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ALASKA OIL SPILL COMMISSION

July 13, 1989
(Afternoon)

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.

WITNESSES

Mr. Vince O'Reilly

Page 1

Retired

Mr. Jack Harrold

Page 24

Associated Professor of Marine Systems

Mr. Charles McKee

Page 107

Mr. Stan Jacobs

Page 109

Mr. Tom Lakosh

Page 114

Mr. Stan Wolf

Page 132

Ms. Marsha Hodson

Page 140

Alaska Center for the Environment

Mr. Tom Lakosh (Reappearing)

Page 146

Paralegal Plus

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1 MR. PARKER: The Alaska Oil Spill Commission
2 will reconvene for its afternoon session. Our first
3 speaker is Vince O'Reilly from the Kenai Borough who is
4 going to address us on Oil Spill Impact in Kenai
5 Peninsula.

6 MR. O'REILLY: Unfortunately, Mr. Chairman, I
7 am retired and no longer with the Kenai Peninsula
8 Borough.

9 MR. PARKER: Okay.

10 MR. O'REILLY: But, I think you are probably
11 referring to the report that we have prepared for the
12 Kenai Peninsula Borough and I understand that. Let me
13 just give you a quick...

14 MR. PARKER: Well, you were with them
15 temporarily?

16 MR. O'REILLY: Yes. To the tune of \$6,000.00,
17 I guess for four weeks. Well, whatever. Just to qualify
18 myself somewhat, I left a Wall Street career in '69 and
19 moved permanently into Alaska in '71. And, did serve
20 with the Borough as Head of their Economic Development
21 program. Then, went into private business. The air
22 service and helicopter service business. Served as Mayor
23 of the City of Kenai from 1978 through '83 and then
23 served as Deputy Commission Commerce from 1983 through
25 June of '85. I do presently serve on the board of

1 Salomatof Seafoods, Inc. of Kenai and was enjoying a
2 pleasant retirement. And, then the oil spill came and
3 with some others got involved in some of the activities
4 in regards to assessing the economic impact of that
5 study. I must say that we have finished our report.
6 With four weeks of intensive effort. And, we have the
7 greatest empathy of what you people face. And we have
8 the greatest hope of what you people face. Your charge
9 is of a larger scope than ours was. You heard some of
10 the testimony by Commissioner Kelso this morning and in
11 previous readings of your activity, you are dealing with
12 the Federal Government and the State. The State and the
13 Local Municipalities. The State and the Federal
14 Government and private industry. The Federal Government,
15 the State and the incident causing company. Ours was
16 limited pretty much to the economic assessment as to what
17 was going on or an assessment of what was going on in the
18 economy of the Kenai Peninsula. Now, the testimony that
19 I have heard presented to you and also in your previous
20 findings or testimony offered to you, and also in the
21 Federal report by Mr. Riley to the President. Everything
22 deals or the emphasis is dealing with the physical
23 prevention of oil spills or the physical clean-up of oil
23 spills or what's to be done with -- what type of teams
25 and organizations to be used in oil spills. And, what,

1 if I could leave you with any message at all it would be
2 that while there is definite disaster occurring on the
3 natural resources involved in an oil incident, please
4 don't loose sight of what's going on in the economy of
5 the areas that have been affected. They are in caos in
6 many cases and it is -- it's like a checkerboard.
7 Certain spots are doing very well. Other spots are
8 neutral, or think they are neutral. They don't know that
9 they are affected, but they are affected. And other
10 spots are in total disaster. The way we got involved --
11 I say we, because what we did was form a MEED group. We
12 call it the Mitigation Efforts of the Economic
13 Development District of the Borough. Borough Mayor Don
14 Gillman took \$50,000.00 of Exxon money, put it through
15 his economic development district, and we contracted with
16 him to provide a report within four weeks, starting late
17 April through May 17th or 18th. I put together a quick
18 group consisting mostly of person that are retired from
19 government or business. Say, a person who served on
20 several Borough Mayors of the Kenai Peninsula was Borough
21 Mayor of Kodiak. Frank McLeroy who headed up the OEDP in
22 Kenai. We took Leon Cannell retired from Union Chemical
23 and Jim Butler, Commercial Fisherman. And then we had
23 the assistance of Doug Coughenower from the University of
25 Alaska who presented the fishery aspects and we em-

1 ployed McDowell from Juneau on the tourism aspect. We
2 also asked for the Economic Development District to
3 obtain the services of Neil Freed and Terry Elder from
4 Department of Labor to provide the technical expertise
5 that they could offer.

6 What did we find? I unfortunately did not bring
7 too many copies with me.

8 MR. PARKER: We all have copies.

9 MR. O'REILLY: Oh, that's wonderful. I'm so
10 glad that you do. I do also want to point out to the
11 Commission that we have the greatest sympathy with Valdez
12 and Cordova and Kodiak. But, the oil hit the Kenai
13 Peninsula and it's the Kenai Peninsula Beaches and the
14 Kenai economy that was first affected. I don't know
15 where the Kodiak economy is now. But, it's the Kenai
16 Peninsula economy and the lower rim at first that was
17 first affected. And, also, I'll talk about this later,
18 but it should be made aware that although Seward and
19 Homer are major fishery processing centers, Kenai is by
20 far two to three times, the City of Kenai is two to three
21 times the size of Seward and Homer. And it's not a
22 question of have a pleasant visit with us. But, it's
23 right there within the City of Kenai and the processing
23 plants and the commercial fisherman that reside there,
25 that the impact is taking place. The effects of the oil

1 spill are immediate. We call it oil spill -- we call it
2 incident, but let's call it the oil spill. There are
3 immediate, they are very deep. They are long lasting and
4 they are wide spread throughout the economy. Now, if we
5 could maybe we could just skim through the report quickly
6 and I'll show you what we attempted to do. What we tried
7 to do is say, what would the economy have been without
8 the oil spill? And what had happened is that Kenai
9 Peninsula Borough had now reached very satisfactory wage
10 levels, we had adequate housing at reasonable prices. We
11 had adequate industrial and commercial properties and the
12 economy had stabilized and started to grow. And growth
13 was anticipated. What has happened now is that that
14 growth has been bent down to some extent. We don't know
15 to what extent. But, certainly down. There was a quiet
16 mobilization going on. As you know, we are fishery, oil
17 and tourism are our principle industries. And there was
18 a quiet mobilization going on. That's off the board.
19 Forget it. But there's no doubt that there has been a
20 bend in the major long term growth of the Kenai Peninsula
21 and perhaps the State.

22 We then focused on the fishery and tourism. The
23 reason being is that the fishery seemed to be the most
23 vulnerable. And it is the most vulnerable. I call your
25 attention to Page 22. And, you know, it's a chart. And,

1 economist are going to have to do the analyzing on this,
2 but I can give some rough figures. What this show is one
3 of the revenues that go to the fishermen. The first
4 value, so to speak. When this was written, this was
5 written in April of this year. We took it, what happens
6 if there's a 10% reduction, a 20% or a 30% reduction. As
7 of this moment we are probably looking at a 25 to 30%
8 reduction. That calculates out to about a \$17 million
9 loss of value to the fishermen. You can calculate from
10 that, coming out of a processing plant, 3 times that or
11 51 billion.

12 MR. SUND: Is that a reduction in volume or
13 price?

14 MR. O'REILLY: In dollars. 17 million in
15 dollars.

16 MR. SUND: The value of the products dropped in
17 half on the market.

18 MR. O'REILLY: No, it dropped on the value --
19 we have been closed down. Our seiners have been on the
20 beach. We haven't been allowed to fish.

21 MR. SUND: Do you have any numbers on poundage,
22 though, that's been down.

23 MR. O'REILLY: No, I don't have those numbers.

23 MR. SUND: Okay.

25 MR. O'REILLY: I don't have those numbers.

1 But, what we tried to do is set out what would happen
2 with a 10% decline, a 20% or a 30% decline and it appears
3 so far out of the 14 open periods, I believe we've lost 4
4 to 5 of them at this point. Set nets are operating to
5 some extent, but even they are now coming under
6 restriction. We totally lost -- you have to understand
7 that it was in our processing industry we do some Prince
8 William Sound herring. Well, that's been totally lost.
9 That's gone. The point that I am trying to make is that
10 we now seem to be getting close to the worst case
11 scenario. Just on the dollars alone of value to the
12 fishermen, the value to the processors, not counting the
13 multiplier affect of the value to the service industries,
14 that's in current income. What also has to be realized
15 is that there's an erosion of assets occurring. Set net
16 permits that had a certain value, now have lost, to some
17 extent, that value is indeterminate. Processing plants
18 have somewhat lost their value. Our capability of
19 financing has been impaired. This is going to eventually
20 start to fall into the Municipal taxing structure as the
21 assessed values of those plants are reduced.

22 We then went onto a tourism section and both the
23 fishery was done largely by Doug Coughenower and Jim
23 Butler. The tourism section was left untouched McDowell
25 Associates. They had to deal with a very difficult

1 situation because of that four week period immediately
2 after the spill, it wasn't a question of the
3 cancellations that were occurring in tourism, but what
4 had happened is the phones had stopped ringing. People
5 weren't calling up to make reservations. And, you know,
6 this just left the tourism industry, which has just begun
7 to mature, it's getting to the point that it does a good
8 job of stripping the tourist, it just left them
9 absolutely, totally stumped. Because they didn't know
10 which way to go. Some actions have been taken in that
11 regard. But, the tourism industry, even to this moment,
12 is still -- some places are doing well, others are doing
13 very poorly, for example, the fishing guys are having a
14 particularly hard time. Some of the hotels are filled
15 with either Exxon employees or Exxon workers or Veco
16 workers. So, it's mixed bag.

17 Another item that came out was the effect on the
18 Municipality.

19 MR. SUND: If I can make a comment on that
20 point. On the tourism aspect, it's interesting to find
21 that in Southeast Alaska it's kind of the same experience
22 that the June bookings were, for most of the resorts,
23 larger than the last two years. But, the August bookings
23 are down almost across the board throughout the whole
25 industry. And it's kind of an interesting reflection

1 that someone needs to take a look at later on. I could
2 see if it happened to one or two areas and not others.
3 But, I think if it happens universally throughout
4 Southeast Alaska, then it's going to be interesting to
5 see the impact of the spill on other areas of the state
6 where the oil never even showed up. But, it is showing
7 up in the tourism aspect.

8 MR. O'REILLY: Both fishery and the tourism
9 sections -- and I can brag about this report because I
10 didn't write it. I co-ordinated the people that wrote it
11 and all that. But I am very, very proud of what they
12 did. And what they recommend is that in the fishery we
13 are using 1986, 87 figures. Like I say, I can't believe
14 that. But that's the way the State's system sets up.
15 Now, we can change that. That has to be changed. It
16 outlines the number of fishery studies that must be
17 undertaken and maintained. And the tourism industry, the
18 same way. The old days of just, you know, taking in
19 dollars and putting the dollars out. They have to get
20 more sophisticated. How many dollars came from out of
21 state? How many came from Anchorage? And keep records
22 of that. Otherwise, they won't be able to estimate their
23 loss. Their true loss.

23 The Municipal Government, Sam Best, questioned
25 time and time again the municipal governments that were

1 involved. Seward, Seldovia, Homer, Kenai, the Boroughs,
2 Soldotna. And, we had actual figures on what their
3 estimated cost -- additional costs were per month. We
4 were asked to eliminate them because the possible legal
5 implications as regards -- when they put in for their
6 claims that Exxon may say "oh, but you said in this
7 report". We read all types of disclaimers over the
8 thing, but nevertheless, it now appears somewhere around
9 \$200,000.00 a month for those municipalities that are
10 involved. And, the Borough and Kenai can handle that
11 \$20, 30,000.00 a month, but a community like Seldovia
12 with a very, very small overall budget laying out 20, 30,
13 40, 50,000 for boom and additional work, it's a very big
14 strain on their municipal budget, to say the least.

15 We then went into the recommendations which are
16 on Page 65 to the Borough Mayor. And what we proposed is
17 the creation of. We call them Emergency Response Teams.
18 This deals with the economy on land. Not with the
19 physical efforts that are taking place in the water, but
20 obviously the two are going to be co-ordinated because
21 they interrelate. But, there has to be something done by
22 somebody, hopefully in the Municipal Government, and
23 probably at the regional or local level, that responds to
23 what's going on in our economy out there. It has to
25 assist the economy that's affected and assist those

1 business persons so that they know how to participate in
2 the clean-up, for example. It has to come in with some
3 emergency loan programs. Or forgiveness programs, or
4 deferment programs. One item that comes up that is very
5 important, this State, as you are aware, probably has
6 about \$8 billion dollars of paper out there in the
7 financial markets. What has to be done, we think, is
8 that some small group from Juneau or from the Kenai
9 Borough, or whatever, has to go to those financial
10 centers, Los Angeles, Chicago, New York, and talk to the
11 investment bankers and the holders of those papers and
12 maintain our credit image. Because we probably will be
13 doing \$300 to \$400 million dollars of bonding and if they
14 say that whole states under water, or under oil, you are
15 looking at the difference between 10 to 10 1/2% on bonds
16 and we all know then you are dealing with \$20 to \$40
17 million a year difference.

18 Well, we ended up with a list of things that the
19 Borough Mayor felt could do directly. It's heavy now--
20 and I did have the pleasure of associating with Comm-
21 issioner Wunnicke in Juneau and we used to grieve every-
22 time we heard the proposal for another study. I have now
23 become a believer. We have to have more studies. We
23 have to have studies. As a matter of fact, those that
25 worked on this report, all of us have had a change in

1 views. I am known as a heavy pro-economic developer
2 and I think I may have been looking at the wrong bottom
3 line. And, I don't want that to happen again.

4 But, further and further studies are going to be
5 necessary. There's gonna have to be some emergency
6 business loan programs. I can't help but get a little
7 disturbed when I hear major companies talk about "well,
8 let those business' live on their reserves. Small
9 business don't have those type of reserves. They have an
10 economic life of two weeks, three weeks, or a month and
11 then they are gone. They don't have income coming in.
12 There are no reserves.

13 Communication with the public. Absolutely
14 essential. If there's communication then a lot of the
15 illogical decisions that were made, looked at with
16 hindsight, wouldn't have been made, but would have been
17 prevented with good communications. Maybe, twice a day a
18 report on what is going on. I drafted and submitted to
19 Mayor Gillman for his consideration, also, Commissioner
20 Wunnicke a draft ERT, the Emergency Response Team. It's
21 board. I mean I put the draft broad so that it embraces
22 everything. It ask for subpoena power. The incident
23 causing companies. So, that company has to get up and
23 say "here's what we are going to do in the way of
25 mitigation". And, granted, that's open ended that they

1 can't say what they are fully going to do, but at least
2 it gets them up there and talking about what they are
3 going to do. Because this is a catastrophe. This is not
4 just some simple incident. And it effects not only the
5 incident causing company, but those that are affected.
6 It talks in terms of having an inactive mode, but with
7 simulations and studies done. And then, when an
8 emergency such as this occurs, it goes to an active mode
9 by request of the Governor with a local municipal
10 official that's responsible for it. And, they serve with
11 minimum stipend, but the type -- maybe I have a
12 favoritism to ex-mayors or something, but the types that
13 seem to work best or those who have had administrative
14 experience both in government and some private business
15 experience. Not a young active bureaucrat type, if I
16 could be so blunt.

17 But, I submit to you the important item is that
18 as you were going to come in with recommendations as to
19 how the Federal and the State and the various Federal
20 agencies should relate to the physical effort of the
21 clean-up, equally as important are those human animals on
22 land that are also affected by the oil. And, what
23 happens to their economy. And they need assistance and I
23 am suggesting to you that you have, you know, a golden
25 opportunity, really, to strike a great blow. Not only

1 for Alaska, but for other States, maybe even the nation
2 in your recommendation. And please don't lose, don't
3 make the second one lessor than the first. Because the
4 two are just as important.

5 Then, I was authorized by Bob Scott, the
6 President of Salomatof Seafoods to invite you all down.
7 And Salomatof will open up its books to you totally
8 sometime in September. And we will tell you exactly what
9 happened in the way of product. What happened in the way
10 of price. What happened in the way of operations. What
11 anticipated dreams we had that we can't anticipate
12 anymore. Things we have had to defer such as capital
13 improvements. Such as refinancing. And, we will be
14 totally at your disposal so that you can have an example
15 of his -- our processing plant. I don't have any stock
16 ownership in it, but his -- that processing plant does
17 about 8% of the Cook Inlet catch and it does herring,
18 halibut, salmon. So it will give you a broad picture.
19 About \$8 to \$10 million in sales. So that gives you some
20 idea of size. And, it was a sad day yesterday when I
21 went down to visit with them. I said, "how are things
22 going". He said, and he's a workaholic, he admits it,
23 and he says, "well, if you can take boredom, this is
23 alright". Because that place was just quiet as a grave.
25 And that's where it is and I'm more than glad to.....

1 Oh, there's one other thing that was submitted
2 yesterday by Mr. Coughenower from Homer and this is
3 what's the effect of the commercial fishery of the City
4 of Kenai. I will get drafts of this to the Commission
5 granted that it's again using '86, '87 figures, but the
6 theories still apply. Because it shows how the money
7 flows from the fishing industry into the other
8 industries. And with that, Mr. Chairman, I'm at your
9 pleasure.

10 MR. PARKER: Thank you, Vince. I'd like to
11 recognize Representative Kay Brown is with us and we are
12 really happy to have her here so that she can hear first
13 hand what we are about. Ms. Brown was very active in the
14 creation of this Commission.

15 Being Chairman I'll go first and make a second...
16 Commissioner Wunnicke were in Kodiak earlier in the week
17 and their situation is equally if not more grave. They
18 have a somewhat greater reliance in their total economy
19 on fisheries. And, their processors on in the same shape
20 you are and with the prospect of a continued shutdown of
21 the Cook Inlet and Kodiak fishing districts, why if the
22 closure last through most of the runs through the chum,
23 pick and late red runs, why it will be a very, very
23 serious situation. In Kodiak they are already fishing
25 on their normal fall stocks and halibut and ground fish

1 so they'll have something to process. Which will leave
2 them nothing to do in the Fall. So, it's really bad and
3 I commend you for getting the report out and hopefully
4 the other communities will be able to find the resources
5 somewhere to do a similar analysis.

6 Meg?

7 MS. HAYES: When we were in Cordova and Valdez
8 we were quite interested in the impact that the high
9 wages and the high contract fees are being made on the
10 communities. And, obviously that's something that I
11 think you're erosion of assets point is a good one, and
12 certainly your fishery stocks may be a long time erosion
13 process. But, do you have any analysis on what that
14 income is? The windfall income that's coming
15 proportionately to Kenai in terms of your losses. And,
16 also, if you have any speculation about the spending
17 habits of the people that are reaping that kind of
18 income. Will they spending it in the same way that they
19 would have their regular income?

20 MR. O'REILLY: Okay. One of the problems is
21 that there aren't any mechanisms in place to get good
22 data. We all suffer from that. But, you'll find in the
23 report, particularly the part -- the initial part of it,
23 it deals with the effect that everyone talks about "well,
25 you net out okay because the Exxon - Veco money comes

1 in". It doesn't quite work that way. That money goes to
2 a different type of employer. A different type of
3 employee and it's spent in a different way. When you are
4 dealing with the Kenai Peninsula in the fishing industry,
5 you are dealing with persons 20, 40, 50 years in the
6 industry. That's their life. And they are settled there
7 and their homes are there. And, yes, they have their
8 good years and bad years. And they are accustomed to
9 that risk. They are not accustomed to this type of risk.
10 And they are also -- their spending patterns, I'd say
11 probably most of the money is going to end up at the bar.
12 But, your point is an excellent one, because it brings up
13 the fact that what has now happened is that we have an
14 inflationary influence in the economy of a substantial
15 nature.

16 We had a person that was working for Seward in
17 the Harbor at \$10.00 an hour. He gets taken on for the
18 oil spill at \$16 and some odd dollars an hour, his
19 replacement is hired at \$12.00 an hour. Now, this fellow
20 then leaves Veco and comes back, he's not going back to
21 his old wage scale, he's going to go back to what his
22 temporary replacement was paid. So, you have this
23 inflationary pressure that's built up. And I don't know
23 how it's going to be answered. But, it was pointed out
25 to me that there has to be continuance examination every

1 three months of this economy. Otherwise, the type of
2 damages that have been done, and I'm not talking damages
3 that we are going to Exxon over or something, but they
4 are gonna have to be known. The economic damages are
5 going to have to be recognized and you only can do that
6 if you do this about every three months are so. I'm
7 sorry, Meg, if I.....

8 MS. HAYES: No, no. Many of the things you
9 do just pose more questions. For instance, does the
10 Borough have any plans about keeping this kind of
11 schedule for its' economic research?

12 MR. O'REILLY: I don't think so.

13 MS. HAYES: So, it was a one time...

14 MR. O'REILLY: Right. A one time shot. Mayor
15 Gillman had two purposes in mind. A) to find out what's
16 going on in the economy out there, and secondly, to find
17 out what type of actions the Borough Mayor can take
18 directly or indirectly. And what further studies were
19 necessary. That was his main thrust. And like ;you,
20 when we sat down for about three days, we tried a massive
21 effort at first. We were going to contact all 4,000
22 businesses in the Peninsula, and use 200 volunteers. And
23 the thing fell apart. A) they're well-meaning and
23 wonderful people who volunteered but, they are not
25 trained questioners. The only thing is that the person

1 you are trying to reach as to what is going on with your
2 business, he's either out handling the disaster or
3 suffering the disaster and he doesn't want to talk on the
4 phone at that point. And then, again, the legal point
5 was raised about whether those places would be used in a
6 lawsuit later on. Well, that's about where it is, I
7 think.

8 MS. WUNNICKE: I just wanted to ask Vince a
9 question. In terms of your proposal for local or
10 regional emergency response teams. Do you have any
11 thoughts in terms of any statewide co-ordination of that
12 effort?

