how much we want to figure on
3 four hours a day or whether we want to combine two four hours a day
4 into one day.

5 MR. PARKER: It's more cost effective to work the committee.
6 They get paid less than those contracts.

7 MS. HAYES: They get paid less than most contractors do.

8 MR. _____: They sure do.

9 MR. SUND: I propose we just defer the issue to the next
10 meeting, Mr. Chairman, so everybody can have a chance between now and
11 then to figure out how much time they're spending on it and what it
12 feels like.

13 MS. HAYES: I think that's good.

14 MR. PARKER: I think, considering that this is a part time
15 committe, the greatest deterrent to committee participation above and
16 beyond committee meetings themselves is the simple act of living and
17 leading other lives. You want to stand up and stretch and we'll take
18 up with public participation in three minutes.

19 (Off the Record)

20 (On the Record)

21 MR. MITCHELL: We always have had concerns over the proper oil
22 development and also tankering of oil. We see, in light of our con-
23 cerns especially with the West Aleutian sale, which the state of course
23 has continually been concerned with over the years. We see, we feel
25 that it would be important that we try to get as much input in that

1 area as possible, send to subcommittee of your group, possibly to hold
2 a hearing in the Bristol Bay area sometime in late summer. There's
3 also a possibility then of there being a congressional hearing out
4 there also, so that might be a good time. It's -- not to bore you with
5 details and a lot of people will talk about the salmon resource and it
6 is the world's largest salmon resource, but oil development in that
7 region is going to have to be conducted very, very carefully. Then, of
8 course, you're going to have the whole problem of where you tanker it
9 to, tanker traffic and going through Unimak (ph) pass. A disaster like
10 they had in Prince William Sound, in that area would have very, very
11 serious repercussions, not that what happened in Prince William Sound
12 is not horrible and didn't kill a lot of fish and marine mammals and
13 sea birds and on and on and on. But, when you look at the magnitude of
14 marine mammals and various fish species probably two million metric
15 tons plus of fish, which not only U.S. fisherman, but the world fishing
16 community, processing community, are dependent on; subsistence utili-
17 zation; not only fishery sources but marine mammals and sea birds, the
18 number of either endangered animals that use those water ways are those
19 close to near shore areas. If there is going to be oil developed up
20 there, we would like to see that it's done absolutely properly so that
21 they're getting the oil out of there would be some time safely. So we
22 see the Commission as a vehicle to help us provide the proper input
23 into this whole process. I know you're going to be very busy, but if
23 you could possibly schedule some prime time, so to speak, with people
25 from that area, I think you would find it worth your while and we'd be

1 willing to assist you in terms of travel, accommodation, making sure that
2 people did show up for the meetings and they were all informed in
3 advance if you were to make that decision.

4 MR. PARKER: Okay. Thank you. Commissioners, several commis-
5 sioners have expressed a desire that we strongly consider Bristol Bay,
6 including a visit. Does anyone have any questions for Harry Mitchell?

7 MR. _____: What is the MMSS doing about total oil
8 reserve that might be there?

9 MR. MITCHELL: What is MMS doing with.....

10 MR. _____: No, what is their estimate of number days
11 of national need oil or volumes of oil?

12 MR. MITCHELL: I don't think its more than 20 days, something
13 like that. Is that correct, Esther?

14 MS. WUNNICKE: I think that's about right.

15 MR. _____: 20-60

16 MR. MITCHELL: That of course is one of our points that we
17 involved with all our contact with them over the years. It was a point
18 well made by the state also during the first of the litigation. Not
19 that all that litigation is over with, but -- it's not a large amount
20 and compared to the class and magnitude of the resources out there,
21 it's not much.

22 MR. _____: And there is a lease sale scheduled for
23 92?

23 MR. MITCHELL: I think North Aleutians subsequent sale is May
25 of 1993. It's on the current five year schedule, but I'm not exactly

1 -- I can't really recall exactly what year. Not all the tracts were
2 bid on and technically they can go forward into exploration phase at
3 this point. Some of the congressional delegation has asked now, since
4 this spill, has asked that Lujohn (ph) basically not go forward with
5 those plans. Additionally, at this time, there are members of the
6 community that are asking the Interior Appropriations Committee to
7 basically place a moratorium on anything happening out there by basi-
8 cally taking the money away from Lumos (ph) Management Service. What
9 they would do is delete MMS's money to do anything with the area. That
10 will probably be decided, say, within the next two weeks.