13 MR. O'REILLY: Yes, it would have to be. It
14 would have to be a Statewide program, but it would have
15 to be ERTs that just deal with the regions. We were
16 blessed. And I'm sure other areas are blessed. As this
17 gentleman was talking about how well Cordova organized.
18 You know, you get emotional when you read the responses
19 from those businesses and the persons out there that were
20 contacted. Some of them just appreciated the fact that
21 we called and asked what was going on. And, you'd have
22 to keep it -- well, I'll put it this way. The State, as
23 I understand it, does have an emergency response team of
23 some kind. Because I served on that for a while. But, I
25 didn't see it lift its head at all in this thing. At

1 least down at the -- and not as regards the economy.
2 Maybe as regards to physical clean-up, but not as regards
3 to the economy. And you'll find -- you have to have it
4 regional, because they have to give the word go. Sam
5 Best, a lot of you asked who to see in Seward as regard
6 to what's happening in the trucking industry, could name
7 them off of his fingertips. Coughenower, the same thing
8 on the fishery. And you need that type of person readily
9 available. And, I think many people would serve on those
10 types of teams knowing that when they were called forth
11 that they're gonna serve the duration of the emergency or
12 for some length of time. And they would be willing to do
13 it. The willingness of the Alaska out there is
14 estonishing. People just come and help. That's good.

15 MR. SUND: Yeah, I guess it's always
16 frustrating to kind of get made at Exxon for spending all
17 the money. I don't really feel badly about them spending
18 the money to clean it up. I guess I get a little
19 frustrated sometimes when I look at how they spent it.
20 And, some of the economic dislocation that's created.
21 Vince, do you have any recommendations? Let's take the
22 scenario that I often pose here and is that the culprits,
23 so to speak, is a bankrupt third party.

23 MR. O'REILLY: Oh, boy. I'm glad you brought
25 that up this morning.

1 MR. SUND: What do you see in terms of the
2 response or the responsibility of State and Local
3 Government, Federal Government in that situation?

4 MR. O'REILLY: Well, I agree with you. I think
5 we should put government in charge of responding to these
6 crisis. It doesn't work to have the person who's
7 committed the incident, or caused the incident, to also
8 be involved in the clean-up. Their interests are
9 different than the public's interest.

10 How to handle when Commissioner Kelso was talking
11 about the foreign tankers that come into Cook Inlet. You
12 know, can we have our own domestic industry, be taxed to
13 cover that liability exposure? I don't know. I don't
14 think we'll have the answers to this in '89 or '90 or
15 '91. But, if your Commission can get under way things
16 that study those things and give them deadlines to
17 produce reports so that we can then get moving on this
18 thing. Because this thing has just totaled many of us
19 that had certain views about things. And we've had to
20 change them. I've used too many words maybe to that
21 answer, but I don't know the answer to that. I don't
22 know how you protect... You can't use Prudhoe Bay
23 Company money to protect against the Liberian tanker that
23 comes into Tesoro. There's this equity in sharing that's
25 gonna have to be sorted out.

1 MR. SUND: I don't know. We use Prudhoe Bay
2 money to build schools.

3 MR. O'REILLY: Well, you know, I'm willing to
4 support, at this point, a program when an incident occurs
5 the incident causing company is fully liable and that
6 there's gonna also have to be some state funding
7 contribution into the pot. I try to look at an
8 advantage point. If we didn't own Prudhoe Bay, if there
9 wasn't a Prudhoe Bay and a Iranian tanker sailed through
10 Prince William Sound that did this, we probably would be
11 at war with Iran at this point where we certainly would
12 seize every damn dollar of assests that they had from
13 free world.

14 MR. SUND: Well, the incident did occur in 1980.
15 '79 or '80 with the smaller tank. Lang Wang Sing was the
16 carrier I mentioned this morning that broke or rolled
17 over in British Columbia waters and floated up in the
18 South end of Prince Will's islands. They didn't
19 volunteer to come and clean it up. In fact, nobody
20 cleaned it up. It just kind of sat on the beaches for a
21 while until finally it washed away. But, so I -- you
22 know, I don't know that we are in a position to propose a
23 solution to all potential spills of oil, but with dealing
23 with the tankers.....

25 MR. O'REILLY: Your Commission could... Go

1 ahead I'm sorry.

2 MR. SUND: No, that's alright.

3 MR. O'REILLY: Your Commission could get those
4 studies underway and give a 1990 deadline that the
5 reports be written and recommendations come from that.
6 Because it's one of these things that you start off with
7 if you get it focused down on 8 realities. And you take
8 one of those 8 realities and start to look at that and
9 there's 10 there. And then you go 20 more after that.
10 And it's trying to focus them down. And you can focus
11 them down to a great extent, but they're still within the
12 lifetime of the Commission -- they won't all be resolved.
13 But, if you can get underway the studies and the efforts
14 and get them funded, and I'm now a believer in that.

15 MR. PARKER: Any other questions?

16 Thank you very much, Vince, we'll see down in
17 Kenai later in the summer where we want to concentrate on
18 Glacier Bay and the aftermath of that among other items.

19 MR. O'REILLY: Alright. I'll proceed then and
20 I'll send you, or have Mr. Scott send you a formal
21 invitation to spend 2 or 3 hours at the processing plant.
22 He's fully prepared to open up his books totally to you
23 people and show you exactly what happened, what plans
23 went through and what plans didn't.

25 Thank you very kindly, Commission.

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ALL: Thank you.

MR. PARKER: Our next speaker is Jack Harrold. Jack is presently an Associate Professor of Engineering Administration at George Washington University in the acting Director of their Administrative Science Program. He spent some 22 years in the Coast Guard retiring as a Captain. He has done extensive work in ocean systems across the board. He's a member of a National Science Foundation team studying the management of the Valdez Oil Spill. With him up here is his colleague on that team, Hank Marcus, who is an Associate Professor of Marine Systems at MIT. And the other member of the team, Al Wallace had to go back this morning. So, Jack, thank you very much for coming and

MR. HARROLD: Thank you, Commissioner, for the invitation. Dr. Wenk at the Marine Board of the National Academy of Sciences gave this presentation and he found that we were passing through. We've spent the last eight days travelling more miles and adding more miles in the Frequent Flyer Programs than ... Some time in Valdez, we were out at Kodiak yesterday. Went down to Juneau and discussed with some of the State and Federal people and I've renewed a lot of acquaintances from working in the oil spill business in the '70s. A lot of people are still around.

1 It's been a very interesting experience and some
2 that has added a little bit, I hope, to what I am going
3 to say. This is a somewhat conceptional presentation.
4 The idea being that this is something particularly in the
5 contingency planning area. Of all of the areas we are
6 focusing really on the contingency planning aspect. You
7 really have to, I think, step back and see and take a
8 global look at this. The view point that I am presenting
9 is a contingency planning. It is not the production of a
10 paper document. And, in a broad sense what you're trying
11 to do is build a structure for crisis decision making.
12 I've been working for the last three years in the crisis
13 management aspect for the National Red Cross developing
14 decision systems and it is not an easy problem.

15 Hank, if you'll put the first slide on there.
16 The Exxon-Valdez, you have copies of all of these, if you
17 don't want to turn around. It's just some of the quotes
18 from old papers, if I can say that. Two familiar
19 questions that are being asked all over the State, all
20 over the country and in this Commission. First of all,
21 why did the contingency plans, why and how did they fail,
22 or if they failed. And how do we establish workable
23 contingency plans? This is not a new thought, as you can
23 see from some of the quotes on that page. People have
25 been saying this for a number of years. The first one,

1 I'll point out, is Dwight Nickels and Garnet. Mike
2 Garnet was the onscene co-ordinator for the Tory Can-
3 yon. He was a Captain in the Royal Navy at the time.
4 Then he went to work for the International Tanker Owners
5 Pollution Federation after that. And he wrote a paper
6 that was presented in 1979 and a ten year review of major
7 oil spills after the Tory Canyon and he came to the
8 conclusion that we haven't really changed all that much.
9 And, I think that's interesting. This is ten years since
10 he wrote that paper and you might be able to make the
11 same conclusion.

12 There is a link though between contingency
13 planning, obviously, and the management of the crisis
14 itself. And that's a link, I don't think, has been
15 closed and I'm going to present a brief overview of three
16 perspectives that I think are useful. The first is a
17 decision perspective. What you are doing in a crisis is
18 making some very tough decisions very fast. And if you
19 are not focused before the incident on what the decisions
20 you have to make, then your plan isn't going to be worth
21 much. The second perspective, which I am going to
22 present first, because I think it's almost more important
23 is an organizational perspective. How do you develop an
23 organization and put it in place that's going to make
25 that organizations...make those decisions. The task is

1 huge. You are essentially asking to be able to establish
2 an organization that will do \$100 million worth of
3 business in six months and be ready to do it tomorrow.
4 Which is not a trivial problem. And the third aspect is
5 once you've identified what decisions you are going to
6 make and the organization that's going to make them, how
7 do build the infra-structure that's going to allow you to
8 support and make those decisions. You have all seen the
9 communications trunk lines and how many computers are in
10 Valdez at the moment. And that infra-structure was not
11 there. Was not there when it started. And as I said
12 this is based upon some research we've done and the
13 background in actual disaster management in the Coast
14 Guard and Red Cross and other places.

15 Hank, put the second slide up. Contingency
16 planning is very difficult by definition. And this is
17 just some of the quotes from various papers. None of
18 these thoughts are original. I think we're all
19 recognized that we are digging around in some old
20 material. But, the results haven't changed. Like other
21 disasters, environmental disasters are a low probability,
22 high consequence events. Something that Commissioner
23 Wenk talks about at length in his book from a couple of
23 years ago. But, there's two points that I will point out
25 from that slide. The first quote points out that like

1 other disasters in environmental and oil spill is quali-
2 tatively different from a routine, if you will, oil
3 spill. The Commissioner this morning was talking about
4 oil spill drills and oil spill tests. The fact that the
5 major oil spill is, a gentlemen pointed out, ten years
6 ago 625,000 times larger than the average oil spill.
7 It's not more of the same. It's a qualitatively very
8 different thing. And, I don't know how your interviews
9 are coming up, but one of the things that struck us is we
10 talked to the people who were all on scene. State, Coast
11 Guard, Local, Alyeska. How long it took before it really
12 sunk in that this was different? That this was a
13 disaster? And you got a time lag of the cognit of
14 recognition of that that went anywhere from two days to
15 seven days, depending upon who you picked. There were
16 very few people that -- we didn't find any, I think, that
17 one hour after that spill occurred, or that incident
18 occurred, said "my God, this is going to be going -- this
19 is how big this is going to be". It took a while for
20 that recognition to go in. And, although we are prepared
21 to handle, if you will call it, the routine disaster, we
22 are not prepared to handle the thing that is
23 qualitatively different. I'm having a problem in the Red
23 Cross at the moment. They are very well prepared to
25 handle disasters that they deal with. But, they know

1 that when the major earthquake hits California, their
2 systems are going to fail. And they are not quite sure
3 how to get from here to there. And that's the problem
4 that you are dealing with.

5 The second one is brought out by the last quote
6 that the catostrophical oil spill occurs very
7 infrequently and Commissioner Parker said this this
8 morning. I mean, once every -- we're ready in the 50
9 year time horizon. Now the question is 49 years and 200
10 days from now, what level of interest do we have if
11 nothing's happened and you've shipped a lot of oil out of
12 Valdez or wherever? People, when if something is a very
13 low probability and high consequence, we tend to focus on
14 one or two ends. We either focus on the low probability
15 and say this can never happen, or won't happen, or I'm
16 not going to worry about. Or we focus on the high
17 consequence and say this shouldn't be allowed to even
18 occur. And you can see that in some of the things that
19 are coming out of the oil spill. Now, one incident in
20 9,000 transits. There are some literature coming out of
21 some quarters and say that's pretty good. Obviously,
22 once the one incident occurs, nobody is saying that.
23 What is the acceptable level of risk. Ports and Waterway
23 Safety Act of 1972 task the Coast Guard to ensure an
25 acceptable level of risks in the ports of the United

1 States. Nobody has ever defined that term. And, we
2 played around with that an awful lot.

3 One in 9,000 transits may be an acceptable level
4 for oil. I'm not going to comment on that. It certainly
5 it isn't an acceptable level for LNG in New York City.
6 It is not. I mean, when one incident happens you lose
7 Statton Island and thousands of people. So, the level of
8 acceptable risk is significantly smaller.

9 The problem, of course, is the reason we are
10 here, to prepare a proper plan for an incident occurs
11 after the incident occurs, and is not really a concern at
12 other times.

13 One of the things the Commission could check, for
14 example, would be interesting, is to check the level of
15 Federal and State agency participation in regional
16 response team meetings over the last four or five years.
17 Contingency plan review and contrast that level of
18 participation with a level of participation of the
19 Federal, State and Local agencies that are appearing at
20 the Commission's hearing. I think you will see two
21 different groups of people.

22 MR. SUND: Two different stakeholders?

23 MR. HARROLD: No, it just becomes a little bit
23 lower level when something hasn't happened for a long
25 time. Basically. And other things take higher priority

1 and once things happen, then of course, it kicks up and
2 we are all interested in the planning again. And, of
3 course, what that means, along with that, is the
4 degradation of plans and effects over time in the system
5 itself.

6 MR. SUND: Mr. Chairman, if I could ask a
7 question? We are getting a lot of testimony to us from
8 people who are not involved in the contingency plan nor
9 have any way to enforce it or force it to happen.

10 MR. HARROLD: Maybe that should be part of the
11 process. That may be one of the things that keeps the
12 pressure on the system to keep going. I think the key in
13 that process even if you do it better, is to sustain it.
14 Because you are dealing with the low probability event.
15 And the people who have the interest in sustaining it are
16 the stakeholders. I think for me personally, one of the
17 things my oil spill experience is all in the lower 48,
18 was the variety of stakeholders that exist in this
19 particular incident is truly amazing. It was really an
20 eye opener. And the impacts from the previous witness,
21 we talked to the fishermen in Kodiak yesterday and it's
22 just much broader. And, that power can be brought, I
23 think, I don't know how, but if you can bring that onto
23 the system, I think that's a very positive... But,
25 keeping that pressure on the system, who shows up at the

1 spill drills, who reviews the plans, all of this.

2 The organizational perspective I would like to
3 hit first. The slide that is up there is the classical
4 review of what happens on the left in an event and then
5 on the right what happens on the right to the response --
6 you go from a prevention to a warning to a response and
7 to a recovery type of thing. That's a kind of a
8 classical view -- views the world in a very linear way
9 and is not particularly helpful, and I'm not going to
10 walk through it. Because, you know, the world just
11 doesn't work that way. There has been some sociological,
12 I'm not a sociologist, but the sociologist have done a
13 lot of the early work in disasters. And, this is a model
14 that came out of some early disaster researches.

15 There's really four types of organizations that
16 happen in an disaster. Or in an emergency operation.
17 You have, and it's on the boundaries of what they do and
18 how they are organized. And this really gets amazing
19 when you really get down to Valdez -- put what you see in
20 Valdez in this model. If you are dealing with something
21 you are familiar with and you're existing organization,
22 and the best example is the Police or Fire Department,
23 the Fire people know how to put out fires up to a limit.
23 The Police do their police tasks and you are dealing even
25 though to us, our house burning down is a disaster, to

1 the Fire Department it's a fairly routine occurrence.
2 They know how to do it. They're trained to do and
3 they're staffed to do it. Sometimes, however, flipping
4 horizontally on that onto an extended organization which
5 is Type 3 up there, you get an established organization
6 that has to do something that it's not used to doing.
7 And usually if you have a creative organization and
8 qualified people, you can escape that for a short period
9 of time. There are a lot of examples of that. One I am
10 familiar with is the Coast Guard during the Mariall Cuban
11 Boat Lift. I mean they were in the refuge business.
12 Nobody was trained to do that and if you have talked to
13 some of the people that were the boat skippers down there
14 you get all kinds of creative stories of how they did
15 that. You couldn't have continued to do that for very
16 long, but they succeeded. The police in New Orleans,
17 when there was a major flood, nobody could get through,
18 so it ended up running shelters. They had never done
19 before, but, and they probably fed people non-nutritious
20 food and things, but they got through it.f

21 If you move down into an expanding operation,
22 this is where you are dealing with an understanding task
23 but you bring in new organizational people. I think part
23 of what I am hearing is that what you would like to do in
25 a contingency planning basis. An example of that is what

1 I am working with with the Red Cross. When there is a
2 disaster anywhere in the country they have people who are
3 pre-qualified, they have organizations, they have forms,
4 they have procedures and structures, and they will come
5 in and set up shelters and family assistance and they
6 know how to do it. Up to a certain limit.

7 What happens, however, in the fourth block where
8 you are asking an organization to expand in its structure
9 and its size to -- also, to expand in what it does, the
10 most logical, predictable result is caos. And, you have
11 the vision when this happened in Valdez, where people are
12 meeting and exchange business cards. You know, who they
13 are and where they come from and you went in Valdez from
14 the organizations that were there or the Coast Guard of
15 20 some odd people, Alyeska... Very small groups of
16 people. You are now running an organization where there
17 are over 10,000 people working for Exxon. Coast Guards'
18 got several hundred people. The State's got several
19 hundred people. You have down there three major
20 organizations that grew from zero. And not only had to
21 learn how to organize themselves, but now had to learn
22 how to communicate with each other. None of this was
23 pre-set. And if you look at the sociological literature,
23 it says some of the things will happen to these
25 organizations -- they will be invariably superseded by

1 overriding organizations. And if you look at the Coast
2 Guard experience, Steve McCall, then comes Admiral
3 Nelson, then comes Admiral Robins, then each organization
4 comes in with an organizational chart.

5 The second thing it will say that the
6 organization that is an emerging organization will
7 respond to whatever it perceives as a momentary external
8 pressures as opposed to responding to plan. Number 1
9 they probably don't know the plan and they are responding
10 to whatever pressures are. There are a lot of symptoms
11 of that -- conformance to plan. And these organizations
12 did evolve down and they are now stable organizations.
13 You walk into anyone of the offices you got a brochure, a
14 video tape and an organization chart. They're in a
15 sandwich. And, coffee pot. But, you listen to the
16 stories of the early days, get away from the spill. But,
17 just the problems of communicating with each other,
18 figuring out not only who is in charge but how to relate
19 tremendous organizational problems that, again, if you
20 were asked to say "set me up \$100 million business that's
21 in the business of treating rocks and please get it in
22 place by 2 days and get everybody..." you know. "And, by
23 the way, do it in Valdez that has few phone lines". It's
23 a tough job. And, can't be done. The point is, if you
25 are going to have functioning organization, it has to be

1 something that desires a lot of attention up front. And
2 you have a choice of which ways to go. You will either
3 create -- when you are talking regional response teams or
4 laying a regulation on Exxon or Alyeska to have people in
5 place, you are talking about creating an expanding
6 organization. The people have skills, they know what
7 they are going to do. You are buying the cost of having
8 them idle for some period of time.

9 Or you have the other choice to figure out some
10 way to manage this organization of people coming in from
11 all over the place in different ways and that's a
12 difficult task in itself. The closest thing that comes
13 is the Forest Fire incident command system which was
14 mentioned this morning. But we have many large forest
15 fires per year and we are dealing with a major tanker
16 incident somewhere in the world once every seven or eight
17 years. So, the difference in level of expertise that you
18 bring in is very significant.

19 MR. SUND: Have you had an opportunity to talk
20 with Exxon of why they disbanded their central commands?
21 They had a central commands structure for responding to
22 hazardous spills.

23 MR. HARROLD: No, that's a question I am
23 hoping to get back down to Houston.

25 MR. SUND: And, Alyeska also disbanded theirs,

1 too?
2
3 MR. HARROLD: I think you'd better ask them
4 directly.
5 MR. SUND: No, I was just asking if you've
6 already been there?
7 MR. HARROLD: We've gone that route. The
8 answers aren't really clear.
9 MR. SUND: So, you've asked?
10 MR. HARROLD: Yeah.
11 MR. SUND: Oh, they didn't want to answer?
12 MR. HARROLD: We weren't up there at the right
13 level where we were getting the right answers. Another
14 words we're dealing with the people on sight here, not
15 the people in corporate that made those decisions
16 basically.
17 MR. SUND: But you.....
18 MR. HARROLD: I think part of the Alyeska, you
19 know, the whole system has degraded. When you're talking
20 Federal, State, Local, private sector over the last ten
21 years, I think you will see incremental changes. Without
22 singling out one sector or another or..... We declared
23 the problem solved in 1979.
24 MR. PARKER: Yeah. After you have finished,
25 I'd like to pick up on that again.
MR. HARROLD: I think that's the most im-

1 portant thing... The next piece, and this is the
2 idea,... don't look at that until I talk to you because
3 that's a classic academic exercise. Contingency planning
4 is decision oriented. I think I said that as we started.
5 To me that means it's scenario based. Another words you
6 come up with scenarios and that governs the decisions
7 you're gonna make. This was an attempt to just sitting
8 down with a little computer model to lay out the squares
9 up there or just a class of decisions that one makes to a
10 hazardous chemical spill and the circles are things that
11 influence those decision and it's called an influence
12 diagram. It's very simple.

13 But, realistic scenarios are the key. And
14 Alyeska's plan has scenarios in it, but the scenarios
15 really don't get followed through in a complete way. And
16 a complete scenario down to the impacts, the decisions
17 ones gonna have to make, the organizational changes that
18 are gonna have to be done. A scenario generation is not
19 an easy task. Dr. Wenk's group in the National Science
20 Foundation... the National Academy of Science, excuse me,
21 did that in the 1979 study, on hazardous chemical
22 incidents and they brought some external consultants I
23 believe to do some of that. You get people in the
23 Department of Defense running war plans. You almost have
25 to have a pathological mind to come up with good scenar-

1 ios and all the things that can go wrong. The computer
2 people do that. They get the strangest people to figure
3 their computer programming, where are the bugs gonna come
4 from? The people that do it right can't think of all the
5 things that can go wrong. You almost got to lock these
6 people up somewhere. But, if you can come up with these
7 scenarios, then you chase them through what decisions
8 have to be made, and that's a very instructive exercise
9 to go through. Because then you come up with some feed
10 back from that. And that's what that diagram is suppose
11 to indicate. What information do you need to have to
12 make those decisions? I mean there's a hundred computers
13 in Valdez right now, but there weren't too many before.

14 What are the relationships between the things you
15 need to know and the outcomes of your decisions? What
16 resource requirements do you need to implement your
17 decisions? Where are the resource constraints? When you
18 run these scenarios and you feed in realistic things we
19 know, and we have known for ten years, the limitations of
20 mechanical containment and removal. Wave height, current
21 wind conditions, 20% of mechanical clean-up containment
22 and removal is probably a pretty close... I'm not an
23 expert in that area, but there has never a spill that has
23 gone beyond that.

25 What are the implications being wind and weather

1 implemented and regionally restricted on use of
2 disbursements? And, that leaves you unfortunately with
3 some very tough choices. You, as one of the previous
4 speakers had, you are left with a residual risk that you
5 may or may not have to accept that you can't do anything
6 about. But, you can also identify the conditions that
7 you can do something about. And once you are at that
8 point part of the problem that you can work with, then y
9 ou are dealing with the major business of the
10 requirements for information management and decisions
11 support and communications that can be -- and this is a
12 major business. The status boards and the telephone... a
13 couple of telephones on the desk are not adequate. This
14 is not a unique problem to the oil spill business.
15 Senator Gore had a couple of hearings in the Senate on
16 information technology and information management
17 wondering why we use more technology to manage our
18 retirement funds than we do to manage our basic
19 disasters. And the answer is it is tough to go through
20 this process.

21 So, if you don't what happens, though, you are in
22 a... in a final conclusion it's contingency planning must
23 do something to increase the decision making capability,
23 the people that you've put in that box to make the crisis
25 decisions. They have to be using information technology.

1 One of the other sociological models I'll put up
2 is just something from the conceptual model of a decision
3 maker under stress. What happens...excuse me?

4 MR. PARKER: When you see Senator Gore again,
5 tell him the reason people put so much effort into the
6 retirement funds is because he and his colleagues keep
7 changing the ground rules.

8 MR. HAROLD: Amen. The quality of the
9 decision process that one can make depends upon the
10 quality of information that you have and the ability to
11 articulate and evaluate the information, which depends
12 upon your information processing. Of course, when in a
13 disaster the rate of decisions that you have to make
14 increase tremendously, the importance of decisions that
15 you had to make... Steve McCall had to make decisions,
16 do I salvage tankers, do I chase an oil spill, do I
17 answer the phone call from the Commandant? You know, the
18 level of your daily operations goes up. We were talking
19 to them and we said just what was it like living through
20 this. And Steve said, "You know, I'm sitting here and
21 the Secretary of Transportation, Administrative VPA and
22 the Commandant of the Coast Guard are sitting in my
23 office and asking me questions and the phone rings and
23 it's President Bush". You know, just another day at the
25 office. So the level of stress is increasing tremendous-

1 ly. And people are getting 2 or 3 hours sleep so what
2 happens you get that pathological loop that's going on
3 the top of this stress. So the decision making
4 capability when you need it to be the best, is the worst.

5 And now we are bringing in all the information
6 technology to measure all kinds of things. One of the
7 interesting things is that you will see each the State,
8 the Feds, the unseen co-ordinator, and the State and
9 Exxon, all have very elaborate geographical information
10 systems. Which are very expensive and very difficult to
11 come by. They are very good. Of Prince William Sound.
12 Would have been nice had one been in place prior to the
13 spill, but it was not worth the commitment of resources.

14 MR. SUND: Worth it to whom?

15 MR. HARROLD: Society in general. Not anyone
16 of the three groups.

17 MR. SUND: Was it worth the time of the three
18 groups? Not necessarily society?

19 MR. HARROLD: Well, society votes its funds in
20 the political process, somehow.

21 MR. SUND: It might have been worth it to the
22 stakeholders who are damaged.

23 MR. HARROLD: Absolutely.

23 MR. PARKER: Are they operating these GIS
25 systems independently, or....?

1 MR. HARROLD: Oh, yes.
2 MS. HAYES: Not incompatible?
3 MR. HARROLD: They are incompatible.
4 MS. HAYES: They are...
5 MR. PARKER: The actual computer programs are...
6 MR. HARROLD: ...are different and they enter
7 the data three times. But, there's a lot of people.
8 MR. PARKER: You'll be interested to know that
9 one of the things my colleague, Commissioner Wunnicke,
10 was involved in several years ago was to achieve
11 compatibility between GIS systems, you know, between all
12 Federal and State GIS systems, so we know now that we did
13 in fact fail.
14 MR. HARROLD: Well, it's
15 MR. SUND: Didn't know you even tried.
16 MR. HARROLD: It's a creative task. I'll just
17 end this with a couple of quick thoughts. It's a
18 tremendously difficult task and I'm gonna be the last one
19 to stand and, having been both in the writing and the
20 reviewing of this Contingency Plan and in the on-scene
21 co-ordinator position in Federally co-ordinated incidents
22 nothing of this magnitude. To throw stones at somebody
23 who produced the contingency plan... The organizational
23 dimensions of how to manage that transition to a new
25 organization is incredible. There are books written

1 about how to manage minor organizational change. This is
2 a HUGE organizational change. And, I don't think we know
3 how to manage it.

4 The whole idea of scenario based decision
5 analysis to determine what that organization's even going
6 to be required to do and what it will need to do it is an
7 area that must be looked at. I think it was a long time
8 before, as these organizations evolved and you start to
9 get a tasking of what it is we're about, and some
10 agreement, as the Commissioner said this morning, on what
11 the priorities are between the organizations. And the
12 technological support must be there to make that whole
13 system possible. Because in that stress environment if
14 you rely upon the human decision maker unsupported with
15 verbal communication, I think you are going to fail.

16 So, the planning process is simply the goal that
17 produces organizations capable of responding to the
18 disaster incident. Not just to produce a document for
19 approval. Which I think is basically what it has become.

20 There are, as you got from the background of this
21 group that's up here in the NSF, we're kind of I guess
22 engineering systems, marine systems people and, this is a
23 final plug... there's a lot of people looking as they
23 should at the fates and affects and social economic
25 impacts and aspects like that. But, I think if you are

1 going to do some preventive aspects on incidents like
2 this and affect the management of the crisis, then you
3 are going to have to take a systematic perspective at
4 some point.

5 MR. PARKER: Well, thank you, Jack. I think,
6 you know, it's hard to... anything that you have to offer
7 as you continue your investigations will give us a handle
8 on maintaining pressure, assuring the continuing
9 viability of the system. The amazing thing about what
10 went on here is that in the anticipation phase, from 1969
11 to 1977, why we put a great deal of effort into systems
12 analysis of tanker operations and so forth. And, you
13 know, as you pointed out, from the day the tanker
14 terminal opened on down, everything just kind of dribble
15 away. And, you know, once it was in place all interest
16 was lost. I guess it's a common enough phenomenon in all
17 systems, but I would sure be interested in any insights
18 that your investigation reveals on that. Questions?

19 MS. WUNNICKE: I have a rather specific
20 question on just what you observed in your interviews in
21 terms of communications to the public. One of the things
22 that we are tasked with is providing a statement of fact.
23 And, there are still a lot of misperceptions and
23 erroneous facts floating around. A lot of it stemming
25 from the fact that there wasn't early on a single offi-

1 cial source of information. Could you comment on that
2 and how that happened and could be avoided in the future?

3 MR. HARROLD: It's divided. Coming on how it
4 happened is fairly easy, I think, to see. First of all,
5 the person who was there was the predesignated on-scene
6 coordinator is Commander McCall.

7 MS. WUNNICKE: Who was continually outranked.

8 MR. HARROLD: But, his first inclination when
9 he learned that a super tanker was aground was with over
10 a million barrels of oil on it was to salvage the super
11 tanker. Which I think at some point the man will get a
12 hell of a lot of credit for. You've got the resources to
13 do that and I know nobody wanted to hear that there was
14 any success involved. But, if you talk to Steve, I'm
15 sure you will or have, I mean, his focus is still there.
16 There are a number of functions that need to be done and
17 need to be done immediately. He a major salvage job.
18 Probably one of the largest that's ever happened and
19 certainly with structural damage. It's a very, very
20 complex issue. And, the man has very high technical
21 abilities. Has brought people in from the National
22 Strike Team, Exxon brought industry people in, so. That
23 operation went on as a side bar and was reasonably
23 successful, although the people in San Diego at the
25 moment may not agree with me.

1 But, at the same time you have this 240,000
2 barrels that's on it's way to escaping down Prince
3 William Sound. There is an oil spill problem that he's
4 really not focusing on and the Alyeska people are...I'm
5 not sure. But, there is the media with the need to
6 communicate. There is the need to look beyond where it's
7 going to anticipate the problem, and these kind of didn't
8 get done. And, that's understandable in the first 12
9 hours. You get the biggest problem first. The thing
10 that degenerates is as you bring in all the other
11 agencies and all the other people, you don't have -- hit
12 the ground and go. You have the organizational problems,
13 who's doing what, who's... So, you go through a period
14 of probably less than totally effective organization and
15 action. And, I think one of the things that struck me
16 was that the decision making was -- you're not only
17 physically behind the progression, in some sense you're
18 intellectually behind if the decision making is not
19 really anticipating ever. I mean, you're behind in the
20 start and you're closing in on as you're catching it.
21 But, you're never out in front in all the aspect. And, I
22 think that's the part that communicates back to the
23 public of... The concern of the public is what does this
23 mean, where does it go and even in the response aspects
25 it was hard to get to that point. You're salvaging a

1 ship, you're worrying about using disbursements. And not
2 using disbursements. You've got thousands of people
3 running in that can't talk to each other. So, it just
4 fell off the table as an important issue. And that
5 becomes something. If you do your contingency planning
6 you -- do the organizational -- that becomes one of the
7 major decisions, one of the major things that has to
8 happen. And it eventually did. There was an information
9 center set up and do very well.

10 MS. WUNNICKE: How long did that take them?

11 MR. PARKER: Your other team member.....

12 MR. HARROLD: A couple of week.

13 MR. HANK ANDERSON: I just want to clarify
14 something. I think you both agree that Commander McCall
15 did those things that he was able to do and prioritize
16 them correctly. There was only so many things he could
17 do and I think he did the right things. Other people
18 start doing other things.

19 I have some comments I'd like to make to the
20 group when you feel it appropriate.

21 MR. SUND: When you look at the big picture,
22 Commander McCall did just the right things and other
23 people were working in other aspects of the problem.

23 MR. HARROLD: And they really didn't get
25 picked up in the speed that the public, at this point,

1 desired. It had a lot of impact.

2 MR. SUND: Well, if that's the case, then, if
3 the primary objective of the Coast Guard is going to be
4 to salvage the vessel,...

5 MR. HARROLD: It was to -- let me rephrase it.
6 The primary objection was to mitigate the source. Which
7 if that had been the pipeline your first objective would
8 have been to turn off the pipeline in some sense. You
9 had 1/5th or 1/6th of the oil that escaped from the
10 tanker -- and so, if you can prevent the other 5/6th from
11 going...and that was a very complicated problem. What
12 I'm saying is, the first priority problem consumed most
13 of the resources available that first 12 hours.

14 MR. SUND: Is it impossible to do both of
15 those simultaneously?

16 MR. HARROLD: No. Not with adequate resources
17 and adequate expertise.

18 MR. SUND: So, there was adequate resources
19 on hand to salvage ship's cargo?

20 MR. HARROLD: It looks that way.

21 MR. SUND: But, there wasn't there to salvage or
22 to mitigate spilled oil?

23 MR. HARROLD: The question that I have is
23 whether how much that would be. I haven't worked that
25 through. How much -- what would have been the result...

1 The Commissioner said this morning that the plan was --
2 the Contingency Planning was implemented incorrectly.
3 Well, the questions asked, what if the contingency plan
4 had been implemented correctly, what would have happened?
5 If there had been two times or three times the resources,
6 what would have happened?

7 MR. ANDERSON: Oh, I want to take you on a very
8 round about route of answering these questions, if you
9 have time for it.

10 MR. SUND: Let's go straight. It's easier.

11 MR. ANDERSON: Well, I think from my own
12 experience on different commissions and boards one
13 problem you have is plenty of issues. Lots and lots of
14 issues. And it takes you an awful lot of time just to
15 say that issue 'I can decide on that' and move it aside
16 and focus on the rest. And, I have nine of these things
17 that I think you should agree on, take them and put them
18 aside, and focus on some more important things.

19 MR. SUND: I'll ask you that question, then.
20 If you were running this Commission, what would you do?

21 MR. PARKER: I am glad you asked that
22 question.

23 MR. SUND: I just wanted to make sure you had
23 a question to answer before you started.

25 MR. ANDERSON: Oh, yes. Thank you. I will put

1 aside the following issues. Let me say, since you've
2 mentioned that, these are my opinions not the opinions of
3 MIT or the National Science Foundation.

4 And the nine points are as follows:

5 Number 1: The Alaska Government accepted; the
6 activities of oil drilling, the pipeline, the Marine
7 Transportation. It's received economic benefits and
8 consciously or unconsciously has accepted the risks
9 involved. Period.

10 Number 2: In looking at the original contingency
11 plan no one in authority expected that a 240,000 barrel
12 spill would take place. And, I think that's probably a
13 reasonable management judgement to make in the '70's with
14 all the studies and everything also that was done.

15 Number 3: The original contingency plan was
16 inadequate to respond to a 200,000 or 240,000 barrel
17 spill. Because of the limits of technology then and now.
18 And I believe that anyone with a technical background
19 that looked at the oil containment and pick up technology
20 -- everyone that did that was in total agreement at the
21 time that you cannot handle a 200,000 barrel spill.

22 Number 4: Based on the existing technology and
23 oil spill experience, it's unreasonable to assume that in
23 a major oil spill, such as this, that you are ever going
25 to pick up more than 20 or 30% or treated with disburse-

1 ents or burning it before the oil hits the beach. So,
2 the first question is -- the first thought I would give
3 you is that once the major oil spills occur, 70 or 80% of
4 all the oil that spills is really outside of your
5 control. And once, you know, once you agree on that
6 then, gee, that really says an awful lot of things are
7 outside your control. In terms of having it hit the
8 beach.

9 MR. SUND: You do have control of what's the
10 maximum threat you want to be exposed to by limiting the
11 size of the tanker that you allow in your channel.

12 MR. ANDERSON: Yes. But, I am saying once the
13 spill has occurred. Let's first just go through the
14 existing event incident and then you can just put all
15 these things aside and say, okay now if that's not
16 acceptable, we have to change something in the system.
17 Okay.

18 Number 5: Once the Exxon Valdez occurred, the
19 key window of response was the first 72 hours before the
20 bad weather occurred.

21 Number 6: Given the amount of resources, in
22 terms of people, booms, disbursents, planes, boats,
23 barges, in the region, in my opinion you shouldn't have
23 expected more response to the oil spill within the first
25 72 hours than occurred. No matter what organization was

1 in charge, was in place, given those resources that were
2 available you really weren't going to do much. You
3 didn't have any place to put the oil, or pick it up with
4 anything. And it doesn't really matter who's in charge.

5 Number 7: After the initial storm Sunday night
6 or bad weather, there was a window of lessor opportunity
7 of about a week. And, we could argue maybe with a
8 different organizational response, we might have done a
9 little more in terms of picking up oil before it hit the
10 beach. But, if you go back to the earlier point that
11 you're only going to pick up 20 or 30% anyway, then we
12 are talking about small amounts. I mean, we use more
13 disbursents, less disbursents, more burning, less
14 burning, more booms, more skimmers, more pick-up devices,
15 you know. We are arguing about a percent or two and
16 certainly we should want to pick up everything we can
17 pick up. All I am saying is, in the bigger picture of
18 things, this is a pretty small amount to be worried
19 about. You need to worry about things like prevention
20 and bigger issues.

21 Number 8: After the first two weeks little else
22 could have been done to significantly reduce the amount
23 of oil that hit the beach. Now, certainly you can do a
23 lot to say where it's going to hit the beach, but really
25 you are not going to do much in terms of how much hits

1 the beach. Or at least, again, it's outside your
2 control. It's weather and other things that occur, but
3 that's outside your control.

4 Number 9: If a 240,000 barrel spill occurs in
5 Prince William Sound during a major storm, no amount of
6 tugs, booms, barges, disbursents, etc., will keep the
7 spill from reaching the shore. And, you know, you can do
8 all the contingency planning you want. That's once risk
9 you are going to take.

10 MR. HARROLD: Thank you. You've been waiting
11 to say that.

12 MR. ANDERSON: Quite often in many of these
13 situations, people spend a lot of time talking about the
14 wrong things, I think.

15 MR. PARKER: Ed?

16 MR. WENK: Mr. Chairman, I've got a number of
17 questions, but while this fellows adrinilin glands are
18 working here, there's a flip side, isn't there, Hank?

19 MR. ANDERSON: Always, to everything.

20 MR. WENK: Will you be our guest and carry on in
21 terms of the things you think we ought to do?

22 MR. ANDERSON: Unfortunately we are still in
23 the process of figuring out all that ourselves. I'm sure
23 we will be delighted to share with you any conclusions we
25 come to.

1 MR. SUND: Don't swiftly -- dodge the Jap that
2 quickly.

3 MR. ANDERSON: Well, you know, as Jack said,
4 it's a very difficult problem. And there certainly,

5 MR SUND: Are you going to do, excuse me, Mr.
6 Chairman. Are you going to do any analysis on relation
7 to the size of vessel versus the number of vessels?

8 MR. ANDERSON: No, we have a very small grant
9 really to do a preliminary assessment. And, we will not
10 personally get into that analysis. At least, on this
11 contract.

12 MR. O'REILLY: We are looking at -- the
13 charters to identify issues. The risk prevention issue
14 of the whole system is one of them. And that goes beyond
15 vessels that goes international/national, state control..
16 There's a very broad external environment construction.
17 There's a very broad external environment that governs
18 how the tankers run. To answer -- we are looking at some
19 of the organizational issues and clean-up technology
20 identified as issues, but in this exercise about what we
21 are going to give are things that we see as issues
22 hopefully where something can be done. Where the
23 application of effort and money will yield some result as
23 opposed to re-inventing the same issues we already know.

25 MR. PARKER: Will you be looking at the issues

1 on prevention side, also, tankers, manning, practice, and
2 so forth?

3 MR. O'REILLY: That's certainly identified as
4 one of the major issues and inter-relationships.

5 MR. PARKER: Well, I gathered from what Hank as
6 he laid out his nine things that you can't do much about
7 that you'd have to put... If you've got a hundred
8 million in the budget to spend on the issue, where would
9 you put your resources on this one? And,

10 MR. ANDERSON: Certainly prevention crisis
11 management issues, determining how much equipment you are
12 gonna buy ahead of time, where you gonna put it, these
13 sort of things. And, yeah?

14 MR. PARKER: I'm glad you made those points.
15 Because, you know, if you buy up all the boom in the
16 world and put it either in the wrong spots or
17 logistically unable to move it only in 10% of your
18 weather conditions or something, why you have spent a lot
19 of money for a very little affect, you know.

20 MR. WENK: This question, Jack, is addressed to
21 you, but you may want to also answer. You were kind
22 enough to refer to trade-offs and I want to build my
23 question on a very simple pattern of interactions of
23 technology in society that we discussed there.

25 Starting with World War II and leading through

1 the space program, the question we were asking of
2 technology was 'can we do it'? Along comes a national
3 environmental policy act and some other concern for human
4 life and then we ask ought we do it? And then we
5 postulate the question for the 1990's, can we manage it?

6 So, I want to pick up on the "can we manage it"?
7 Now you have addressed this whole question of management
8 for emergency response. What would you like to say about
9 managing the seed based oil transport system?

10 MR. HARROLD: First of all to determine the
11 pieces of the system. There is some interesting -- the
12 historian in the -- (laugh) we are all historians, I
13 guess, but if you look at the history of maritime
14 response and you look at the streams of response
15 organizations, you are dealing with life saving and you
16 are dealing with salvage and you are dealing with
17 insurance of cargo. The stakeholders, and we use that
18 word here, but, the stakeholders and the maritime
19 industry were the owners and who owns the cargo, who owns
20 the ship, who's got what contract with what. The problem
21 since the Toric Union was that there are another set of
22 stakeholders. These are the people who are now in the
23 system who are affected by the cargo getting out of the
23 box. The liability system, the salvage system, the
25 response system has tried to adjust to that fact with not

1 a whole lot of success. And that's a different system.

2 And it brings a lot of aspects when you look at a
3 broader point. One of the constraints in Valdez, for
4 example, is the Captain of the Port or the CO of the
5 Marine Safety Office there wearing his cap under the Port
6 Authority, has the authority to close the port. Well,
7 that impacts back upon how much storage, for example, is
8 there in tanks. Because, if he closes the Port it shuts
9 down the flow of oil in the pipeline. That's one impact.
10 If he closes the Port and says 'put the oil in Tank B
11 instead of Tank A', and hold up a tanker for 12 hours,
12 that's another impact.

13 So, you know the whole inner relationship of the
14 people who have the authority and what the insurance is
15 doing and what the charter agreements are and, that --
16 what the liabilities are.

17 MR. WENK: It's a very wide universe out there.
18 But, you are going down a trail that might be productive
19 for us. Commissioner Hayes, I think epidimized this,
20 pardon me for continuing to pick up that comment, but it
21 seems to me to make a point it really comes to the
22 footnote of this question, how to make prevention
23 profitable?

23 MR. HARROLD: Uh-huh.

25 MR. WENK: Now, as you point out, one of the

1 stakeholders are the insurance companies. Yet, you've
2 got a lot more maritime experience than I do personally,
3 but I have the impression that unlike some insurance
4 companies that are trying to reduce the risk whether it's
5 to personal health or whether it's occupational safety,
6 that the insurance companies that have an enormous stake
7 in this, including response to the damage to the
8 environment, not just to shipping cargo, have been pretty
9 silent.

10 MR. HARROLD: I think that's a fair statement.
11 I'm not sure how much the environment's changing, but you
12 don't have the analog of getting an insurance reduction
13 when you put an air bag in your car. It's not that sort
14 of thing. And, what is insuring what and who owns what
15 is a very elaborate question in some issues, too. When
16 you hold up a ship you can tell who's paying and who owns
17 what real quick.

18 MR. WENK: But, do you think, now we are coming
19 back to the question of management, the last part of the
20 question. Do you see, in terms of providing incentives
21 in this, that the insurance companies and the reinsurance
22 companies or the re-reinsurance companies, you think they
23 really have a much more major role to play than we have
23 seen in the whole maritime industry?

25 MR. HARROLD: I think so. I will be interest-

1 ing to see -- to follow the money from this incident and
2 actually see who pays. That may get some attention.

3 MR. PARKER: We worked through that scenario
4 you were into previously of putting the Captain of the
5 Port, and the oil starts, if the tanks happen to be half
6 full at that time, the tanks start pile up and you start
7 backing the pipeline up and so forth. We went through
8 all that and the -- did you get any sense in your
9 interviews in Valdez of what the affect of 12 years of
10 operations has been on the firmness of Port operating
11 procedures. My perception has been that the limit that
12 we imposed at the opening of the Terminal has slipped,
13 slipped, slipped through the years. And especially is
14 the pipeline escalated to 2 million barrels a day, that
15 the pressure to keep the Port open, you know the weather
16 horizons continue to widen as to what was, you know,
17 permissible sailing conditions. Did you get any sense
18 out of that yet?