11 MR. SUND: Additionally, there's also floating around the idea
12 of a.....

13 MR. MITCHELL: Of a buy back situation. A number of the
14 interest groups are proposing to Congress that the \$94 million or
15 whatever was bid on that sale be returned to the people that were
16 awarded the leases. I don't know -- in times of budgetary constraints
17 in Congress, I don't know if Congress would be willing to give back \$94
18 million. I suppose it would really come down to how much would the
19 state of Alaska, through it's congressional representatives, be willing
20 to give up. I'm sure the key to that would be a request by other
21 congressman, not that you would have to give up the whole 94, we had
22 some outside the state of Alaska, but in the federal budget I'm sure
23 that they'd probably try to take as much away. It would probably come
23 out of things like Indian health, highway funds and this and that. We
25 don't really know how successful something like that would really be.

1 The other thing is the idea that perhaps there could be some sort of
2 joint buy back with the state participating in it. Morally, of course,
3 that'd be a hard one for the state to buy into. Regardless of all
4 that, I think where your Commission can go and the kind of input can
5 help or not whether there is any movement of the Bristol Bay Lease
6 sale, wherever it happens across the nation, the recommendations from
7 this Commission can be used to structure safer operations down the
8 line. So we look forward to participating with you.

9 MR. PARKER: Thank you. Anybody else, questions? Bob? mr.
10 Fontinn?

11 MR. FONTINN: I just spent two weeks in Valdez, which is an
12 experience.

13 MR. _____: Could you just identify yourself.

14 MR. FONTINN: My name is Luke Fontinn. I'm an attorney from
15 New Orleans, Louisiana and was sent from New Orleans to Senate commit-
16 tees in Washington and from there to Anchorage. I've been in Valdez
17 for two weeks. My assignment was to represent a California corporation
18 and a Louisiana corporation that have a proprietary interest in a
19 process called CM110. CM110 is a biodegradable process that would take
20 the oil and float it to the top that's in the water. That would take
21 oil, possibly, that's on the rags, is the example right now, and take
22 the oil off the rags and possibly, therefore you wouldn't have to burn.
23 You would have to do something with the rags though. They possibly
23 could be used on the shoreline. It's a non-toxic, non-chemical pollu-
25 tant that's on the EPA authorization list. The chemist who's the

1 inventor of the process has always described it as a non-dispersant, as
2 compared to Correxite (ph), which is the Exxon chemical dispersant. The
3 EPA labelled it as a dispersant. I don't like the word myself, but
4 they labelled it as a dispersant. It's just the opposite of Exxon's
5 dispersant, because Exxon's dispersant is a chemical pollutant under
6 the Clean Water Act, at least that's my understanding, and it sinks the
7 oil to the bottom. And I just spent two weeks in Valdez and one thing
8 I've never heard anybody talk about is the -- and I got out to the
9 oiled beaches, which is quite a trick, by the way as an individual
10 because Exxon and VECO have all the boats tied up, planes, for that
11 matter hotels and whatever. I lived in a camper. I got out to one of
12 the oil spill beaches. Unless you really walk into that stuff and see
13 what it's like and smell it, it's quite an experience. I don't think
14 anyone's ever talked about the potential health effects of people that
15 are working out there. And that's an aspect that you might want to
16 consider under your social economic effects. It might not be such a
17 hard thing to tag through the clinic that's in Valdez where most of the
18 people come. And you hear stories all the time from young people out
19 there that a lot of people are sick and are getting sick. And like I
20 say, unless you've experienced going on the beach and walking on it,
21 getting stained by the oil, smelling it and also in Valdez a long time,
22 it's raining a lot. You never see the sun. I think I saw the sun one
23 day in 14 days. So you're immunity system gets low there automatical-
23 ly. So it's an aspect that no one's talked about that I think should
25 be looked into since it's the Alaskans that are working on oil spill