19 MR. HARROLD: We really didn't. I don't think
20 in any of our interviews. We did get the sense that as
21 far as looking at what focusing down on the most likely
22 incident would be something happening --. In Valdez now
23 almost everybody had in mind -- if anything happens here
23 the only place you kind of get turned around from the
25 most probable -- improbable incident, if you will, is

1 hitting the pentacle in Valdez narrowed to probably the
2 only thing that would ever happen. And as the ships went
3 by the pentacle everybody kind of goes (huffs)....

4 MR. PARKER: I think you'd have to go back, you
5 know, and start with the Captain of the Port and go
6 forward from there, I guess, to lay that picture out.

7 MR. HARROLD: I think you would and look at
8 the Port orders. I know some of the procedures that
9 Captain Purdy set up when he was first there and I knew
10 him when he went up here. It changed over times.

11 MR. SUND: Are you guys going to look at
12 anything on the construction of vessels in terms of
13 lessening the risk? Admiral Kyme in Valdez testified to
14 us that he thought if there were a double hole in this
15 tanker it would have reduced the lost of oil by 40 to 50%
16 outside the vessel.

17 MR. HARROLD: Only in a parallel way. I am
18 working for the Marine Board in another thing. The
19 Director and the Chairman have said wouldn't it be nice
20 to know what we already know. And they said, what do you
21 mean by that? Well, darn, in the 70's a lot of people --
22 these are not new issues. I answered many of these
23 questions after the Argo-Merchant when I was still with
23 the Coast Guard at Headquarters. The questions we're
25 asking are recycling. And, studies were done. So, they

1 funded a couple of graduate students to do a literature
2 search. Which I can share with you. On this particular
3 thing they are looking at are the same issues here.
4 Contin-- ship structure being one of them. I mean,
5 there were a lot of studies that were being done.

6 Some of these issues are not so much research
7 issues as they are decisions. When you have the...

8 MR. SUND: Decisions by whom?

9 MR. HARROLD: Well, decisions by the Federal
10 Government, decisions by the International Maritime
11 Organization, decisions by State in some cases.

12 MR. SUND: Not, this State. Besides we passed a
13 law requiring a double oil tanker at one time.

14 MR. HARROLD: The structure is a national
15 issue here.

16 MR. SUND: Is there any way to change it?

17 MR. HARROLD: Not.... You're asking the wrong
18 person on that. That's a political and international law
19 problem. So, you need to get your legal advisors, I
20 think, on that issue.

21 MR. WENK: Mr. Chairman, is there time for one
22 or two brief questions?

23 MR. PARKER: Sure.

23 MR. WENK: Okay. Two quickies here. Coming
25 back again to this notion of managing the whole system.

1 I'm going now beyond managing emergency
2 responses.

3 Back to insurance. I think I have on pretty good
4 authority that most of these tankers of this size now are
5 carrying insurance at the limit of \$400 million dollars.
6 There is a high likelihood that Exxon was carrying that
7 insurance level and will, therefore, be covered for every
8 dollar they are putting out. Do you have any comment on
9 either the level of limit or what the relationship is of
10 this feature of the merit of maritime transportation
11 system as it might effect the future?

12 MR. HARROLD: I really don't. Now, the
13 question that I ask is the same one that the Chairman of
14 the Marine Board asked at our last meeting. What level
15 of liability, what level of insurance does the behavior
16 change. And you don't get a really good answer for that
17 because it's not clear in an incident like that who pays
18 the final bills. I think, and I don't know.....

19 MR. SUND: Tort laws, not.....

20 MR. HARROLD: I don't know. It hasn't -- no,
21 that's not fair to say. You have a better answer on
22 that, Hank?

23 MR. ANDERSON: No. I hope that my brief
23 comments, although not profound, would be of some value
25 to your group.

1 MR. PARKER: Warning to our guest, he's an
2 attorney.

3 MR. HARROLD: We don't pretend to be the
4 experts from out of town.

5 MR. WENK: The second question. I should have
6 said this earlier in terms of a model with regard to
7 transportation. The model is commercial passenger air
8 transportation. And how that's managed. And, I think
9 you know that the public would never tolerate the rate of
10 accidents on planes as they occur on ships. Put tankers
11 aside in oil spills. The public would never accept that.
12 So, there's something else going on and what I would call
13 systems management. And, I'll ask you the abstract
14 question, have you thought about this and identify the
15 parallel with the maritime?

16 MR. HARROLD: Well, let me give it the analogy
17 we are talking about. A modern vessel today you are
18 dealing with very, very qualified people with excellent
19 systems. I mean your navigation systems are such you can
20 tell which side of the bridge you are standing on. But,
21 your systems are passive. Another words, the person has
22 to be able to use them. You don't have a back-up system,
23 although the navigation regulations of the Coast Guard
23 came the closet when you say you have to have philometer
25 with an alarm on it. But, that still has to be set by

1 the person on the ship. You don't have something that is
2 going to be inactive. Either internal to the ship an
3 active alarm that will say -- . We have a society, for
4 example, of when you get in your car you have an alarm
5 that will tell you your seat belts are not fastened. Or
6 tell you your door is ajar, but we don't have a system
7 that will say you are out of the channel on a tanker.
8 That's fairly low-cost technology. That's within the
9 system. What you are talking about is the next level
10 out, which is something outside that closed system of the
11 vessel that says that is going to have control. Your air
12 traffic control system would be that way.

13 So, you can take that -- again, it's the trade
14 off. At what level do you want? You can put a lot of
15 money into the passage system under the assumption. And
16 that's where you get into the broader system of the
17 maritime environment. The role of the Master and that
18 sort of thing.

19 MR. PARKER: Speaking of that maritime
20 environment, you know. When you tackle the whole thing
21 at once, it gets very complex. And sense the passage of
22 the Law of the Sea Convention, which, of course, we have
23 not signed yet. But, since then, you know, those who've
23 worked law of the sea for the last thirty years, we have
25 gradually been regionalizing more and more issues in an

1 attempt to make them more comprehensible. And, if you
2 regionalize this tanker operations issues so you don't
3 have to deal with the political clout of those who want
4 to bring the oil into the Gulf Coast ports from Venezuela
5 by whatever kind of ship they want to use, or bring it
6 from the Gulf to the East Coast by whatever kind ship
7 they want to use -- if you keep it to, you know, the
8 Alaska West Coast traffic, or, you know, a lot more
9 things are possible in what you can do with both tankers.

10 MR. HARROLD: I would make the suggestion that
11 if you look at the system and, again picking up on the
12 regionalization, legally and cost wise, that sort of
13 control of operations is probably more pallidable both
14 politically and economically than changing structure or
15 manning or things that have national and international
16 implications. I mean, you can require different levels
17 of charts, different levels of operations in your back
18 yard that somebody else doesn't.

19 MR. PARKER: Sure. You know we have been to
20 the EIMO twice on this issue now and, you know, going
21 again why, you know waiting on that one again, it could
22 be the year of 2000 we wouldn't be there, yet.

23 MR. ANDERSON: One example you may want to
23 look at is the Port of Rotterdam. Where the government
25 does have a lot more control over the vessel movement

1 than we do in this country.

2 MR. SUND: I still have one comment, Mr.
3 Chairman. Taking the facts that these gentlemen have
4 given us and the hard reality of your Iran study that you
5 worked on where you were unwilling to say what the
6 acceptable risk of air traffic was, that how many people
7 you allowed to be killed per year, the acceptable risk in
8 the State of Alaska right now that we allow and we accept
9 is the escape of 200 to 400 thousand barrels of oil at
10 the beaches at any one place. And, that's a simple math
11 thing. A tanker holds a million barrels, on a given
12 grounding you can expect 20 to 50% to escape. So, that
13 gives you your 250 to 500 thousand barrel escape. And,
14 in the maximum best condition you can pick up 20%,
15 according to you guys. That leaves 200 to 400 thousand
16 barrels left over that we as a society say is acceptable
17 to hit our beaches. That is status quo. If I take your
18 situation that is what the State of Alaska, by being
19 involved in the oil business, has -- now, we may not have
20 consciously made that decision. But, unconsciously or
21 subconsciously, that is -- what was printed in the
22 headlines of the paper. That's what the State of Alaska
23 is willing to accept. Ask the average guy in the street
23 that. It ain't in his ballgame. But, I bring up the
25 scenario and that's why I ask you about tanker structure.

1 I take the Thompson Pass which had structural cracks in
2 it, but let's take the tanker 100 miles off of Queen
3 Charlotte Straits somewhere down off the British Columbia
4 Coast in a major North Pacific storm breaking up at sea.
5 I think in that case you look at total loss of cargo.
6 And, I think if you took your oceanographic charts and
7 figured it out that almost the entire cargo would hit the
8 shores of Alaska within a week. And, spread over several
9 hundred miles. And, I don't know if that's an acceptable
10 risk. It is what we do today, but there are steps we
11 could take to lessen that risk than what we are doing
12 right now.

13 MR. ANDERSON: The other part of that and this
14 certainly was studied in great depth after the Deep Water
15 Port Act in 1974. We went to having offshore terminals
16 like Lupe in Louisiana the big question is, well, would
17 you rather have one 250,000 dead weight ton tanker come
18 in or five 50,000. And, with the small one you would
19 think there's more probability of an accident because
20 you've got five times as much traffic, but in terms of
21 the maximum possible spill, it's a lot smaller. And
22 there is indeed trade offs and I certainly don't have the
23 answer to that trade off.

23 MR. PARKER: On another part of that, you
25 know, the U.S. is a signatory nation to IMO -- it adheres

1 to IMO standards. But, what has the pressure been on the
2 U.S. in recent years on shippers in the U.S. in recent
3 years to exceed IMO standards where the state of the art
4 indicates that might be the right thing to do. You know,
5 the pressure primarily from the government.

6 MR. HARROLD: We're in another cycle where the
7 pressure is going to be built. And, I think that after
8 the Argo- Merchant and the three or four others
9 accompanying incidents that happened in that '76/'77
10 timeframe, there was a lot of pressure. And that
11 pressure led to the IMO 1978 Convention. Admiral Wallace
12 who is the head of the Marine Board was the chief
13 negotiator of that and came away with an awful lot in a
14 very short period of time internationally. Folks in the
15 State Department were amazed, but after that, I think,
16 then the system starts -- you know, nothing happens.
17 And, again, as I said earlier, the pressure comes after
18 the incident.

19 Now, I think one of the challenges that I see
20 that you have or the State of Alaska has is you have an
21 extremely sensitive environment economically,
22 environmentally that the people treasure. So, maybe you
23 have to find ways to create that environment that will
23 keep that pressure.....

25 MR. SUND: It's not just environment. It's

1 economic.

2 MR. HARROLD: And economic.

3 MR. SUND: It's economic. I mean we, you
4 know, we've lived and eaten on an ocean resource that's
5 worth billions of dollars to us per year.

6 MR. HARROLD: Absolutely. And so, can you
7 bring the system...

8 MR. SUND: Well.....

9 MR. HARROLD:up or keep.....

10 MR. SUND: Mayor Pughes in Dutch Harbor
11 proposed build a pipeline down through Canada...

12 MR. HARROLD: I saw that.

13 MR. SUND: ...and just eliminate the tanker
14 traffic.

15 MR. HARROLD: Creates a lot of jobs, too.

16 MR. PARKER: Canadian jobs.

17 MR. SUND: Oh, no, we'll import Americans in
18 there. There's nobody can weld a pipe like an Okie.

19 MR. HARROLD: That's probably true.

20 MR. WENK: Well, now how do you mean that?

21 MR. PARKER: Anymore questions of these
22 gentlemen?

23 MR. SUND: A comment on accurate information
23 and current information. What is being really demanded
25 from the seafood industry right now is how many pink

1 salmon are going to be caught in Prince William Sound and
2 how many are going to be caught in Cook Inlet because of
3 the oil spill? And, it's dislocated the entire salmon
4 market. Now, there's a total unknown out there of what
5 the value of the Alaska Salmon industry is going to be
6 worth. And, you know, I don't know where that comes into
7 play here. But, I am just saying that spilling oil -- it
8 isn't just on the beach in Prince William Sound, the
9 entire basic economic structure of Alaska has been
10 disrupted at this point in time.

11 Nobody knows how much to pay a fisherman for a
12 pink salmon. Because nobody knows how many pink salmon
13 are going to be caught. Because you don't know how much
14 is going to be caught in these oil affected areas,
15 because they're closed. Not because the fish aren't
16 there. But, because the environment's been damaged.

17 MR. HARROLD: We had the opportunity to sit in
18 on a public meeting in Kodiak yesterday. And, the
19 complexity of the whole thing was as you say. It was a
20 real learning experience in that there are a lot of
21 things that are outside the current planning process and
22 these things for your state certainly have to be
23 considered ahead of time.

23 MR. PARKER: Was this a general meeting or a
25 fishermen's meeting?

1 MR. HARROLD: No, this was a general meeting. It
2 was part of their weekly meeting with the Federal onscene
3 coordinator, their State reviewing the progress.

4 MR. PARKER: Thank you...

5 MR. HARROLD: Thank you for the opportunity.

6 MR. PARKER: Let's take a short break. We will
7 reconvene and get into our discussions...

8 (Off the record)

9 (On the record)

10 MR. PARKER: The Oil Spill Commission will
11 reconvene. Our next item is reports from our sub-
12 committee chairman and discussion of those reports. And
13 our first sub-committee reporting will be from response,
14 Meg Hayes.

15 MR. HAYES: Mr. Chairman, having had the
16 benefit of talking to my sub-committee members this
17 morning, which was quite novel, we have put together yet
18 another version of the -- another way of looking at the
19 sub-committee and responses work. And, I'd like to just
20 pass this out. I hope that it will make it a little bit
21 easier.

22 Yesterday, you all received in your packets the
23 general outline of what we hoped to do with key questions
23 and possible solutions to it. This morning I had a
25 chance to talk to Mike Herz who I feel is one of the most

1 qualified people on the Commission to help us in this
2 regard. And we essentially -- and Tim Wallis from
3 Fairbanks, but we generally identified work that could be
4 done -- that we thought could be done by staff. We
5 identified a need for a major contract for Contingency
6 Plans and the questions to be answered by that. Another
7 major contract to address risk assessment. We all felt
8 that that was an important element that had been missing
9 from prior work in this field. And we would suggest for
10 institutions looking at how that information would be
11 used. And, we also had suggested some case studies that
12 could be done for illustrating some of the problems that
13 have been encountered in existing system or non-system,
14 as we talk today of oil spill response. And these could
15 be case studies in such way as comparing the experience
16 of Valdez versus the experience in Seward for the
17 response of the -- the city's response to the major
18 event. The management of the committee, the local
19 committees dealing with the oil spill. And the long term
20 affects of that as far as we can predict them. So,
21 that's one proposal.

22 And then if you turn towards the back of this
23 package of information that I just gave you, we took the
23 questions you had seen before and pulled out all of those
25 that would deal with institutions that we thought weren't

1 necessary that the response sub-committee deal with, but
2 these were questions that we felt strongly somebody
3 should deal with and we thought that most appropriately
4 that would be institutions. And I realize that Esther
5 has had the benefit of my early drafts on this. There
6 may be some disagreement, I'm not sure, but I think this
7 is the place to try to resolve who's going to be doing
8 what in terms of these institutional questions.

9 MR. PARKER: Okay. Thank you, Meg. Have you
10 had a chance to review yet the Department of
11 Environmental Conservation's RFP that's out on
12 Contingency Planning?

13 MS. HAYES: No, I just became aware of it
14 yesterday afternoon.

15 MR. PARKER: I -- based on what the
16 Commissioner said, I think, I have reviewed it and the
17 timeline doesn't fit our needs. This is a major problem
18 there. So, I think you probably are going to have to
19 only count on having a portion of the information from
20 that available to you.

21 Okay. Discussion other Commissioners?

22 MS. WUNNICKE: Mr. Chairman, we did have the
23 benefit of the initial paper of the response working
23 group and I think there is probably a lot of duplication
25 in the questions. I think it's a simple matter of sort-

1 ing those out and putting those appropriately belong to
2 the institutions or the organizational working group
3 together. From what this working group has done.

4 MR. PARKER: Okay. Are you at the stage... Do
5 you thing you are ready to write an RFP for any of your
6 contracts?

7 MS. HAYES: I've asked Mike to telex a copy to
8 me his work program for a contract on risk assessment by
9 Monday for review and advertising. We expected it to
10 take -- to be in excess of what the negotiable limit is
11 under the State as we understand it. And, I promised him
12 that I would make a first cut at Contingency Plans
13 contract. In the same time period send it to him for
14 review. On the other contracts, we haven't really had a
15 chance to discuss them about these small case studies and
16 some of that relates with what institutions is doing.
17 So, before we get too far down that track we need to
18 discuss with institutions. The people and the sub
19 committee as to how those are either appropriate or
20 inappropriate. Depending upon what you are working on.

21 MS. WUNNICKE: Question of Meg, Mr. Chairman.
22 Are you looking at contract employee or contract for a
23 product and piece of work?

23 MS. HAYES: For Contingency Plans and Risk
25 Assessment we are primarily looking for a packaged

1 product. The Contingency Plan, -- Mike and Tim and I
2 thought that the Contingency Plan information, the
3 questions that we had were -- well, well enough
4 organized in that there are people whose expertise were
5 so much greater than ours, that it would be most
6 appropriate to try and get the best available people to
7 do that kind of work.

8 MR. SUND: Let me ask a question. When you talk
9 about risk assessment, what are you guys referring to?

10 MS. HAYES: Well, looking at Prince William
11 Sound as the environment of the question, and Mike should
12 be the one to answer you as best he can. But, he has
13 examples of work that has been done in California that
14 takes the geographic unit of concern. The amount of
15 traffic going through the climate and the seas and the
16 weather prevailing meteorology and has developed some
17 kind of a program for determining what the likelihood of
18 different size events would be. And I can't give you
19 much more than that although he has sent off for a copy
20 of a similar report done for a specific local in
21 California. And that should be received here.

22 MR. SUND: So, it's a risk of an accident
23 occurring?

23 MS. HAYES: It's the risk of an event and the
25 risk that is assumed by the people within that geographic

1 unit. Geographic area. And, it's obviously not a single
2 number.

3 MR. SUND: Mr. Chairman, I would suggest that we
4 just put all of this stuff on the table. For those of
5 you in the audience I think you'd better be ready to get
6 bored, because this is a public meeting process and we
7 are going to do this in public and it's going to appear
8 to be fairly disjointed, but that's what the statute
9 says. So, bear with us a little bit. We haven't had a
10 chance to talk to each other about this stuff either.

11 MS. HAYES: John, if you would look at the
12 page labelled 'Contract Risk Assessment' you can get a
13 better idea of what kind of thing that Mike was thinking
14 of.

15 MR. PARKER: To expand a little bit on what the
16 Commissioner said, Sund said in essence the public
17 meeting's law as it applies to Commissions does not allow
18 for work sessions.

19 MS. WUNNICKE: It allows for work sessions of a
20 sub-committee or a working group. That's less than a
21 quorum, Mr. Chairman.

22 MR. PARKER: Okay. Less than a quorum.

23 MS. WUNNICKE: Okay.

23 MR. PARKER: Less than a quorum is not a true
25 work session. Ed?

1 MR. WENK: I'd like to suggest that before we
2 deal with these in any detail that we decide how we are
3 going to decide, what we are going to decide. And, I
4 don't think we have done that, yet. Let me give you an
5 example.

6 It strikes me that we have to understand what the
7 purposes of this review, and I don't think it's to go
8 over all of these questions. And these are excellent
9 ones. I think that in a recession I see two roles to be
10 played. The first is that we right off the bat decide on
11 quality assurance for our own work. And there are
12 various ways this could be done. I continue to stick my
13 neck out and I stuck it out in something all you've seen
14 in terms of the three steps I would suggest for quality
15 assurance.

16 The second is to recognize we are going to have
17 to do a lot of things in parallel and to do our best at
18 one session. To look at the scope and direction of each
19 of the three and possibly four, but anyway, sub-
20 committees, tasks groups, so as to give the leader of
21 each group the assurance that the whole Commission's
22 behind them in terms of where they are going and how.

23 Now, by co-incidence we have such a statement of
23 task for the legal institutional sub-committee, whatever
25 we call it, that helps me and now I have to confess, I

1 was conferring with Esther in doing this, but I wonder as
2 a procedure matter whether Meg -- I mean, this is really
3 a question, too. Would it be easy, straight forward, I
4 don't mean right now, but fairly straight forward to use
5 this material to draft a very short statement of scope
6 and direction for Contingency -- for your response sub-
7 committee. One that corresponds and in fact, getting
8 everything on one sheet, if possible. Because I think
9 that's the level of detail we ought to be dealing with
10 here. What are you going to do, who's going to do it,
11 how are you going to do it, and how much is it going to
12 cost? Because I think if we get into -- I think we've
13 got to let you decide these questions, you see. And I
14 think.....

15 MS. HAYES: What you see, Ed, is work in
16 progress. I mean, what you see is what is eventually
17 leading up to something similar to Esther's. I didn't
18 have the benefit of seeing...

19 MR. WENK: Okay.

20 MS. HAYES: ...Esther's synopsis before...

21 MR. WENK: Alright.

22 MS. HAYES: ...yesterday afternoon.

23 MR. WENK: Okay. Understood. Understood. But
23 then, it sounds to me like then we are on the same track.
25 That that would be a way for the Commission then to deal

1 with this, I'm sorry, with each of the three. So that we
2 can then put them side by side and see if the combination
3 of these really matches what the Commission as a whole
4 wants to do and then say 'folks go ahead'. I mean this
5 is just a thought.

6 I hope my fellow Commissioner here with the
7 Prevention Committee will understand I haven't glanced
8 that one, yet. But, made the same observation just in
9 terms of what we're up to.

10 MR. PARKER: Are we ready for the prevention
11 interview?

12 MR. WENK: You feel, Walt, that we have an
13 agreement on this as a way of proceeding?

14 MR. PARKER: Yeah, I think we do.

15 MR. WENK: Okay.

16 MR. PARKER: I think mainly it's fifteen down
17 and the various statements and collating them into a more
18 unified format certainly... The sculpting paragraph as
19 you pointed out is the key one as to.....

20 MR. SUND: I have a... I think if you look at
21 the task statement that Esther put out... I wrote a
22 sentence, but I don't know if it's a task statement. I'm
23 not too much into organization or writing theory. But, I
23 figured out how to prevent oil spills in one sentence.
25 So, I guess that's the task.

1 MS. WUNNICKE: Pretty good.

2 MR. SUND: It's a -- to prevent oil spills the
3 cargo must be moved in a well designed, constructed and
4 maintained vessel operated by a knowledgeable and
5 experienced crew in a safe and cautious manner through a
6 well chartered ocean in weather conditions which allow
7 for a safe voyage. And, that's probably the task of the
8 prevention. Somebody needs to figure out how to get that
9 done.

10 MR. WENK: Well, I admire that spirit. I used
11 to think I was a pretty gutsy guy until I heard this.

12 MS. WUNNICKE: And, on the seventh day you
13 rest.

14 MR. WENK: Let me give you an example of what I
15 could imagine being said and at no less admiration for
16 that statement. But, in terms of tasks by a month from
17 now, I'm guessing, that both with regard to the
18 Contingency or Response Plan there are going to be a host
19 of reports some numbering hundreds of pages dealing in
20 heavy technical terms with those particular issues. And,
21 I think we have to ask ourselves, do we want to come up
22 with yet another technical analysis? I can imagine a
23 statement of tasks being, and I'm not saying this is it
23 al all. But, I can imagine the statement of task being
25 that this Commissions going to be unique in comparing the

1 available reports on prevention that had been spawned by
2 this catastrophe comparing the Contingency Plans both
3 before and now being generated after the catastrophe.

4 And to identify the points that the Commission
5 wants to go on record duly supporting. Sailing points.
6 I think. I'm just wondering out loud, Meg, in terms of
7 these contracts, for example, we haven't talked about --
8 Walt wanted to cover this before we got down to the basic
9 framework of our workplan that I think we have to keep in
10 mind. And that is a time table which means all this
11 stuff has gotta be in hand in six weeks. If we are going
12 to stick to that time table. And, I guess I'm concerned
13 about doing a big contract study in that time. Putting
14 it out for bid and finding people of real competence and
15 so on.

16 Anyway, I'm speaking my mind. Time's too short
17 for us to play games. And you are just going to know
18 from here on out exactly what I think.

19 MR. WALLIS: Esther has one time table and Meg
20 has another time table as to when to get this -- her
21 contracts complete. So maybe we ought to talk about time
22 tables. And secondly, are we going to review this and
23 adopt or make a motion to adopt it? If we do, does that
23 mean the sub-committee chairmans can go ahead and adver-
25 tise for contracts?

1 MR. PARKER: Since we are not in a position to
2 adopt these today, in order to keep things moving, I was
3 finding a teleconference at 2:00 on Monday. Can you make
4 it?

5 MS. WUNNICKE: Thursday.

6 MR. PARKER: How's Thursday at 2:00?

7 MR. WALLIS: What do we plan to do at this
8 teleconference?

9 MR. PARKER: To...

10 MARILYN HYMEN: Microphones for a teleconference
11 will be available all day Wednesday.

12 MS. WUNNICKE: That's alright. You don't have
13 to have everybody. And, I feel that those of us who
14 can't make it just have to catch up next time.

15 MR. PARKER: Are you going to be by a phone
16 Tuesday afternoon?

17 MS. WUNNICKE: I'm going to be taking guest
18 from outside to Homer on a trip.

19 MR. PARKER: Oh. You're not going to have a
20 telephone?

21 MS. WUNNICKE: I'm hoping not to.

22 MR. PARKER: They don't have -- technology is
23 once again left us in the lurch.

23 MS. WUNNICKE: No, no. That's fine. No, but if
25 you can get a quorum for the teleconference, you know, I

1 just can't make it. Those two days, well, I can't make
2 it.

3 MR. PARKER: The purpose of the teleconference
4 originally was to accommodate Mike Herz having to leave
5 early just to give him a chance to make any final
6 comments he wishes to on what we are prepared to agree on
7 here. And to give you another three days to go over
8 these and fine tune them. Get your questions resolved
9 between committees.

10 MR. WALLIS: Can you and Meg talk to Mike on
11 Wednesday and then have our teleconference on Thursday?

12 MR. PARKER: He said he could make Monday at
13 2:00.

14 MS. HAYES: Monday at 1:00.

15 MR. PARKER: Monday at 1:00?

16 MR. WALLIS: I can be available.

17 MS. HAYES: Tim could be available, too, Walt,
18 on Wednesday.

19 MR. PARKER: Wednesday?

20 MS. HAYES: Yeah. And, I'll try to.....

21 MR. PARKER: 2:00?

22 MS. HAYES: 2:00 is fine.

23 MR. PARKER: Alright. Can you tell Mike? Make
23 sure that Mike gets that?

25 MS. WUNNICKE: That's just to discuss what?

1 The...

2 MR. PARKER: To a.....

3 MS. HAYES: I will in between, in my leisure
4 time, revise, create a statement like this and I would
5 like his concurrence that, since he's on the sub-
6 committee.....

7 MS. WUNNICKE: Oh, okay.

8 MS. HAYES: ...I want him and Tim to be sure
9 that.....

10 MS. WUNNICKE: Assuming that we can get through
11 today with the organizational statement?

12 MS. HAYES: Yes.

13 MS. WUNNICKE: It's not so important that I be
14 on the teleconference.

15 MS. HAYES: Okay, if we can do that.

16 MS WUNNICKE: Can we do that?

17 MR. PARKER: Yes.

18 MS. WUNNICKE: Good.

19 MR. SUND: Mr. Chairman, maybe Esther could go
20 through her organizational statement. The way I read it
21 I think it encompasses the entire purpose of the
22 Commission.

23 MS. WUNNICKE: That's because, because.

23 MR. SUND: Maybe you could just go through
25 that.

1 MS. WUNNICKE: The work group on institutions
2 or organizations, whatever you choose to call them,
3 expanded it's statement of task from the first that you
4 saw which was a brief statement with respect to removing
5 jurisdictional and institutional barriers prevention and
6 rapid and effective response and mitigation. The task as
7 now stated would determine the major organizational and
8 jurisdictional mandates and identify conflicts with
9 respect to oil spill prevention and rapid and effective
10 response to spills and the mitigation of environmental
11 and economic and social affects of the spills. Would
12 recommend how those conflicts could be eliminated. Would
13 recommend structural accountability and incentives for
14 the safe transport of oil and recommend assignment of
15 liability for damage.

16 The second major grouping of tasks would be to
17 identify the operational responses of the major
18 organizational components in terms of their
19 responsibilities. Determine the policies and decisions
20 at the highest levels of all organizations that influence
21 that operational response.

22 And third, just to highlight and to remind us all
23 as we went through our tasks to examine the human factors
23 in oil transportation. That sounds like, as John said,
25 maybe the total task of the Commission, but I think as

1 we've heard from witnesses and as we've discussed in the
2 working group which was Dr. Wenk and Tim Wallis and
3 myself, those decisions that are made within
4 organizations, be they public or private, are perhaps at
5 the heart of what we are trying to achieve in our
6 recommendations. Or to address in our recommendations.

7 Our approach would be a literature
8 search, 7analysis, some workshops and hearings. We would
9 concentrate on the major movers in the Exxon Valdez event
10 on Alyeska, on Exxon Shipping, and Exxon Corporation. On
11 the Coast Guard, on the Alaska Department of
12 Environmental Conservation, the Office of the Governor.
13 We would propose to use case studies to illustrate other
14 governmental local and private institutional or
15 organizational roles. And a good example of that we had
16 today in Vince O'Reilly's presentation of how one
17 community, at least, responded to address the economic
18 affects on that community. I think we had others in
19 Cordova of how one community organized through the
20 Cordova Fishermen's Union to respond. And, I think we
21 can use some case studies to show those inter-
22 relationships without looking at every organization and
23 every community.

23 The key questions that we would be addressing
25 would be the who in the questions that the response work-

1 ing group has identified and the prevention working group
2 has identified and to some extent the how. I mean, how
3 those decisions are made by the who. And, also,
4 addressing general questions of jurisdiction on all
5 levels.

6 The timeframe which does need to be meshed with
7 the timeframe of the other working groups would be the
8 date of collection beginning ASAP, in fact it's already
9 begun to some extent. About the middle of August a
10 workshop with a number of other players including members
11 of the Resource Response Team. A September 1st deadline
12 for preliminary investigations to be complete so that the
13 Commission would be in a position beginning the first of
14 October to go out for hearings. Again, dealing with
15 these structural or organizational elements of the major
16 players. Which would get the final product of this
17 working group to the full Commission in time to be
18 incorporated in the full draft report of the Commission
19 which we anticipating around Thanksgiving, the 25th of
20 November.

21 The budget that we have estimated is about
22 \$58,000.00. It does not include the use of counsel which
23 I regard as a general overhead for the full Commission,
23 but we would make a great deal of use of counsel. And we
25 would flush out the critical questions to be asked by the

1 investigator and ultimately by the Commission. We would
2 do a preliminary listing of the other players, that is
3 the affected land owning and land managing agencies and
4 have begun a preliminary listing of sources.

5 So, that's kind of in a nutshell what the working
6 group on organizations has done.

7 MR. WENK: Could I say a word or two of
8 further explanation as a member of the sub-committee? I
9 felt Esther's longer write up which everybody has, in
10 fact I said it was like that famous paint product that
11 covers the earth. But, that there was a way to deal with
12 this, John. And I think what she has done here is to
13 incorporate in those last two tasks the things that I had
14 proposed last time as really a possible, for a sub-
15 committee, as a sub-committee as a whole. But, I don't
16 want to dwell on that. What I want to dwell is what I
17 interrupt these two different things to be.

18 The first task, it strikes me, deals with
19 institutional structure. The second and third deal with
20 institutional processes. The first one deals with
21 institutional structures that are defined in the main,
22 not exclusively, by legislative mandate. And, that's why
23 when she says determine the major organizational
23 jurisdictional mandates with regard to so and so and so
25 on, as I read it, is a map of the directions that all

1 these organizations currently have in terms of what they
2 should do and maybe didn't do or do right. But,
3 recognizing their possible conflicts or gaps and that
4 there is something more to be done learning from this
5 experience, but still dealing with this map of
6 organizations. It's not getting into the substance of,
7 except as you negotiate, the substance of Contingency
8 Planning. It's not getting into the substance
9 prevention.

10 Now, I see organizational structure as different
11 from -- I'm sorry, institutional structure, is different,
12 from institutional process. Because the process is
13 what's going on inside the organization and that comes to
14 some of the things we've talked about. And you've heard
15 from Jack Howell today with regard to decision making
16 under stress deals with what would often be thought of as
17 a body of literature dealing with management. Whereas,
18 and not because Esther has a law degree, but because I
19 think she has her finger on one of the key areas that I
20 believe we are going to have to come up with to deal with
21 the first task in terms of the legal framework for the
22 future. Now, this is only in the way of an
23 interpretation. Let me just add one quick footnote.

23 Seeing that we were going to need to move in
25 parallel, I have three short proposals from potential

1 investigators up to the Commission to decide what they
2 would do. In each case, with some arm twisting, they
3 come in under \$5,000.00 by \$.50 or \$1.00, but they are
4 short and sweet, and they'd be done by the first of
5 September or 15th of September.

6 One would be by Harold Lindstone of Portland
7 State University who is the editor of the rather
8 distinguished journal.....

9 MR. SUND: Maybe you could just wait on that
10 until.....

11 MR. WENK: Okay. Alright.

12 MR. SUND: ...we... Kind of plow through the
13 rest of this.....

14 MR. WENK: All I wanted to say was, and I'll put
15 it in a nutshell, these are not included in Esther's
16 \$58,000.00. This are not included, however, Esther did
17 put in.....

18 MS. WUNNICKE: An investigator.

19 MR. WENK: She did put in investigators in her
20 \$58,000.00. And she also put in, am I right, Esther,
21 some money for hearings, too? So, the \$58,000.000 --
22 which is common to the whole Commission. So, I think we
23 want to make sure that the same function isn't budgeted
23 more than once or it will scare us to death.

25 MR. PARKER: No, I think certainly human fac-

1 tors cuts across all elements. And, is the strongest
2 element in prevention and I think, you know, knowing
3 somewhat of the people you've proposed their work would
4 cut across all of the sub-committees.

5 MS. HAYES: Mr. Chairman? Given what I've just
6 heard Esther say about the case studies, I would be glad
7 to pass that over to institutions. That's very similar
8 to the kind of work that we had anticipated in terms of
9 the community's response of that kind of thing. And,
10 would suggest that you just simply review the proposals,
11 the few questions that we had and discuss it if you want
12 at some point in the future. It lessens our job a little
13 bit to not have to address that. And, we're happy to
14 turn it over.

15 Also, I would also like to ask as a pragmatic
16 point about the schedule that we have. I realize that we
17 have some contracts apparently that -- potential
18 contractors that would be willing to work under the
19 \$5,000.00 negotiable limit. Although, I would point out
20 that that doesn't dismiss the requirement to assure
21 ourselves that we are getting fair value for our money.
22 It's not simply a question in any case of simply
23 contracting with a certain person for \$5,000.00. But,
23 I'm not sure that if you have other contracts larger than
25 \$5,000.00 that a due date of September 1st is reasonable.

1 MS. WUNNICKE: If I may respond?

2 MR. PARKER: Uh-huh.

3 MS. WUNNICKE: I'm looking at a contract
4 employee. Rather than a contract. Because I think that
5 the most difficult thing in this is going to be stay up
6 on top of it. And my concern about a contract is that we
7 would be given back the constitution and a lot of things
8 that we already know. And we want to be able to direct a
9 contract employee to specific areas and specific
10 questions. And, that just seems more efficient use of
11 the money, but it certainly would exceed, you are right,
12 the \$5,000.00.

13 MS. HAYES: Yes.

14 MS. WUNNICKE: To get a good person to go
15 through that. Tim, did you.....

16 MR. WENK: Excuse me, I think Meg and Tim both
17 were raising this question about compatibility of time
18 tables and that might -- is this a good time to look at
19 that?

20 MR. WALLIS: Any time is fine with me.

21 MS. WUNNICKE: Could you maybe add to.....

22 MR. PARKER: No, I...

23 MS. WUNNICKE: What is your version of what
23 I've just said.

25 MR. PARKER: Regarding time tables I would en-

1 ertain any thoughts anyone has on time tables that they
2 haven't expressed in their documents.

3 MR. SUND: Mr. Chairman, I guess maybe I'm
4 getting confused here. Whatever, but I am beginning to
5 want to question what I feel is the linear division of
6 this issue that maybe occurring here that it seems very
7 difficult for me to separate out the institutional human
8 factors from any of this. I think they are overriding
9 across all this line. And I think if we -- I can't quite
10 figure out how we've divided the pie. Whether it's in
11 three columns or it's in three spots. But, I'm a little
12 concerned that we all don't try to tackle the same
13 questions in the issues here on the same point of view.
14 You know, human factors in the -- Dr. Harrold's talking
15 in terms of response and pressures on people responding
16 or human factors in manning vessels. You have human
17 factors in government organizations. I haven't quite
18 pulled it together in my mind yet how this whole
19 functional thing comes together. In human factors and
20 figure out how big that tanker's going to be, but, where
21 does the question come in of privatization of the clean-
22 up? Who addresses that issue? Is that a right or wrong
23 issue? Or where does that fall in this area or....

23 MR. PARKER: I would call it response, yes.

25 MR. SUND: historical review of how the

1 various stakeholders have treated prevention and treated
2 Contingency Planning. Or who the real stakeholders are.
3 Should the people who are damaged be involved in the
4 decision making process?

5 MR. PARKER: When this was originally discussed,
6 you know, the same question was asked why prevention is
7 to primarily concentrate upon the vessels and their crews
8 and their operational support systems, the vessel traffic
9 systems and navigation systems and so forth. And,
10 including, you know, when you are talking about the
11 crews, why you are very definitely about the human
12 factors. How far up in the organization the break is
13 with the corporate response. Obviously there is going to
14 be some overlap. I don't regard that as necessarily bad
15 to have that kind of overlap. Our response was to deal
16 with response to catastrophes. In this case oil spills.
17 But, certainly feel free to investigate other
18 catastrophes that may have application. And, I meant
19 that to include all category's response including social
20 and economic. By which, you know, case studies belong
21 with a response of the case studies of the affected
22 communities, as I see it. Institution was to deal with
23 the Federal, State and Corporate structure that governs
23 the transportation only in products in the marine and
25 river environments. And, that's a very large structure.

1 Also, the laws governing -- the original premises upon
2 which the original.....

3 MR. SUND: I don't have any real disagreement
4 with that. I just think that maybe since we all can't
5 get together to figure this out, that we'd better throw
6 it at some staff people who are allowed to sit down and
7 hash this out. But, it's just kind of screwy way of the
8 state law to operate, but let the non-accountable people
9 figure it out in private. The accountable can't talk to
10 each.

11 But, what I think we gotta come back with is a
12 unified approach here and not three part type approach.

13 MS. WUNNICKE: I agree.

14 MR. SUND: And, I don't think you can talk
15 about hiring contractors to do specific projects until
16 this thing has been put together in some unified fashion.
17 The.....

18 MS. HAYES: Mr. Chairman?

19 MR. SUND: ...overall purpose of this, you know,
20 what I get down to is this task statement that Esther's
21 written, is basically the task statement for the
22 Commission. And then there's sub-components that fall
23 out of that that we have to go get done. If you want to
23 talk about, you know, prevention in the sense of
25 prevention, it's institutions and people. There is not

1 other butts about it. In my mind right at safety or
2 prevention of an accident is some attitude that starts at
3 the top corporate level or leadership of any organization
4 and goes downward. It has to do with allocation of
5 resources. It has to do with attitudes towards
6 constructions of vessels. It has to do with attitude of
7 maintaining vessels. It has to do with attitude of
8 manning. How many people you want to put on board? Are
9 you just living by the limits of the law? Which, again,
10 gets you into what is the role of regulators in
11 regulating this industry? It is all dealing with, from
12 what we've figured out, institutions and organizations.
13 Dr. Harrold sits here and tells you the IMO decides how
14 to design vessels, you know. So, everyone of these, I
15 guess, we can come up with some overall criteria that
16 says 'okay, we want to improve the status quo'. We want
17 to say that the flow of oil through the pipeline is an
18 adequate amount. The size of tankers that are being used
19 are adequate and sufficient. Their present design and
20 construction appears to be okay. How can we improve the
21 ability of the technology to prevent them from cracking
22 up? You know, that's a basic work statement, I guess, to
23 go forward, but I want to know who's going to challenge
23 the issue that the status quos not okay. That perhaps
25 the tankers are to big. Perhaps accepting a 200,000

1 barrel spill as a acceptable risk is not an acceptable
2 risk. I don't quite know how to get to the answers of
3 those questions. Those are the questions I want to ask.
4 But, I don't see the way we're structured that I can get
5 an answer.

6 MS. HAYES: Well, Mr. Chairman, I have a sense
7 of I've listened to people and I note, also that it is
8 4:00, the time for public comment, and I know that, John,
9 you got in late last night and we've been busy all
10 morning. I suspect you haven't had a chance to look at
11 the key questions our sub-committee came together with
12 and that gives you a better idea of what kind of
13 information the sub-committees are interested in than
14 simply the label of the name. We tried to capture some
15 of your ideas in privatization. I haven't had a chance
16 to look at your work or Esther's. I think this whole
17 discussion would be somewhat more beneficial after we had
18 a chance to read what each the other sub-committees were
19 planning to do. And, just suggest we defer it until
20 tomorrow.

21 MR. SUND: Well, that's one of the problems we
22 have here. Is that we haven't scheduled any time to deal
23 with this. You know,...

23 MR. PARKER: I think our agenda in Seward may
25 be light enough to prevent us to deal with this tomorrow.

1 The other point I wanted to make, I listened with great
2 happiness to the suggestion that the staff should take
3 and work these together with a great deal of telephoning
4 to those Commissioners from whom they seek advice. And,
5 this would leaves us in a position to possibly by
6 Thursday or Friday we could teleconference, by which time
7 you would be faxed the staff efforts at pulling these
8 together into a standard format. We could go on from
9 there which would need the three of us here in Anchorage.
10 Meeting here in the office and teleconferencing with the
11 four from -- that are not in Anchorage. That's probably
12 about the best that I can do at the moment.

13 MS. WUNNICKE: Mr. Chairman. I'd just say one
14 thing to John. I think that these working groups are
15 just for the purpose of getting these general categories
16 on the table and looked at from that perspective. In
17 terms of the overall work plan, I certainly think that
18 the questions that have been initially proposed here cut
19 across the whole yard. And, one reason for maybe doing
20 two or three in the working groups is to be sure they
21 don't get overlooked. And if your question -- the
22 question that you are asking should be asked as a part of
23 your working group, I think.

23 MR. SUND: Well, what I am thinking is if you
25 pull all this together and you sit down -- give this to a

1 third party to pull it together and say, hey, there's a
2 common threat between all three of these entities, let's
3 just hire one contractor. There's no sense hiring three
4 contractors to work on the same issue.

5 MR. PARKER: I visualize the contractors like
6 Ed proposed that they would be working with the entire
7 Commission. Because I think the, you know, they offer a
8 perspective that is going to fit into several areas.
9 When you are talking about risk management why you can't
10 separate risk management into components anymore than you
11 can human factors. So, I would envision that in a public
12 workshop setting very much as we interacted with Jack
13 Harrold and Hank today, that we would interact with those
14 contractors and you know, expand our own horizons in
15 these various areas and certainly by the horizons at
16 present and other staff we may have on board at the
17 moment.

18 MS. HAYES: Mr. Chairman, if I could suggest as
19 a time period, I note on our schedule tomorrow, we have
20 the MAC Committee meeting with us both at 11:00 and at
21 2:00. From 2 to 4. I would suggest that's one point that
22 we could perhaps deal with this in a little more
23 enlightened manner.

24 MR. PARKER: How come we have the MAC twice,
25 Marilyn?

1 MARILYN: What is happening is that 11:00 and
2 12:00 they thought maybe was too short. Especially since
3 Admiral Robbins does want to be there and speak to the
4 Commission. So, we wanted to give them some additional
5 time at 2:00 in case there was overflow from the morning.
6 I do not think it will take it to 2 to 4, however, there
7 is another speaker that has been added that is with the
8 Mental Health there in Seward that I was having trouble
9 getting in contact with. So, but he thought that his
10 presentation would be shorter than an half an hour. So,
11 I think there is time there. At least an hour.

12 MR. PARKER: Anybody for midnight sessions? Is
13 there anything in the statutes about the times under
14 which one must stop.