1 and the human element of working on an oil spill and the sickness that
2 might come from it is an aspect that someone should take a look at.
3 This is one chance. The other aspect, of course, is I represent a
4 process which I think is ecologically and environmentally sound, which
5 is biodegradable. And a process which I feel should have been tested
6 and should be tested. The reality of the situation is that Exxon has
7 their dispersant, which I call Correxite (ph), and that dispersant I
8 think has played a part from the beginning of this accident right to
9 the present time. When the accident happened the national press that
10 came, for example in New Orleans, "Is Exxon blasting the state of
11 Alaska and the Coast Guard federal authorities by not committing them
12 to use their dispersants?" That was the PR that came out on national
13 press. That was the approach that Exxon gave at the Senate Committee
14 hearings. The use of those dispersants, the Correxite (ph), there's
15 still no other process, whether you take my process or some one else's
16 process -- the reality of the matter is that there should be some
17 testing done outside of Exxon, even outside the Coast Guard, that
18 should be done by the State. But you see the State, under your stat-
19 utes, doesn't have statutory authority and you're affected so much as a
20 state. Engid (ph) Island, for example, has had two, possibly three
21 tests conducted by the Coast Guard and Exxon of their dispersant,
22 Correxite (ph). You should check, why has the Coast Guard and Exxon
23 permitted those tests and what's happened to other processes. How come
23 they haven't been tested on Engid (ph) Island, 60 days after the
25 accident. My understanding is that the Coast Guard and DEC have stated

1 that the tests that Exxon has constantly pushed and done on Engid (ph)
2 Island has been unsuccessful. So when you go into use of dispersants,
3 you should also go into the problem of other processes, whether it be
4 my process or any other process. Testing, in the state's lap, from
5 statute, legislative authority to be conducting tests. The State, if
6 they had authority the DEC I'm sure would be out there right now and
7 your State officials would be out there conducting tests independently
8 of Exxon and the Coast Guard. It's a legislative problem or some
9 problem that should be touched and resolved by this Commission, if
10 possible, to put some future legislative backing in your State legis-
11 lation.

12 MR. HERZ: Mr. Fontinn, in California, the State of California
13 has it's own testing procedure and is going through the approval
14 process of its own, independent of the federal government, EPA's
15 testing procedure. And although Correxite (ph) 9227, 9527 and other
16 Correxites (ph) and other dispersants are on the approved list by EPA,
17 unless they are approved by the State of California, the state will not
18 sign off and approve, as is necessary before there is application in
19 the field. So it can't be used and I would assume that Alaska has the
20 same authority if they choose to use it.

21 MS. WUNNICKE: That's my understanding.

22 MR. FONTINN: It's my understanding they don't. I talked to a
23 number of people here and I have been informed they haven't. I've been
23 informed by Dr. Laresche that there's no statutory authority and also
25 I've been informed, my understanding, by the state DEC. So, I don't

1 think there is that authority.

2 MR. HERZ: It may not be statutory, but the dispersant use
3 requirements are that the regional response team has to agree and the
4 State must concur before it can be applied. Now there is prior, there
5 may be prior approval of some chemical dispersants in the state and I
6 think 9527 Correxite (ph) is one of those prior approved dispersants.

7 MR. FONTINN: Okay, Michael, maybe the approval. But I'm
8 talking about the State conducting some tests independently of, right
9 now, outside of Exxon.

10 MR. HERZ: They have the authority. If they choose to do it
11 they can do it.

12 MR. FONTINN: Then that is new to me because I've been told
13 they don't have. I'd like to know what the legislative statute is
14 here, because I don't think there is one. So if California has a
15 statute, and Alaska doesn't.....

16 MR. HERZ: I don't think it's statute. I think it's in the
17 Clean Water Act.

18 MS. WUNNICKE: Part of the response team.

19 MR. HERZE: Yes, its discretion.

20 MR. FONTINN: What's the final approval. I'm talking about
21 testing of other systems. That's what I'm talking about, testing,
22 independent testing done by the State, outside of Exxon, outside of the
23 Coast Guard.

23 MR. HERZ: It's discretionary and if they choose to make their
25 decision.....If the state chooses to make it's decision based on its

1 own research independent of the feds, they can.....

2 MR. FONTANA: Then, you're saying thats a federal act under the
3 Clean Water Act.

4 MR. HERZ:do it because the State has to concur before a
5 dispersant is applied.

6 MR. FONTANA: So the state, in your opinion, under the Federal
7 Clean Water Act would have that authority to do a test, under the
8 interpretations.