15 MR. SUND: This is public to the calls of the
16 chair. Let's make it an open ground rule -- all of our
17 normal accompanying people that are here are on notice
18 that we are subject to the call of the Chair.

19 MS WUNNICKE: Again, the contract investigator
20 would ask everybody's questions of a party.

21 MR. PARKER: Well, you know in the same way,
22 you know, whatever comes from investigations is risks to
23 everyones mill. Because, certainly investigators are not
23 going to be restricted to any particular area, but are
25 going out armed with the questions that are developed in

1 this whole process. And, we really can't send them out
2 until we do have them armed with these questions. With
3 the key questions which they must come back with some
4 substantive responses to. Not answers. Ed?

5 MR. WENK: Could I introduce a positive note?

6 MR. PARKER: Sure.

7 MR. WENK: I think we have made some decisions
8 in the past which add up in a systematic way, including a
9 time table which is really -- I don't want to cover
10 first. I think we made some decisions prior to the time
11 tables that led to the time tables. Could I just --
12 would it be useful to the Commission to recite these very
13 swiftly for the record so that we can sort of say, these
14 are behind us and you've already done this?

15 MR. SUND: You want overall time tables?

16 MR. WENK: Well, That's what we were coming to.
17 I think that's consistent. Would that be useful?

18 MR. PARKER: Yeah, go ahead.

19 MR. WENK: Well, now this is going to be fairly
20 general. But, bear with me. I think what we're mainly
21 about deals with the future transportation of oil safely
22 by sea. That's not the title of report, but emphasis the
23 word future, transportation of oil by sea. I think we
23 are enjoined by the legislation to be specific in
25 describing what happened, why it happened in our estima-

1 tion, and how to keep it from happening again.

2 Third item, I think that we really, even though
3 the legislation does give us some broader questions to
4 open that we have to do everything possible to narrow
5 scope to focus on the key event.

6 Item four. I think we had an agreement on three
7 sub-committees. I have a little preference of calling
8 them task groups because they sound less structured that
9 way. There was an open question about a fourth which we
10 will not get into today.

11 But this item which is quite important, is that I
12 think in order to prevent the investigator from tripping
13 over each other, that we were going to have a matrix of
14 the sub-committees going this way, but the investigators
15 working agency by agency. Exxon, Alyeska, DEC, Coast
16 Guard.

17 Next. Now with regard to time table, I think,
18 and this is now reading from John's sheet, but it sounds
19 to me at first glance it's consistent with I've tapped up
20 in my head, that we were going to try to get lined up for
21 hearings toward the end of September. And that that's a
22 tentative date before which we would do the studies, have
23 the investigators out, we'd have the questions that the
23 sub-committees are going to prepare to help the
25 investigators, all coming to some focus so that we can do

1 our homework before these major hearings towards the end
2 of September. But, still then realizing that we have to
3 analyze what we have after that and then go for broke in
4 terms of getting a draft report by Thanksgiving.

5 MR. PARKER: You know, that's pretty much...

6 MS. WUNNICKE: I think we are all in agreement.

7 MR. PARKER: ...the time table as I understood
8 it.

9 MR. WENK: Okay. I guess what I want -- the
10 reason for doing this is to see if we really have
11 agreement on all of these points and then we can put
12 those behind us and say, okay, what then do we yet need
13 to decide. And this is sort of the agenda for that
14 conference call or whatever.

15 Number One. I think the scope of each task
16 group, very briefly leaving enormous latitude for the
17 task group chairs.

18 Number Two. Budget. And we really haven't
19 gotten down to that yet. I think we need a consistency
20 in what each task group prepares and submits to prevent
21 unnecessary over lapping duplications. I think we need a
22 sense of realism here in terms of what's doable within
23 these time tables. And, I think, Walt, that we have to
23 make sure that we can keep the operation going. I mean,
25 in other words, we need to know how much absolutely has

1 to be obligated to run this operation day in and day out.
2 Now, Walt has.....
3 MR. PARKER: \$178,000 -- about \$250,000.00 to
4 meet the Commission and operate the office through.....
5 MR. WENK: Okay. Well, I think that tells us
6 something. That would include some of the things that
7 maybe Esther had packaged on hers under hearings and
8 investigators. Legal counsel.
9 MR. PARKER: That doesn't include any
10 investigation.
11 MR. WENK: Alright. Anyway, I heard some
12 encouraging news from you that maybe you've got a
13 pipeline to somebody or some gold mine someplace that
14 might be helpful. Anyway, for me to cut this off, it
15 seemed to me that we had these two major things to decide
16 now. Namely, this -- or not now, but when we have this
17 conference call and so on, is approval by the whole
18 Commission of these tasks statements and approval of some
19 kind of an initial budget. Because we want people to go
20 to work and I think we want to flash some green lights.
21 Anyway, that was, excuse me, go ahead.
22 MR. WALLIS: Can we get copies of that time
23 table?
23 MR. SUND: Yeah. It's next to the last page.
25 MR. PARKER: For the purpose of the wondering

1 public, the pipeline is the same one everybody else in
2 this State uses. We said if it looked like we were
3 seriously over budgeted I'd talk to the Governor and see
4 if we could get Budget and Audit to give us more money.

5 MR. SUND: I thought you were going to Exxon,
6 Mr. Chairman.

7 MR. PARKER: That's what I wanted to....

8 MR. SUND: Well, Mr. Chairman, in terms of
9 that I wrote a fairly specific outline regarding
10 prevention of oil spill dealing with physical equipment
11 and operating personnel and management and regulatory
12 bodies and that. I don't, you know, I could embellish
13 and fill in more ABCs and stuff, but my concern wasn't
14 writing the outline. My concern was that a lot of these
15 factors just cut across all the lines here. I have no
16 pride of authorship for getting into this, but I'm just a
17 little concerned that sometimes when you structure the
18 beginning here and you structure the work force it
19 dictates how the final product comes out. And, I think
20 maybe we ought to spend a little bit of time between now
21 and Saturday thinking of the format of the final product.
22 Not what the content is, but at least the format into
23 which we would write it. So, that we can kind of keep
23 that a little bit in mind as we are -- before we get
25 buried in the noise, so to speak, of all the details.

1 MS. WUNNICKE: Mr. Chairman, Tim has proposed
2 an 11 chapter final product.

3 MR. SUND: There's only 8 chapters in my
4 outline.

5 MR. PARKER: Well, the first three are the table
6 of contents, letter of transmittal and the summary. So,
7 you both have 8 chapters.

8 MR. WENK: Mr. Chairman, along the line that
9 John was hinting at here just a minute ago and building
10 on what Tim must have in his own mind, some of the
11 footnotes to this structure, in terms of something rather
12 useful to do next and perhaps if there is an hour down in
13 Seward tomorrow, just go around the table with the
14 Commissioners one at a time and see what they think that
15 final report does look like. It might be interesting --
16 we've been at this long enough, now, to have some
17 tentative ideas. I don't mean any conclusions. I don't
18 mean findings, recommendations. But, to think a little
19 bit about the audience that we are writing it for. To
20 think a little bit about the action forcing content that
21 we might have so that this is not just paper that's
22 unfortunately not bio-degradable, although maybe we could
23 find some that is. But, seriously, I just don't have as
23 clear idea as I'll like to of what my colleagues here
25 think this final report is going to look like. It's not

1 a commitment to do anything. It simply round robin to
2 see where we are and it may turn out that we are pretty
3 much together.

4 MR. PARKER: Anyone care to state their view on
5 format at this time?

6 MS. WUNNICKE: Mr. Chairman, I think that we
7 should postpone that to Seward and hear from the public.

8 MR. PARKER: Okay. My suggestion would be that
9 we take this discussion up tomorrow or later in the day.
10 It's not a large audience and I don't know how many
11 people wish to speak to the Commission. I have two.

12 Okay. If it's satisfactory we'll take a brief
13 stretch and return for public participation. No more
14 than two or three minutes.

15 (Off the record)

16 (On the record)

17 MR. PARKER: Would the Commissioners please
18 return to the table?

19 The first person who has asked to speak to us is
20 Charles McKee of Anchorage.

21 MR. MCKEE: Commissioners, Chairman.
22 Commissioners and Chairman, I have a brief comment and
23 it's added to Dennis, Commissioner Dennis Kelso's earlier
23 comment. And, I talked to him afterwards in private and
25 in reference to the addiction, possible drug and alcohol

1 abuse in reference to their crew, I said, you should also
2 consider -- you should have made the statement that
3 monetary addiction needs to be addressed for the
4 management because it is directly reflected on their
5 crew. And, many times as not it becomes -- overrides
6 ethical, moral issues. And, what we are dealing with is
7 a Wall Street mentality in that respect. We have become
8 co-dependent on it and it's what we call an habitual
9 addiction to another person or persons dysfunctional
10 behavior on a monetary system. And so, we have so many
11 psychologist running around this country they might be
12 able to be put to good use and analyzing this monetary
13 addiction problem that we have in this country. Because,
14 I have to reflect back on my own personal experiences.
15 Commercial fishing. I'm on deck. I'm told by the
16 skipper throw the bag of garbage overboard. And, I'm
17 forced to do so reluctantly. But, when he's not looking
18 I stow it on the flying bridge up above. And when we get
19 into port, I discard it when we get to the cannery. But,
20 while being supervised I'm forced to throw it overboard.
21 Out in the Gulf of Alaska. So, it's a problem that the
22 management forces the crew to do. So, that should be
23 taken into consideration. Thank you.

23 MR. PARKER: Okay. Thank you.

25 MS. WUNNICKE: Thank you, Mr. McKee.

1 MR. PARKER: Mr. Stan Jacobs from Homer.

2 MR. JACOBS: Good afternoon. I want to talk a
3 little bit about the clean-up. I've been down in Homer
4 during the month June and had worked for Martech. One of
5 the sub-contractors working for Exxon. My job was to
6 walk up and down the beach in Homer collecting tar balls
7 and oily feathers and oily spruce cones as they came in.
8 At one point we found a good twenty foot section of rocks
9 at the high tide line that looked like it had a lot oil
10 in it below the surface. The rocks were clean, but below
11 it for a good foot, it was brown gooey stuff that we
12 thought was oil. And, when I showed my foreman, he
13 basically gave us these big absorbent pads, like big
14 diapers, a foot and a half wide. And told us to dab it
15 up. We did that. And, then I asked him for shovels and
16 buckets to get rid of it. And we was told, 'no. You
17 don't get shovels and buckets. You dab it up and that's
18 all'. And when I asked him why can't we get a shovel and
19 a bucket to get rid of the rocks and clean them, he said,
20 'that's just not the way we are doing it'.

21 So, my issue has been that Exxon is fabricating a
22 story about doing a clean-up when they are not. And I
23 would like to see the State tell Exxon to get on its tail
23 and clean the beaches up. I have friends that I have
25 spoke with during the last two or three weeks who told me

1 that they were on the other side of Catchmat Bay near
2 Kenai working and that they had no shovels, no buckets,
3 no nothing to work with. Then all of a sudden here comes
4 Exxon in the helicopters and gives them shovels and
5 buckets. An hour later the media shows up. And they are
6 cleaning the beaches. And then, after the media takes
7 off Exxon shows up again and takes away the shovels and
8 buckets. And this was not just once I was told this.
9 You know, two or three people said this was happening
10 continually. So, I would like to see the State find out
11 why Exxon is playing these games. And if the State
12 agrees with the games, well, that's fine. But, if the
13 State doesn't, tell Exxon to do their job and clean up
14 the oil. You know, what they say they are going to do.
15 That's all I have to say.

16 MR. PARKER: Which beaches were you working on?

17 MR. JACOBS: I was working Bishop's Beach and
18 the Spit Beach.

19 MR. PARKER: Uh-huh. Did they ever say why no
20 shovels or buckets?

21 MR. JACOBS: No. They didn't.

22 MR. PARKER: Uh-huh.

23 MR. JACOBS: I had the feeling that if I went
23 and asked my supervisor's bosses, I'd lose my job. I
25 first -- when we first found the oil, my boss, my super-

1 visor wasn't there. He has a 4-wheeler and I had to walk
2 about a half mile back to get my truck. And I went to
3 the office to speak to his -- the supervisors up there.
4 And, I was told if I ever leave the job site again that I
5 would be fired on the spot. That as far as I'm concerned
6 that office does not exist. The guy was very, very
7 unhappy with me that I left the beach. And all I wanted
8 to do was get a bucket and a shovel to clean it up. And
9 then the supervisor came down about an hour later and
10 said 'nope'. And, so the next day I brought it up again
11 to him. I said, 'Did you get some shovels and buckets
12 from the warehouse?' He said, 'nope, we are not getting
13 shovels and buckets'. And it's the same story on the
14 other side. Picnic Harbor and down by Kenai.

15 MR. PARKER: Are you going to go back to work
16 on the clean up?

17 MR. JACOBS: No, sir. I'm going to graduate
18 school outside for one year. I'm leaving in a couple of
19 weeks.

20 MR. PARKER: Questions?

21 MS. WUNNICKE: You say you worked for Martech,
22 that was a sub-contractor of Veco?

23 MR. JACOBS: I believe so. Sub-contractor of
23 Exxon's or Vecos. The two main contractors in Homer are
25 Martech and Veco.

1 MS. HAYES: Could you tell us a little bit of
2 what kind of environment the beach was. Is it a rocky
3 beach or a sand beach?

4 MR. JACOBS: No.

5 MS. HAYES: One of those?

6 MR. JACOBS: The Bishop's Beach and the Spit
7 Beach where I walked parts of it are bluffs. Probably
8 200 feet high and other parts of it are 10 feet high.
9 From where the bluff is you can probably -- there's 30
10 feet of rocks. And then the rocks die out. And they you
11 get at dead low tide, you know, a really good low tide,
12 you get 300 yards of nothing but sand. And, where we
13 looked for oil was at the high tide mark. That's where
14 we were walking mostly. We were also walking in Baloogas
15 Loo. I don't know if you're familiar with Homer or not,
16 but...

17 MR. PARKER: Why were you in there?

18 MR. JACOBS: Looking for oil. There was lots
19 of oil in it. There was a deflection and containment
20 boom at the mouth of Baloogas Loo in between the two sand
21 dooms. And the oil was just, you know, bombing right
22 through.

23 MR. PARKER: They couldn't move off the.....

23 MR. JACOBS: They did. The oil went under the
25 boom.

1 MR. PARKER: Went under, huh? What kind of
2 boom?

3 MR. JACOBS: A deflection boom. A big white or
4 orange deflection boom. And then on the end of that was
5 an absorbent boom.

6 MR. PARKER: Okay.

7 MR. JACOBS: I was also out on boom watch on a
8 boat in April or May. There was no oil anywhere near us.
9 All we had to do was check in a couple of times a day
10 with Exxon control and my feeling of listening to other
11 people on the radio that were working on boom watch was
12 Exxon was giving you massive amounts of food and massive
13 amounts of money to just sit out there and do nothing. I
14 mean, there was no oil anywhere near us.

15 MR. SUND: They are pretty good at handing out
16 food, Mr. Chairman. They even found us in the airport or
17 we found their food or something like that.

18 MR. PARKER: Anybody else.

19 MR. WENK: I'm curious. What part of Alaska is
20 your home?

21 MR. JACOBS: Homer.

22 MR. WENK: Homer is your home?

23 MR. JACOBS: Yeah. I've been living in
23 Anchorage the last year or two going to UAA and working.
25 And I originally left Homer to come up here to get my

1 Masters and I decided I'm not going to go to UAA. I want
2 to go outside. So, I'll do that for one year and get it
3 done and go back.

4 MR. WENK: What's your major?

5 MR. JACOBS: Special Education. I'll be a
6 Special Ed teacher.

7 MR. PARKER: Where are you going to go?

8 MR. JACOBS: Western Oregon State College.
9 It's outside of Salem. One year program and I'll be done
10 and come back. Any further questions? Thank you very
11 much.

12 MR. PARKER: Thank you. Is there anyone else
13 who has not signed up? Yes?

14 MR. LAKOSH: My name is Tom Lakosh. My address
15 is Box 616, Whittier, Alaska. I am a commercial
16 fishermen. A subsistence fisherman and hunter, a
17 recreational user and worshiper of the wilderness of
18 Prince William Sound. I have been a plaintiff in a
19 restraining order requesting to boom off Port Wells and
20 Port Nellie Juan in Prince William Sound, Western Prince
21 William Sound. And, I am also a plaintiff in a suit
22 seeking damages for the loss of my pathistic use of the
23 Sound, my commercial fishing, subsistence fishing and
23 hunting and my recreational use of Prince William Sound.

25 I have also for the last two and a half months

1 been an employee of Veco doing a shoreline survey of the
2 Western Prince William Sound where I have designed an
3 evaluation system that collects a series of data on all
4 types of beaches and on Lone Island, Perry Island,
5 Applegate Island, the mainland and passage around to Port
6 Nellie Juan and near the Nellie Juan Light. And, I have
7 evaluated the beach type, the degree of impact the
8 percentage at high tide, mid-tide, and low tide and the
9 depth to which it's penetrated in those tide zones. The
10 amount of pop weed that is oiled and the color of the oil
11 and the degree of weathering of those oil deposits. That
12 survey, actually I have a copy of it at home I could
13 probably bring it back before you guys leave, but I have
14 several comments about the spill, the nature of the
15 spill, the nature of the clean up and actions that might
16 be taken to prevent such further damage to our
17 environment.

18 First and foremost I might note that Exxon has
19 been pursuing a deliberate illegal waste disposal policy
20 by not properly containing and/or destroying the oil when
21 it was first spilled. I believed it was their deliberate
22 policy to save the tanker, to not burn the oil when it
23 was first spilled. They did not put the proper amount of
23 vessels and skimmers there for fear that it would ignite
25 the contained oil and would consume their prize tanker in

1 that resulting fire. I believe there is also deliberate
2 -- there is evidence of deliberate waste disposal policy
3 in the pumping off of the tanker vessel Baton Rouge and
4 the deliberate pumping of the tanker vessel Exxon Valdez.
5 There has been a constant stream of water off of the
6 Exxon Valdez since it hit Bligh Reef. They did not --
7 they "cleaned the holes in the vessels" but they dumped
8 the oil out into Prince William Sound with the Coast
9 Guard standing there watching and ADEC watching, the
10 State watching. Everybody was sitting there watching
11 them pump off oil off of tanker. I was told that it was
12 a stream of water, but I don't know where you are going
13 to get a 90 foot stream off water out of a 4 foot hose on
14 a tanker vessel without having oil in it. There is also
15 indications that there was a secondary spill in the
16 second week of April. Of more than a million gallons
17 total. I had talked to a deckhand on the fishing vessel
18 Early Times who stated that they boomed up fresh oil in
19 the second week of April. And my shoreline surveys of
20 the Culross Island, Applegate Island, Perry and Lone
21 Island area indicated that there was fresh oil deposited
22 on those beaches. That there were two different types of
23 oil. Some of which seemed to be fresh. As opposed to
23 weathered oil. And, I'd like to know why the Exxon
25 Corporation has not been cited for that release of oil.

1 I would like to know why they are "allowing" the wave
2 action to clean up these beaches. It's not "cleaning the
3 beaches" it's redepositing the oil into the ocean and
4 onto other beaches. If there was a deliberate attempt to
5 -- if there was any attempt to properly dispose of this
6 toxic waste that would be contained on the beaches where
7 it has been deposited and removed from those beaches and
8 not allowed to redeposit itself in the water to destroy
9 more wildlife and marine biota. The allowing of this
10 waste to redistribute itself to me is a deliberate waste
11 disposal policy. It is no longer a botched clean-up. It
12 is a deliberate waste disposal policy because they are
13 not trying to contain and isolate their toxic waste as
14 required by law. They have not filed an impact statement
15 to deposit their illegal waste on proposed wilderness
16 areas and national park lands as required by the National
17 Environmental Policy Act.

18 I propose that damage assessments be made for the
19 species that have been destroyed and/or injured in
20 accordance with the existing criminal and civil penalties
21 associated with the destruction of those species.

22 If I were to go out and start shooting seals and
23 eagles and brought them in and tried to pay the State or
23 the Federal Government \$15.00 for a seal and \$7.00 for a
25 sea gull I would be thrown in jail for years upon years

1 and I feel those same criminal penalties should be
2 applied to the Exxon Shipping Corporation, The Exxon
3 Corporation, Alyeska Corporation and all its constituent
4 members. I believe the constituent members of Alyeska
5 are just as guilty as Exxon, because they had made no
6 attempt whatsoever to help in the clean up. BP, Shell,
7 Arco, and the other constituent members have a
8 responsibility to the citizens of Alaska and the country
9 because this wilderness is not just for Alaskans. It's
10 for people of the entire country and those who come from
11 foreign countries to visit it. This is a natural
12 resource that is not comparable any place in the world
13 and it should be protected as such. Not made Exxon's
14 private dumping ground.

15 And, I feel that the State needs to file
16 immediately a restraining order and seek injunctive
17 relief to provide for a clean up fund that will be
18 administered by a responsible agency. Letting the fox
19 guard the henhouse is not appropriate whatsoever. And
20 that in order to comply with existing toxic waste
21 disposal regulations and to provide for proper clean up
22 of the oil a responsible agency needs to be empowered to
23 use seized assests of the Exxon Corporation and Alyeska
23 Pipeline Corporation to provide for the protection of the
25 public interest as stated by Marine Protection Acts.

1 Marine Mammal Protection Acts. The Eagle Protection Act,
2 the Waste Disposal Law, both State and Federal, and all
3 other oil disposal prohibitions that are on the books
4 today.

5 I feel that the Coast Guard, the EPA, the Alaska
6 DEC, the Forest Service, the Fish and Wildlife Service
7 have all neglected their mandated duties in protecting
8 the public interests as stated in the previous
9 aforementioned regulations and laws.

10 And I feel that immediate injunctive relief is
11 necessary to provide for the appropriate protection of
12 the public interest and clean up of this illegal waste
13 disposal of the Exxon Corporation.

14 MR. PARKER: Okay. Thank you. Any questions?

15 MS. HAYES: I do. I'm curious about your
16 survey that you've made of Western Prince William Sound.

17 MR. LAKOSH: Uh-huh.

18 MS. HAYES: Have you done that on your own
19 initiative, as a volunteer?

20 MR. LAKOSH: No. No, I was paid -- you see, I
21 was..... For the first month after the spill I was
22 making quite a bit of noise, complaints. As I said, I
23 was a plaintiff in a temporary restraining order and Veco
23 and Exxon finally decided it was better to hire me and
25 put me to work. They gave me a contract for my Zodiac

1 and hired me as an employee and said go out and find the
2 oil. They sent me out by myself, you know, without any
3 assistance, without any support boats whatsoever. And,
4 told me to go find the oil. Gave me no forms or data
5 collection equipment nor did they tell me any type of
6 system designed to, you know, system to collect data or
7 anything. But I did develop a fairly exactly data
8 collection method and that I will get to you this
9 afternoon.