9 MR. HERZ: They have the authority to agree or not agree as to
10 its use. They have already -- they've signed this agreement with the
11 federal government.

12 MR. _____: I think you're talking two different --
13 he wants the State to go out and test this chemical on picking up oil.

14 MR. HERZ: My interpretation is that it's discretionary. If
15 the state chose to make its decision about concurring with the feds to
16 use the material, they could choose to do their own independent test-
17 ing, if that was the way they wanted to make their decision which is
18 what California has decided to do. But it's totally discretionary is
19 my -- I mean I'm not a lawyer, but I think the interpretation Califor-
20 nia has made is that it is discretionary and they can do it that way.

21 MR. PARKER: There is a test, according to last night's news,
22 there is a test going on involving fertilizer right now on one of the
23 beaches. Does anyone have any information on, further information on
23 that? I just saw it on television news.

25 MS. HAYES: I believe that that was an attempt at seeing

1 whether the natural microbes present on the beaches already would be
2 able to metabolize the oil more swiftly if they had additional trace
3 elements in various fertilizers approved to it. So that it was actu-
4 ally introducing any genetically modified bacteria, but simply adding
5 the fertilizers to see whether the rate, it could be more, would
6 accelerate. And I think that's all it is.

7 MS. WUNNICKE: Mr. Chairman, there's one other instance that
8 has come to my attention, where handlers of, not a dispersant, but an
9 absorbent, had gotten permission from Exxon and from the Coast Guard
10 and were stymied by lack of permission from the State, which I think
11 has now been granted, to do a field application of that absorbent. So,
12 I guess what I would like to ask because I don't know the answer, is if
13 the State has to have the concurrence of the Coast Guard or the con-
14 currence of the EPA in order to conduct such a test.

15 MR. FONTINN: I don't think the state has to have authority,
16 but the State's position, in my dealing with the State for the last
17 four weeks now, is that they don't have any authority to conduct any
18 tests. That the jurisdiction of the tests and all the clean up is
19 Exxon and Coast Guard responsibility and not there's. I kind of get
20 the impression that if the State got involved with the clean up they
21 might get stuck with it, so they'd rather just be hands off. I'm not
22 too sure that's the right attitude. The State should be so intimately
23 involved in all of this. They should be conducting tests, should be
23 making decisions, should be out there, not leaving it up -- but that's
25 what I've been told now and I've been dealing with your state

1 government for over three weeks.

2 MR. PARKER: John.

3 MR. SUND: I just want to make a comment, Mr. Fontinn, that

4 some of us have gone months without seeing the sunshine. Fourteen days

5 is a pretty short period of time and some of us actually come from

6 areas where it really does rain. Valdez is quite a dry spot.

7 MR. FONTINN: Okay. I spent a lot of time in Vancouver, British

8 Columbia.

9 MR. SUND: That's a dry spot too.

10 MS. WUNNICKE: It's only here on Memorial Day in the whole

11 state I think John. On Memorial day we had a great weekend.

12 MR. SUND: Oh, yes. It's great.

13 MR. FONTINN: one other thing I'd mention. When you're in

14 Valdez -- I know you're ging to have your open meeting. Two people you

15 should search out who really have a lot of tremendous information on

16 the socio-economic impacts in the city of Valdez and community resi-

17 dence.....

18 (Off the Record)

19 (Tape Changed)

20 (Tape #3 - 06/07/89 - Side B)

21 (On the Record)

22 MR. FONTINN:to the Coast Guard Valdez oil spill command

23 center on May 27th. On May 30th, the Coast Guard contacted the presi-

23 dent of my organization that we cannot be considered because we're not

25 on the EPA authorization list. That's the kind of stuff we're dealing

1 with. I was on the EPA authorization list on May 25th. I gave it to
2 the Coast Guard on May 27th. The Coast Guard in Crotton (ph), Con-
3 necticut quietly informed me on May 30th they can't consider us because
4 we're not on the EPA authorization list. All this time has been lost.
5 So now I sent all these mail-a-grams up from Crotton (ph) , Connecticut
6 showing yes we are on the EPA authorization list. In the meantime
7 we're not getting testing. This is a biodegradable process which could
8 possibly be pretty good.

9 MS. WUNNICKE: How do you spell your name?

10 MR. FONTINN: Oh, Fontinn. F O N T I N N.

11 MS. WUNNICKE: And do you have an address?

12 MR. FONTINN: Yes, my office addrss is 500 Vufossat Street. By
13 the way, just to give a New Orleans thing, it's (indiscernible). It's
14 New Orleans, LA 70115. Area code (504) 897-6600.

15 MS. WUNNICKE: Say again.

16 MR. FONTINN: (504) 897-6600.

17 MR. PARKER: Is there any indication you received back that
18 they just don't have time to test now or are they going to go ahead
19 with testing other dispersants?

20 MR. FONTINN: My understanding is right around -- unfortunately this --
21 they have just selected four processes, whether they're chemical
22 dispersants or what they are, I'm not sure. I was just told them
23 verbally. CM110 unfortunately got caught in the bueraucratic adminis-
23 trative error, or whatever, and right now I'm just sitting to get clear
25 once again that we are on EPA authorization list. So I'm on hold here.

1 I'm in contact now with the Coast Guard in Crottin (ph), Connecticut.
2 I've sent them mail-a-grams. I informed that Mr. Parker would like to
3 see, and has stated he would like to see a field test done of this in
4 Valdez. And that's where I stand right now. I don't know what the
5 Coast Guard's going to do. I would have to say I think Exxon is pretty
6 well committed to the use of their dispersant, Correxite (ph). I'm not
7 too sure how they feel about testing our process right now.

8 MR. PARKER: Any other questions? Ed.

9 MR. WENK: Just a footnote. Correxite (ph) is on -- there are
10 two Correxites (ph), I'm not sure which number one they're using. But
11 they both are on the EPA list. However, in an EPA list there is a
12 grading of all the dispersants and coagulants, though they misname them
13 as dispersants like you said, according to their toxicity and the one
14 Correxite (ph) is halfway down the list, or halfway up the list if you
15 want to look at it that way in terms of toxicity. And the other one,
16 which is believed to be the one they are using, is the very most toxic
17 of all the dispersants on the EPA list. The range of toxicity, and I'm
18 not enough of a scientist in this area to know how to interpret it,
19 but the number, the scale associated with toxicity varies by two orders
20 of magnitude, by factors of a hundred. What, of course -- the question
21 that immediately raises is whether or not dispersants are all grouped
22 together without some identity as to which are or are not least toxic.
23 I don't know whether the colleague here might be able to comment on
23 that.

25 MR. _____: I think the Correxite (ph) 9527 is the one

1 that I think makes up something like 70 or 80 or even more of the
2 reserves that are on hand throughout the country in all of the co-ops.
3 And that is one of the lowest toxicity. There is another Correxite (ph)
4 7664, which is similar in magnitude, higher in toxicity. But to my
5 knowledge, I've never heard of the 7664 ever being used in a real spill
6 situation where as the 9527 which is what was used here, and found to
7 not work, is the same stuff that has been found to be equivocal in many
8 other situations.

9 MR. PARKER: See now why I want to get you guys to Valdez?

10 MR. FONTINN: I guess I should share with you some of the other
11 things I found out in Valdez. When I got to the oil cold beach, two
12 field members of the DEC came by. They were doing a survey of the
13 beaches for reports for future reference. And I'll tell you, I filmed
14 on the video camera and they said what was happening on these beaches is
15 that they hose off the beach and the oil comes down to the water. And
16 the booms and whatever are set up, but because the workers are on union
17 they leave fairly early sometimes. Weather conditions get real bad
18 too. He said what happens is that then high tide comes up and the
19 oil goes back on the beach. I also interviewed some fisherman that
20 didn't want -- some of the fisherman stated -- there's no way to
21 document this, but he said that there are parts of the beach where they
22 see millions of these little hard droplets which he described as what
23 he thinks a dispersant is, does. So he questioned whether or not
23 there's a possibility that dispersants are being used in various areas,
25 possibly without the knowledge of everyone. That was brought out.