10 MS. HAYES: I would appreciate that. So, you
11 had a contract directly with Veco.

12 MR. LAKOSH: Right. Which has just been
13 canceled. I tried to get them to honor their contract
14 and supply equipment, safety equipment and housing
15 support. They required me to illegally camp on uplands
16 while I was overnight in an effort to cut costs and not
17 supply a housing vessel and they have recently, just
18 yesterday, was the last day of my contract. Because I
19 requested a housing vessel and the proper safety
20 equipment to support my vessel. My Zodiac. I have a 16
21 foot Zodiac Grand Raid with twin forty horse outboards on
22 it. And, I've been using for my surveying making over
23 2000 landings to record over, I think, 373 data points
23 each consisting of a section of beach between 50,
25 anywhere from 50 to 1500 yards. Depending upon the con-

1 sistency of the deposit and the degree of impact and the
2 type of beach that was impacted.

3 MS. HAYES: In your contract with Exxon was
4 any of the information you acquired considered
5 proprietary.....

6 MR. LAKOSH: Not yet. I've been doing by best
7 to get it distributed prior to some sort of action like
8 that.

9 MS. HAYES: But you have turned it in to Exxon
10 and to the committees?

11 MR. LAKOSH: Well, actually I did speak to a
12 couple of members of the SKAT Team, but I'm not sure that
13 they received any of my data to date. The Forest Service
14 has requested a colored map that I had prepared for Veco.
15 You folks might do the same. The Veco manage in Whittier
16 is, his name is Charlie Brown. He might be able to
17 provide a copy of that colored map. I have blown up
18 maps, sectional maps of the lands that I surveyed, each
19 with a arrow depicting a area referred to a sequentially
20 number data entry that refers to that section of beach
21 and refers to data collected for that section.

22 MS. HAYES: Mr. Chairman, if I can be indulged
23 with one or two more questions.

23 Have you seen the maps that DEC have prepared
25 showing the extent of oil spill and the various rating

1 systems?

2 MR. LAKOSH: I briefly saw one when a DEC
3 fellow came to Whittier and that was the beginning of
4 April.

5 MS. HAYES: How closely did that correspond to
6 your own.....

7 MR. LAKOSH: I didn't get a chance to study to
8 any great degree and I don't know how exacting their maps
9 were. But, I can guarantee pretty much that my maps were
10 the result of a continuous, virtually continuous
11 examination of the beach on shore as opposed to many of
12 these that have been done from offshore, from planes or
13 whatever. Very often you cannot detect oil from
14 immediately offshore and definitely not from an aereol
15 examination.

16 MS. HAYES: Thank you.

17 MR. LAKOSH: Oft times I have found that in
18 areas exposed to wave action, the wave action has washed
19 the surface and there is tar, you know, below the
20 surface. 18" or more down. Especially where there is no
21 fresh water runoff.

22 MS. HAYES: Thanks very much.

23 MR. PARKER: Is that on cold days, also. Or
23 just on the hot days?

25 MR. LAKOSH: Well, the areas that I have sur-

1 veyed were impacted to varying degrees and the lessor
2 impacted areas did not -- the tar did not come back up to
3 the surface. But in the more heavily impacted areas they
4 would reoil to the surface.

5 MR. WENK: If I understood you correctly you
6 were saying that the current practice is illegal because
7 it's really taking oil from one place and putting it
8 illegally in another place?

9 MR. LAKOSH: Well, they are deliberately
10 planning to allow wave action to redistribute their toxic
11 waste. And it's not cleaning the beach, it's oiling the
12 water.

13 MR. WENK: Okay. Is there no, I mean with you
14 having watched the operation is there any disposal of the
15 skimmed oil in a fashion that you feel is acceptable?

16 MR. LAKOSH: I know that there are established
17 policies on disposal of such toxic waste and I assume
18 that they would be followed. If there are regulatory
19 agencies supposedly overseeing this. But, given the
20 pumping of the Baton Rouge and the Exxon Valdez I do not
21 feel that the responsible regulatory agencies are
22 performing their mandated duties.

23 I might also at this point, before I forget,
23 request that you list, you take in advisement some
25 recommendations on equipment to be required for all tank-

1 ers travelling in Alaskan waters. That there be a
2 sufficient quantity of immediately deployable sea boom,
3 the heaviest sea boom necessary, I believe it's at least
4 a 7 foot sea boom and in sufficient quantities I am
5 talking about probably no less than 3,000 feet to be
6 carried on all tankers in the waters. And not to be
7 allowed to be put on a separate vessel. I feel that the
8 tanker should carry this just because, you know, that
9 tanker can spill outside Hensionbrook and not have the
10 support vessel there for hours upon hours. Those tankers
11 are large enough to carry the sufficient quantity of
12 booming material and deployment vessels. It would take a
13 small power -- you know, power skiff, to deploy that type
14 of booming material. And that would, you know, ensure
15 the equipment would be immediately available.

16 Also, a friend, Mr. William Donohue, a local
17 attorney, has suggested that bladders be placed on the
18 vessels so that if a hole is breached the remaining
19 product can be pumped into a bladder to keep it from
20 being released and onto the surface or into the
21 waterways. You know, expanded or whatever is resistant
22 to oil bladder that would allow for containment in an
23 emergency situation.

23 MR. SUND: Two of one comment and one question,
25 I guess. I think it would interesting to figure out if

1 there had been a decision at the beginning to burn the
2 oil that if you evacuated the ship and just burned it,
3 how long would the fire burn? It's a million barrels of
4 oil, I don't know, I guess we could have someone
5 calculate that out and I guess then there would be an air
6 pollution problem from that.

7 MR. LAKOSH: Yeah, well obviously. But,
8 it's...

9 MR. WENK: But, you've got the value of the
10 cargo which is..... Is it a million barrels that was on
11 board? Is that what was on board? A million barrels?
12 At \$17.00 a barrel, it says here \$17 million on the
13 vessel. What does it cost to build one of those? They
14 are going spend \$25 million fixing it.

15 MR. LAKOSH: Uh-huh.

16 MR. WENK: Okay. 200 and another 17 for the
17 cargo. 220 million, they've spent twice that already, so
18 it would have been more economical to burn the whole
19 thing. I don't know about the air pollution problem,
20 though. It's.....

21 MR. LAKOSH: Well, it's going to evaporate into
22 the atmosphere anyway. I mean.....

23 MR. WENK: Yeah, we had said 50% evaporated in
23 the first week or two.

25 MR. LAKOSH: Yeah, well.....

1 MR. WENK: From the oil industries point of
2 view anyway.

3 MR. LAKOSH: ...that's funny. In the Veco
4 safety training sessions they said that only 10% of the
5 cargo was aromatic hydrocarbons. So, there's quite a
6 conflict between what they are telling their employees
7 and what they are telling the regulatory agencies.

8 MR. WENK: Well, I just pulled a number up.
9 That's not a fair number. I think it's an interesting
10 idea. The thing worth looking at for future spills, I
11 think that's a great way to prevent the oil from hitting
12 the beach, if that's where the damage occurs. You ought
13 to think about torching it. But, I think they tried it a
14 little bit.

15 MS. WUNNICKE: They did do some burning.

16 MR. WENK: Yeah. And a tremendous air
17 pollution problem. But, I guess it's just a pure legal
18 question, are you criminally liable for destruction of
19 wildlife, especially marine mammals and birds that are
20 under U.S. Migratory.....

21 MR. LAKOSH: If I go out there and start popping
22 all those ducks out of season and killing those animals,
23 I would be fined heavily and probably facing, you know,
23 jail time.

25 MR. WENK: Well, I know you and I would for

1 intentionally doing it, but my question is, is whether
2 under the conditions of an accidental spill, either from
3 a fishing boat or from a tanker truck rolling off into a
4 fish stream, you know. Is there a distinction between
5 accident and not. And, in this case where the Captain is
6 being prosecuted for a felony which would be an
7 intentional crime...

8 MR. LAKOSH: Uh-huh.

9 MR. WENK: ...of whether result in activity of
10 that intentional crime would be the same as intentional
11 shooting of the bird. Legal theory here to pursue.

12 MR. LAKOSH: Very interesting.

13 MR. WENK: (inaudible) lay it on top the
14 Captain anyway, but.

15 MR. LAKOSH: I've been told by a fellow named
16 Jack Neggomire who is an instructor for the National
17 Outdoor Leadership School. He's familiar with the area.
18 He's lived in Cordova and he's seen tankers making for
19 that channel and using that channel as a short cut
20 between Bligh Reef and Bligh Island to cut off an half
21 hour of their travel time. And this is not an isolated
22 incident. And that they just chickened out at the last
23 second when they hit that reef. So, that was, you know,
23 a deliberate, you know, excursion from the tanker lanes
25 which shows, which I believe is criminal neglect.

1 And not only was the grounding of the tanker
2 under neglectful conditions, but the deliberate policy to
3 allow that oil to escape rather than create an inferno
4 and burn their tanker down, was a deliberate economic
5 decision which is also neglectful of those species that
6 were destroyed by their decision. And that their
7 continued policy to allow their waste to distribute
8 itself and kill more wildlife is also a direct economic
9 decision which they should be held criminally responsible
10 for.

11 MR. SUND: I think the burning, Mr. Chairman,
12 if I could, not to pursue this issue is something that
13 ought to be pursued, but I think the other side of it
14 that's obviously is going to jump up. You know, you have
15 to figure out how much longer it would burn and how much
16 smoke was put in the air and the toxicity of the smog.
17 But, I guess I could imagine enough pollution that you
18 could have had to evacuate the entire town of Valdez or
19 Cordova or the people out of the area. I mean, you know,
20 you're on a force fire type scale when you're burning a
21 million barrels of oil. You know, I mean, the smog may
22 even get out of the Sound so to speak. So I think
23 there's maybe a trade off there that you gotta look at.
23 It's not impossible to figure out, but.....

25 MR. LAKOSH: I was also informed by Veco manage-

1 ment that jetline services was -- had presented a bid for
2 the containment of the oil spilled from the Exxon Valdez
3 on the 25th of March and Exxon refused to pay them for
4 it. That Exxon would not accept that bid and that that
5 bid was denied. And that Jetline services could have had
6 the materials there and Exxon refused to accept their
7 proposal to boom the tanker. I believe in a deliberate
8 attempt to allow that cargo to escape to save their
9 tanker. And that was an economic decision designed to
10 cause -- to allow the saving of the tanker and
11 deliberately destroy the wildlife and impact the
12 shoreline that has been devastated by the release of that
13 oil.

14 MR. SUND: Well, economically it was a bad
15 decision, because they've spent more money trying to
16 clean it up than they would have lost, so...

17 MR. LAKOSH: Well, they are spending the
18 money, but it's not coming out of the consumers' pockets.
19 They are charging twice the amount that it's costing them
20 in higher oil prices.

21 MR. PARKER: The secondary spill you referred
22 to earlier in the second week of April, had the Exxon
23 Valdez been moved yet then?

23 MR. LAKOSH: Yes. It was either in the process
25 of being moved or had just been anchored in outside day.

1 Now, I've heard two rumors. I've heard that it was
2 deliberately pumped and I heard that it was the result of
3 fracturing further holes when it was moved.

4 Now, I don't know how many holes that ship has.
5 I heard that it had sixteen holes. And then I first
6 heard that eight of the sixteen were ruptured. And then
7 I heard eleven of the sixteen were ruptured. And, it
8 just seems to me that if that tanker was holding a
9 million plus barrels of oil, that the figure of 240,000
10 barrels is a very conservative figure. And where in
11 heaven's name is the rest of that oil now?

12 (Counting) The four is also a hole. Sixteen.
13 And so there were only one, two, three, oh no. One, two,
14 three remaining, oh no. One, two, three, four, five
15 remaining cargo, yeah, eleven that were breached. Out of
16 sixteen. So, what happened to the rest of that oil? I
17 don't see one-fifth or one-quarter of -- a figure of one
18 quarter of the entire cargo -- accurate representation
19 of.....

20 MR. WENK: Not all the holes that were breached
21 drained out.

22 MR. SUND: It all didn't come out.

23 MR. WENK: It came out until the level of oil
23 was approximately that of the water.....

25 MR. LAKOSH: So, I think that's real interesting

1 and I think that the rest of that oil should be accounted
2 for. And, I'd like to know why there wasn't, I mean, if
3 they are required to treat waste water and put it in
4 tanks in Alyeska, how come they were allowed to pump it
5 out into Prince William Sound. That's a deliberate waste
6 disposal policy. There should have been another tanker
7 there taking that waste water off the Valdez and bringing
8 it into the terminal and depositing it into the proper
9 waster water treatment plant. Because the Coast Guard
10 was sitting by, the state was sitting by, while they were
11 pumping that dirty water out into the sound. And, I
12 think that's a breach of the mandated duty to protect the
13 public interests.

14 MR. PARKER: Yeah, well, I wondered about that
15 at the time it happened. We'll check on it and see if
16 there was any follow up on that.

17 MS. WUNNICKE: Let me ask a question. Who
18 witnessed, I thought I understood you to say this.
19 Someone witnessed tankers going between Bligh Island.....

20 MR. LAKOSH: The fellows name is Jack Neggomire
21 who had just commented that to me yesterday. He works
22 for the National Outdoor Leadership School.

23 MS. WUNNICKE: And where is he located?

23 MR. LAKOSH: The school is up in Palmer
25 someplace. I believe.

1 MR. SUND: How do you spell his last name?
2 MR. LAKOSH: I'm not sure. I think it's
3 Neggomire.
4 MS. WUNNICKE: I can get you that spelling.
5 MR. PARKER: Thank you.
6 MR. LAKOSH: Okay. I'll go get that report and
7 be back in a few minutes.
8 MR. PARKER: Thank you, Mr. Lakosh. Is there
9 anyone else who is not signed up to testify?
10 MR. LAKOSH: Is this report for me?
11 MS. WUNNICKE: It belongs to Commissioner Sund.
12 MR. PARKER: Would you give us your name,
13 please?
14 MR. WOLF: My name is Stan Wolf. I have spent
15 considerable time in the Prince William Sound previous to
16 the oil spill. More recently I have been eye-witness to
17 oil spill clean up efforts in Northwest Bay in Prince
18 William Sound.
19 I'm here today because I am continually reminded
20 of the oil company's 1950s attitude towards oil spill
21 containment. Big oils attitude of not desiring to
22 contain spills, leaving the oil to disburse into the
23 water column and into the beaches has got to change. The
23 "let it go" attitude that resulted in the second major
25 oil spill of over a half million gallons off the Exxon

1 Valdez on or about April 17th has got to stop.

2 The simple fact is we do have the technology to
3 contain major spills in protected waters like Prince
4 William Sound. I have talked at great length with people
5 who actually boomed oil and other people cleaning
6 beaches. People that boomed oil know what type of boom
7 works and what type does not work. They were able to
8 develop techniques to contain oil in waves up to 4 feet
9 high. These people were able to develop these techniques
10 because of the absolute need and desire to boom and
11 contain oil. We can only imagine the absolute disgust
12 these people felt as they found themselves in the middle
13 of April booming fresh crude oil. 500,000 gallons of it.
14 After three weeks of booming oil they knew intimately
15 what fresh oil looks like and what three week old oil
16 looks like.

17 This booming was taking place within site of the
18 bridge that Exxon Valdez, the fresh oil was clearly
19 coming directly from outside Bay. Where are these
20 witnesses? Most of them are still cleaning oil making
21 from \$300 to \$1000 per day. We can only hope that Exxon
22 will run out of bribe money and these people will step
23 forward with the facts.

23 The oil companies have to be forced economically
25 to change their attitudes towards oil spill containment.

1 Profit and bad PR are the only things they listen to.
2 Letting the oil go and cleaning it off of beaches simply
3 is not acceptable. We need an in state fire department
4 type of response to oil spill containment. It has
5 clearly been demonstrated that it is not acceptable to
6 depend on oil spill containment equipment to be shipped
7 in from the states.

8 Oil companies must change their attitude so they
9 are willing and have the desire to contain oil
10 immediately after it is spilled. Then they will be
11 welcomed as our neighbors.

12 MR. PARKER: Okay. Thank you. The April 17th
13 spill you mentioned, the half million gallon spill, did
14 you observe that or did you hear about that?

15 MR. WOLF: I heard that from two different
16 people. One person who was running a boat that was
17 working directly on the Exxon Valdez, saw it actually
18 take place. I get the other information from people who
19 actually boomed up the oil several days later. Those
20 dates also correspond with the appearance of oil in the
21 Perry Island area that was there for quite a while a
22 daily map. I was very surprised that all of a sudden I
23 see these blobs of oil when all the oil was moving, you
23 know, in kind of a southwesterly direction. Because if I
25 remember, it was still several days after that that we

1 had about a five day blow out of the southeast that would
2 have brought that oil up into that Perry Island area.

3 MR. PARKER: Anyone remember if there were any
4 press reports on that secondary spill? I don't recall
5 any.

6 MR. WOLF: I remember none at all. I remember
7 one...

8 MR. PARKER: Check the log.

9 MR. WOLF: I remember one sentence in a fairly
10 long article and it seemed to be kind of an incidental
11 sentence that the BPA was looking into, I can't remember
12 if they called it an intentional discharge or exactly...
13 And, I really couldn't say if was an intentional or not.
14 The person that I did talk to that witnessed it, I called
15 him the other day, and at this point is unwilling to come
16 forward. He's still working for Exxon.

17 MR. PARKER: How far does that EPA log go, Ed?

18 MS. WUNNICKE: It should be going on still.

19 MR. WENK: You mean the one that I gave you?

20 MR. PARKER: Yeah.

21 MR. WENK: That would go through April 23rd.

22 MR. PARKER: Yeah. Okay. Any other questions?

23 MS. WUNNICKE: How about the people who boomed
23 up the oil? Can you give their names or they also still
25 employed?

1 MR. WOLF: I don't feel the freedom to give
2 their names right now. I know that some of these people
3 will step forward. Some of them in the reasonable near
4 future. Some of the still have their boats under
5 contract and some of them are not actually working on the
6 oil spill now. I just don't feel the freedom to step
7 forward at this time.

8 MR. PARKER: Do you have an address where you
9 can be reached?

10 MR. WOLF: Yes. Box 314, Girdwood, 99587.

11 MR. PARKER: Okay. Any other questions? Ed?

12 MR. WENK: Mr. Chairman, just a quick
13 question. When your friends reported they had actually
14 observed that oil, how did they know the quantity 500,000
15 gallons. And secondly, what was their theory as to why
16 it showed up all of a sudden? Was there some maneuvering
17 being done with the ship? Were repairs under way at the
18 time which may have inadvertently opened up another
19 compartment? Do they have any theories? But, also, how
20 did they know it was that quantity?

21 MR. WOLF: I get the quantity based on one
22 particular -- I'll call them partner boats, because the
23 boats were doing, you know, the containment booming in
23 pairs. Of that particular pair of boats actual recovery
25 was approximately one-third, approximately 140,000 gal-

1 lons and that was in approximately 36 hours of time.
2 That was in between Perry and Culross Island(?). And
3 towards the end of their, I'll call it booming sequence,
4 they were following a slick that did lead directly
5 towards Outside Bay and at that point they were on the
6 south end of Perry Island and were following the slick
7 towards Outside Bay. And because of weather kick up they
8 had to go back towards Northwest Bay at that particular
9 point.

10 MR. WENK: They actually collected 130,000
11 gallons? What did they do with that?

12 MR. WOLF: They were working with various, I'll
13 call them sucker boats, at the time. I believe the Cape
14 Douglas was one of the boats that they were working with.
15 I'm not sure if they were working directly with other
16 sucker boats at that time. Basically, at that time they
17 were working with two different booms that they would do.
18 They would take one boom, bring it to the sucker boat.
19 Contain it in an O shape. Tie it off of the boat. They
20 would have another boom that then was free of oil,
21 because one of the major problems, you know, if you only
22 had one boom, you contain it, you've got to wait for them
23 to you know suck it out of the boom and that was taking a
23 day and a half. It was taking large amounts of time
25 where once boats, you know, had available to them another

1 boom, then while they were sucking out of that boom they
2 could take another boom and go get more oil and bring it
3 back to them the next day, you know. Take another boom
4 like that.

5 Where I get the half million gallons is based on
6 their actual recovery of oil, plus the fact that there
7 was approximately 15 other pairs of boats in that
8 approximate day and a half period in that immediate area
9 and they were all, I'll say, on oil. They were -- alot
10 of the success of containing oil was dependent on the
11 type of booms that they had. I mean, boom came from
12 everywhere. I think in a period of time, I think a lot
13 more truly meaningful technical knowledge as far as what
14 type of boom works in this type of condition, how well it
15 works. They were towing at a knot and a half. They were
16 towing and going back in the skiff and watching to see
17 how fast can we tow without losing it. They went to
18 exhaustive measures to try to realize this. These are
19 the people that have a wealth of knowledge that, you
20 know, on how to actually contain oil.

21 And, I mean, I didn't actually -- the person that
22 witnessed the discharge, I didn't actually talk to them
23 until third week in May. I mean, I had no idea something
23 like this took place. I didn't actually talk to the
25 people that picked it up until actually several weeks

1 after that because they were out there for seven weeks
2 straight from the third day of the spill. And, so, I...
3 When I made the connections and looked at the maps in the
4 papers and realizing they were all talking the same
5 spill.

6 As far as, I have no information as far as --
7 I'll say the intention of the discharge. Whether it was
8 to do this or do that. I was hoping to contact this
9 person the other day and have them come forth with
10 information, but I -- it's hard to say if that will
11 happen or not.

12 MR. PARKER: Well, that's very important
13 information you've shared.

14 MR. WOLF: I realize that. I.....

15 MR. PARKER: It's very important and needs to
16 be followed up.

17 MR. WOLF: There's probably 50 or 100 people
18 that saw it go over the side. And there's probably
19 another 100 people that scooped it up. I don't think
20 you'll have any problem with the people that scooped it
21 up. It's the other end of the stick that you are going
22 to have a problem getting people to come forth with.