1 MR. PARKER: Any other questions? Okay. Thank you Mr.
2 Fontinn.
3 MS. WUNNICKE: Thank you.
4 MR. _____: Thank you.
5 MR. PARKER: Any one else to address the Commission? Yes.
6 MS. COIL: Hi. My name is Michelle Coil and this is really
7 just a housekeeping matter. For those of us who missed the meeting
8 yesterday, is there a record or something that we can consult. I see
9 that the meeting is tape recorded. is that available or what's avail-
10 able to us?
11 MR. PARKER: Mr. Arnley (ph) from the Governor's office kept
12 the notes of the meeting yesterday and those will be available as soon
13 as they can get them typed up.
14 MS. COIL: Would that include the handouts and things that
15 you're working from?
16 MS. WUNNICKE: No.
17 MR. _____: Mr. Chairman, just for the record I'll
18 note the presence of Speaker Cotten has joined us here, the second
19 legislator of the day to wander in. But, in answer to yesterday, we
20 elected Mr. Parker the Chairman, and Ms. Wunnicke the Vice-Chairman.
21 We decided to record all our meetings, transcribe those that the
22 Chairman thought needed transcribing, did some other administrative
23 matters and put this list of items on the board behind us. I don't
23 think that there was -- I don't remember much else of what we did.
25 That was about the essence of it. I don't think you're missing much.

-127-

1 MS. WUNNICKE: This was the first organizational meeting.
2 MR. _____: First organization meeting of the Com-
3 mission and most of the work on ideas tossed around today are just kind
4 of re-capitulations of what we started with yesterday. You're not
5 behind the curve yet.
6 MR. PARKER: Anyone else?
7 MR. _____: We don't have anybody to transcribe it
8 anyway.
9 MR. PARKER: Ed?
10 MR. WENK: Mr. Chairman, Meg was good enough to record all the
11 assignments and all of the haves or don't have and so on. I was
12 wondering, as some additional item, whether some of the material that
13 is going to be available to the Commission, referred to earlier by Bob
14 Laresche, might be evaluated in terms of the cost of duplication and
15 copies in all our hands. Let me give you an example. One of the
16 things I think you mentioned was the Exxon chronology. And some
17 chronology I think would be an enormously useful instrument for our
18 thinking purposes. Now it was also referenced, I think to the Anchor-
19 age Daily News -- am I right, the Anchorage Daily News chronology was
20 available for \$50.
21 MS. WUNNICKE: Yes.
22 MR. WENK: GAO's got a chronology. I'll see if I can ferret
23 that out. But, I just wondered, Mr. Chairman about whether as a
23 minimum all of us gather chronology in hand that we can work from, from
25 whatever source.

1 MR. PARKER: The Exxon log and the Daily News chronology (I
2 think we can probably afford that). Anybody have any objections to my
3 providing that to all the members. I, like Meg, have been saving all
4 the papers that covered this.

5 MS. HAYES: On purpose or by accident.

6 MR. PARKER: On purpose. My 6-year-old grandson who's in the
7 rags/bottle business and he's been eyeing the growing pile of paper
8 with avidity because it cuts down on his spending money.

9 MR. _____: Does anyone know what happened to those
10 video tapes.

11 MR. _____: The guy from the Governor's office.....

12 MS. WUNNICKE: Paul

13 MR. _____:must have taken them upstairs to the
14 7th floor.

15 MR. WENK: You wanted to borrow them as I remember. They're
16 available to anybody who wants to use them.

17 MS. HAYES: If we don't take them now, maybe we should send
18 them back tomorrow.

19 MR. _____: Unless you would like to keep them here,
20 duplicate them and send me a duplicate set for people that want to see
21 them.

22 MS. WUNNICKE: I would think there'd be other sets available

23 MR. PARKER: Let's take these and we'll get another set from
23 Kay.

25 MR. _____: Four out of five isn't bad.

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MS. HAYES: Human error.

MR. PARKER: It's all right in baseball, but I don't like that. Anything else anyone wants to bring up. What time are you folks going to leave for the airport?

MR. _____: We've arranged to have a cab down there about 4:25.

MR. PARKER: Okay. Anybody have any more business they want to bring before the Commission? Your last chances are rapidly dwindling. Okay.

MR. _____: I have a comment after we adjourn.

MR. PARKER: We'll declare the Commission meeting closed and turn off the tape

MR. _____: What time is it?

MS. HAYES: 4:10

MR. _____: 4:10, June 7th.