23 Oh, yeah. It's a bag, I mean, it's bigger than
23 the first spill. I mean if you want to look at it
25 legally.

1 MR. PARKER: Anyone else? Well, thank you very
2 much, Mr. Wolf.

3 MR. WOLF: Thank you.

4 MR. PARKER: Is there anyone else in the
5 audience who wishes to testify? Marsha?

6 MS. HODSON: Hello. My name is Marsha Hodson
7 and I'm the oil spill co-ordinator for the Alaska Center
8 for the Environment. And, I want to thank you again for
9 holding these public hearings and for visiting all the
10 communities and taking public input.

11 I've just a few brief statements to make. First
12 of all I was here this morning for Mr. Kelso's testimony
13 and your discussions with him. And, I really encourage
14 the Commission to follow up with DEC. I do think that
15 they are making some real strong moves, but I also feel
16 in certain areas that DEC could be moved to move faster.
17 Particularly when you were talking about, here's the
18 opportunity to come forward and to enforce some sort of
19 vessel regulations for vessels coming into the terminal
20 to use Prince William Sound.

21 Also, there's a big concern on the part of the
22 Alaska constituency to address not only Prince William
23 Sound, Mr. Kelso referred to an emergency order. Which,
23 I'm sorry, I have not read that emergency order and I
25 wasn't even aware of it. So, I would like to get that

1 from DEC to review that. But, I would hope that that
2 emergency order does cover vessels which are operating in
3 Cook Inlet as well. And I know that that was discussed
4 this morning, but I do not know that that emergency order
5 does or does not, and I think that's something worth
6 pursuing. I know that's a real concern with Larry Smith
7 down in the Homer area. Because so much of this that we
8 are talking about as far as legislation has been
9 specifically said okay we'll operate at Prince William
10 Sound, then if it carries over it'll be an example. But,
11 I think it's good to have it, you know, right up front in
12 legislation.

13 I do know that Ricky Ott made this testimony, as
14 well as Rick Steiner, I believe brought it to your
15 attention that vessels as they come into Solom Voe are
16 called up onto a computer screen and they are allowed or
17 disallowed into coming in to use the terminal. And, I
18 would certainly like to see something like that happening
19 again.

20 I also would encourage the Commission to utilize
21 the state and local knowledge. I really think that that
22 was a big failing that happened and I know there's lots
23 of legislation that's coming forward now. And the one
23 preempting state rights I think would be really --- would
25 really hurt. Certainly this state, as well as other

1 states. I know that as Exxon contracted with people who
2 were experts to come up and do bird rehabilitation and
3 wildlife rehabilitation had absolutely no idea on how to
4 collect the animals. You've heard that testimony from
5 Kelly in Cordova. So, I would hope that the Commission
6 would take that into consideration.

7 And then the last issue that I would like to
8 address is waste disposal. And I think that's an issue
9 that has not been maybe looked at hard enough. And it's
10 something that we at the Center for the Environment are
11 taking a real hard look at. And as a result of a May
12 31st letter to Dennis Kelso, we requested that public
13 hearings be heard and I don't know if they requested if
14 the public hearings be heard in all of the communities.
15 But, as a result of that letter there will be public
16 hearings which will be starting next week. The 17th
17 through the 21st they'll start here in Anchorage.
18 They'll move to Valdez. They'll then go to Seward, Homer
19 and Kodiak. And what they will be addressing are the
20 barge incinerators.

21 What we at the Center for the Environment would
22 like to see happen is that DEC address other issues on
23 incineration, besides just the barge disposals. Right
23 now we have incinerators operating in Valdez that operate
25 at 300, 600 and 900 pounds per hour of hazardous waste.

1 So, now what happens is that cumulative is well over the
2 1000 pound per hour requirement. But, it's escaping DEC
3 permitting because each one of those incinerators are
4 considered as an entity themselves. We would like to
5 close that loop hole and have that permitted.

6 I am going to submit a flyer that we've prepared
7 from the Alaska Center for the Environment which just
8 talks a little bit about some of our concerns with the
9 waste hearings. I don't know if DEC will let us comment
10 on other things, but we are certainly going to try.

11 Thank you very much.

12 MS. HAYES: That's the 17th through the 21st?

13 MS. HODSON: That's the 17th through the 21st,
14 right.

15 MS. HAYES: Thank you.

16 MR. PARKER: John?

17 MR. SUND: Two questions, I guess. In terms
18 of disposal of the waste right now, it's being, I guess
19 the majority of it's being repackaged here and sent to
20 Arlington, Oregon for solid waste disposal in Oregon?

21 MS. HODSON: Right. At the transfer site here
22 in Anchorage. Now, I don't know if that's the majority
23 or not. I have to tell you that Chris Benson is at the
23 Alaska Center for the Environment is the hazardous waste
25 expert and so she may have more of that information. I

1 don't know if that's the majority.

2 MR. SUND: Is the position for or against the
3 incineration? Or is it, how incineration should take
4 place?

5 MS. HODSON: It's how the incineration should
6 take place. Certainly that DEC should be monitoring more
7 closely the incineration. Not the fact that.....

8 MR. SUND: Well, they have 8 or 9 barges, I
9 think. Because they have a couple that they want to use
10 to incinerate.

11 MS. HODSON: Well, we have five. The proposal
12 is for five floating barges.

13 MR. SUND: Yeah. One is anchored in Valdez
14 Harbor right now.

15 MS. HODSON: Uh-huh.

16 MR. SUND: So, is it a position of how they do
17 it or whether they should do it or not?

18 MS. HODSON: I think the position is how they
19 will do it and also under what kind of monitoring DEC is
20 going to provide to that. To make sure -- there's like
21 the ash that will be created as a result of that
22 incineration. Then what do you do with that ash? We
23 don't have a disposal here in Alaska that would handle
23 that ash. And, has DEC taken a look at hazardous waste
25 as far as the ash? And how much of that component of

1 ash, where does it fall into that hazardous waste
2 category?

3 MR. SUND: Some people I know would just as soon
4 they box it all up and send it to Arlington, Oregon. You
5 know, it's a solid waste problem right. It gets it out
6 of the state of Alaska, but I'm not sure that that's a
7 real total solution if you look at the total environment.
8 Solid waste using land waste disposal in Oregon is
9 probably just using up valuable space.

10 MS. HODSON: Well, I'm surprised they are
11 letting us do that. But, that's another issue. We are
12 concerned about the transfer site. This is not one of
13 the things that will be -- that has been advertised in
14 the public hearings. But, we are concerned about the
15 monitoring and the overseeing of the transfer site as
16 well here in Anchorage.

17 MR. SUND: What do you think the major spill
18 come along that it just be burned? We had a prior
19 witness testify that he just like to see the spill and
20 the cargo burned before it gets to the beaches.

21 MS. HODSON: That's a real tough one for me.
22 Because I'm not, you know, well trained in that area. I
23 mean I, I don't know what that would produce, but I
23 really hate the fact that what we have in front of us now
25 is at the magnitude I can't even fathom. So, I guess I

1 would almost say burn it, but I don't know if that's a
2 proper answer to you. And I certainly don't want to say
3 that that's Ace's response to your hearing.

4 MR. PARKER: Thank you. Anyone else? Thank
5 you for all the hard work you at the Center have put in
6 on this. Anyone else?

7 MR. SUND: Just our normal shadows are with us,
8 Mr. Chairman.

9 MR. PARKER: We said we'd be here until.....

10 MR. SUND: Six. What time is it?

11 MR. PARKER: ...six. Where are the agendas for
12 Seward and Homer.

13 MR. LAKOSH: May I...?

14 MR. PARKER: Yeah, go ahead.

15 MR. LAKOSH: The report which I referred to
16 earlier... My name is Tom Lakosh. The report that I
17 referred to earlier is now being copied by your
18 secretary. And, I might make a request that the
19 Commission sponsor a shoreline survey of their own and I
20 might suggest the use of myself and my vessel as -- to be
21 used for that survey. To ascertain the shoreline that is
22 damaged. I believe that a proper independent shoreline
23 survey is necessary to evaluate the damage, the effect of
23 the oil upon the proposed wilderness area and Prince
25 William Sound and other areas that have been impacted by

1 oil and that an assessment be made and a monetary value
2 attached to the effect of the oil. If this was
3 somebody's waterfront property and oil was there for ten
4 years there would be a result in decline in value of that
5 property commensurate with the degree of impact and that
6 there should be that amount assessed to the Exxon
7 Corporation, Exxon Shipping and Alyeska Pipeline Company
8 in an effort to restore the value to that property. And
9 that that fund be made available to independent agencies,
10 volunteers and others who wish to remove that oil and
11 restore the prior condition of that property. And that a
12 survey such as mine, which I'm sure you'll have in a few
13 minutes, is necessary to make that evaluation. Where you
14 must have a person actually walk the beaches to evaluate
15 the impact. A mere drive by on a boat or in a plane is
16 insufficient to accurately assess the impact of the oil.
17 As much of it is not in clear view and much of it -- the
18 degree of impact is commensurate with the penetration and
19 amount of oil that is deposited there are other factors
20 such as exposure to wave action, degree of fresh water
21 runoff and degree of tidal action which also affect the
22 degree of impact and the length of time that that area
23 will be polluted with Exxon's toxic waste. And that
23 these assessments be made and established in law in an
25 effort to prevent any further short cutting by oil com-

1 panies that have no regard for the public interest and
2 who are obviously more concerned about their profit
3 margin than adhering to shipping regulations. All sorts
4 of environment to protect legislation including that of,
5 you know, individual species and the wilderness as a
6 whole.

7 I mentioned that an environmental impact
8 statement had not been filed by Exxon for it's
9 distribution for it's toxic waste on proposed wilderness
10 and/or wilderness areas that have been impacted. I
11 believe that is required by the National Environmental
12 Policy Act. I believe that the State should make an
13 effort to see that that be required and that prior to
14 that all beaches that have oil -- contain oil with the
15 possibility of redistribution of that oil creating slicks
16 be immediately boomed off to prevent the further
17 distribution of that oil. That that is a necessary
18 measure to prevent the contamination of areas that have
19 not been contaminated to prevent the toxic affects to
20 species and wildlife that have not been affected by that
21 pollution as of yet. And, there has been very little, if
22 any effort to date, to boom off areas that have the
23 potential of reoiling. Our Senator Stevens has assured
23 us that that has been done. Areas that are under clean
25 up operations are being boomed with some success and

1 where there has been breaching of those booms they have
2 been cited by, I believe, by DEC for creating an oil
3 slick. And it is much in my opinion the creation of an
4 oil slick to allow their waste to migrate from beach to
5 beach and to be carried out into the waters again to kill
6 more wildlife and create more harm to our environment.

7 And so that some immediate action is necessary to
8 be taken since Exxon has not figures this out in three
9 months. And that that may be in the action necessary to
10 be taken maybe in the form of restraining order, or
11 injunctive relief that I hope the state will sponsor
12 through the recommendation of this Commission.

13 MS. WUNNICKE: May I ask you a question? How
14 long have you lived in Whittier?

15 MR. LAKOSH: I've lived in Whittier fairly
16 consistently for the last 2 -- 3 years. And, I've been
17 in Alaska since 1983.

18 MS. WUNNICKE: Since 1983?

19 MR. LAKOSH: Yeah. I've lived in Anchorage
20 prior to moving to Whittier.

21 MR. PARKER: On the matter of the shoreline
22 survey, there's approximately 700 miles of beach involved
23 according to the last figures I was given. And, that's
23 somewhat beyond our capabilities. Both DEC and the Coast
25 Guard -- and I would hope Fish and Wildlife -- Fish and

1 Game are all devoting resources to this. We'll certainly
2 take it up with them and see what their final product is
3 going to look like. But, it's not the sort of thing
4 we've been given the resources to get into.

5 MR. LAKOSH: Well, I understand that. And there
6 is the shoreline clean up assessment team that is
7 presently employing PHD Biologist, Geologist, and
8 Anthropologist. Unfortunately, their type of assessment
9 is forest for the trees situation. They are limiting
10 themselves to a very exacting data collection system in
11 very specific areas and not seeing the forest for the
12 trees. They are not really, I do not believe that they
13 are recording the impact in the more widely and less
14 impacted areas, which I believe is also necessary. And,
15 I am specifically concerned about the Port Wells area
16 which I love so dearly. And, I was hoping that -- well,
17 there obviously should be some sort of co-ordination
18 between these agencies in a effort to make the
19 responsible parties pay their dues, I guess in this
20 situation.

21 MR. PARKER: We are getting a lot of comments
22 on the SCAT teams and their particular operation. Which
23 seems the best to be somewhat uneven. So, however we are
23 going to continue to follow up on it with the agencies
25 and with Exxon. And, I'm not even sure that the composi-

1 composition of the SCAT teams is that uniform. It's an
2 area that we've just been getting into as a result of all
3 the comments we're receiving. Tim?

4 MR. WALLIS: No.

5 MR. PARKER: Okay.

6 MR. WALLIS: If the Chairman would like there
7 is a copy available at this time.

8 MR. PARKER: Okay. Thank you.

9 MR. WALLIS: Would you please show the Chairman
10 that document so that he might be able to.....

11 MR. LAKOSH: Well, you might see that some of
12 the data they I have collected is in a -- you might take
13 a look at mine quickly. It contains maps related to
14 sequently numbered data entries and there is a record
15 associated with it. There is a key associated with it
16 also which, a symbol key associated with it which will
17 shed light on the collection system. And I feel that it
18 is extremely important that this sort of survey be
19 reinstated as soon as possible to actually assess the
20 data. There is a large area, much, much more than 700
21 miles to be covered. 700 miles is an extremely
22 conservative figure. I would estimate at least five
23 times that amount that is oil impacted. The shoreline is
23 an extremely convoluted and that is, I'm sure there's 700
25 miles of Prince William Sound that's been impacted. To

1 one degree or another. Whether it be small tar balls to
2 several feet of tar and oil deposited on the shoreline.
3 My name, address and phone numbers are listed there.
4 There is also numbers for the Whittier Veco office at the
5 end of the written report.

6 MR. PARKER: Okay.

7 MR. LAKOSH: And, I to some extent feel that
8 Exxon is trying to avoid the collection of such data
9 because they realize there is liability associated with
10 it. And that they never expected such a exacting
11 document to be prepared.

12 MR. PARKER: Okay. Thank you very much, again.

13 MR. LAKOSH: Thank you for your time.

14 MR. PARKER: Commissioners. Do you have
15 anything you wish to bring up at this time? As we move
16 towards adjournment?

17 MR. WENK: Yes, I just admire your stamina, Mr.
18 Chairman. I really do.

19 MR. PARKER: They told me we'd probably be here
20 till six. It's dangerous to leave before.

21 MS. WUNNICKE: Mr. Chairman, point of
22 information. On the DEC Request For Proposal for the
23 Contingency Planning criteria that the Commissioner Kelso
23 spoke of this morning, they have changed the response
25 date to July 17th rather than the original July 11th.

1 And, also for your information. The sub-committee on
2 Coast Guard and navigation from the Congress will be
3 holding a series of hearings in Alaska on oil spill
4 legislation in August. In Valdez on the 9th, Cordova on
5 the 10th, Anchorage on the 11th, Kodiak on the 12th and
6 Ketchikan on the 13th.

7 MR. WENK: I think that's because they are
8 requesting that report.

9 MR. WALLIS: Mr. Chairman?

10 MR. PARKER: Yeah, Tim?

11 MR. WALLIS: I'd like to make a motion that we
12 authorize a chairman to go ahead and issue our appease
13 for legal counsel and for a writer.

14 MS. WUNNICKE: Second the motion.

15 MR. PARKER: Motion's been made and seconded.
16 Did everybody hear the motion?

17 MR. PARKER: Alright. The motion is for legal
18 counsel and a writer. Okay. Any discussion?

19 MS. HAYES: I have discussion.

20 MR. PARKER: Go ahead.

21 MS. HAYES: I certainly agree with issuing the
22 request for RFPs. But, I point out that as of yet we
23 have no knowledge to what the budget is for those two
23 items. And so, until we have further discussion about
25 whatever left over budgets we have, we should recognize

1 that sending the ad out doesn't necessarily commit us to
2 a dollar amount. If that's understood you have my vote.

3 MR. PARKER: Is that satisfactory with the maker
4 of the motion?

5 MR. WALLIS: Great.

6 MR. PARKER: Okay.

7 MR. WENK: Just to pick up this theme, my
8 impression was that the budget for the whole operation
9 would be on the agenda for the conference call. I
10 haven't heard yet when that's going to be.

11 MS. HAYES: Thursday.

12 MR. WENK: And, therefore, in no way will this
13 affect the motion, but my impression is that we ought to
14 presumably buy facts that were removed and otherwise get
15 information in a sense to vote -- to take some kind of
16 action with regard to the budget. At the conference
17 call. Am I right about that?

18 MR. PARKER: I think that, you know, on the
19 conference call we should have enough of a budget in hand
20 to make some decisions so that we will have -- budget in
21 hand for our ongoing support service. And for the
22 projected Commission meetings so that we at least tell
23 you what's left over. Yes. Besides which, the
23 Commissioner of Administration is nagging me specifically
25 and you in common to come up with a budget for... I do

1 not know if he's entitled to nag us that way even.
2 Because we're just in his department, but I am going to
3 talk to the legislature about why they put us in there in
4 the first place. Because.....

5 MR. SUND: Better than in the governor's office.

6 MR. PARKER: I suppose. Question is called
7 for. All in favor of the motion.

8 ALL: AYE.

9 MR. PARKER: Opposed?

10 MOTION CARRIED UNANIMOUSLY.

11 MR. WENK: Just for the record, I'm not sure
12 what kind of action, if any, is needed. I'd like to turn
13 over to you, Mr. Chairman, these three formal proposals
14 to the Commission. Plus a note indicating that there are
15 two other people who would respond. These are all with
16 the notion of these under \$5,000.00 fast turnarounds.
17 And probably with all of them, relevant to the whole
18 Commission. I don't think these are necessarily for any
19 one. But anyway, there hasn't been time obviously for
20 other Commissioners to see them. I think they might be
21 interested in seeing them. But, I would just like the
22 record to show, so I feel like I've satisfied my role as
23 a messenger.

23 MR. PARKER: Okay. In the record.....

25 MR. WENK: Off with my head.

1 MR. PARKER: Anyone who is not going to be here
2 in Anchorage who wish to look at these or get copies made
3 of them before we go.

4 MS. WUNNICKE: Mr. Chairman, can we talk about
5 the August meeting in terms of what locations it will be
6 held in for the benefit of people who wish to make
7 presentations. Alyeska has requested some time to
8 present what will be hot off the press at that time the
9 new contingency plan, which has an August 1st deadline.

10 MR. PARKER: Our present schedule is for August
11 3rd, 4th and 5th. August 3rd in Anchorage, the 4th and
12 5th in Kodiak.

13 MS. HAYES: Mr. Chairman. The dates we blocked
14 out were the 2nd, 3rd and 4th. If you want to change it
15 that's okay. But, we were talking about Wednesday,
16 Thursday and Friday.

17 MR. SUND: Mr. Chairman, I have on the calendar
18 system to have to put in a request, I guess, that I have
19 difficulty leaving on the end of the month, the last day
20 of the month and the first two days of the next month.
21 And, the fact that I am now put in charge of inventory in
22 my company and we do inventory at the end of the month, I
23 am prohibited from leaving town. So, I just have to ask
23 indulgence of the Committee if the schedule can't be
25 changed, that's fine. I can go ahead and miss a meeting.

1 But, it's kind of one of those things that comes up in
2 everybody's life. So, I just put that on the table. I
3 could make most other dates.

4 MS. WUNNICKE: Mr. Chairman, would it be
5 possible to go to Kodiak on the 2nd and hold the rest of
6 our meeting in Anchorage on the 3rd and 4th.

7 MR. PARKER: If that's a motion I'll second it.

8 MS. WUNNICKE: I'll make that in the form of a
9 motion that we hold the August meeting in Kodiak on the
10 2nd and return to Anchorage on the 3rd or 4th. Whatever
11 works out. I know we did talk to people in Kodiak about
12 our being there the 3rd and 4th. I'm sure that they
13 would respond if we gave them due notice, which would
14 allow us to have full Commission members in Anchorage.

15 MR. PARKER: Is there any further discussion on
16 this schedule.

17 MR. SUND: Is that going to create a problem for
18 you all. Because you had hoped to have an overlap with
19 that....

20 MR. PARKER: The second is the vessel traffic
21 system workshop here in Anchorage which has not been
22 confirmed on the 2nd yet. So, we can.....

23 MR. WENK: Go ahead and do that.

23 MR. PARKER: And, you know, we can cover that
25 with staff. So, I have no problems with Kodiak on the

1 2nd and 3rd and 4th here. You ever been to Kodiak?

2 MR. SUND: Yeah. And, I didn't leave anything

3 there either when I was there.

4 MR. PARKER: Are you looking forward to going

5 again?

6 MR. SUND: Oh, not really. If I count fast I

7 might make it.

8 MS. WUNNICKE: You're going to take your

9 inventory fast, right.

10 MR. PARKER: Anyone else have any comments on

11 that? There's a motion made to do Kodiak on the 2nd,

12 Anchorage, 3rd and 4th. Any further comment on that?

13 MS. HAYES: Mr. Chairman, I would like to point

14 out that I believe the schedule that has been in Kodiak

15 has been a regularly scheduled municipal meeting on the

16 oil spill on Wednesdays. In which case that schedule

17 would seem to be appropriate.

18 MR. PARKER: Okay. No further discussion I'll

19 call for the question. All in favor?

20 ALL: AYE.

21 MR. PARKER: Opposed?

22 NONE.

23 MR. PARKER: Alright Kodiak on the 2nd. The

23 3rd and 4th Anchorage.

25 MR. SUND: I don't want to throw cold water on

1 the scheduling, but I also have a problem on the end of
2 August schedule if that's been firmed up yet or not.
3 But, I know we talked about the 30th, 31st.

4 MS. WUNNICKE: What are we looking at?

5 MR. SUND: I can't make the whole Commission
6 blend into my schedule so I am not going request a
7 change. But, I would just note the problem.

8 MS. WUNNICKE: That's not been firmed, has it?
9 It was just a suggestion.

10 MR. SUND: Well, I think some people had
11 problems before that and after that. So, I think that's
12 why it was picked.

13 MR. WENK: Are you thinking of skipping it one
14 day. Because I'll just call attention to the following
15 Monday being Labor Day.

16 MR. SUND: Labor Day. Yeah, I know. I'd
17 looked at that. I didn't really see a way out it, so...

18 MR. PARKER: So, can you make no days during
19 that time?

20 MR. SUND: I don't know.

21 MS. WUNNICKE: 6th, 7th and 8th. How about
22 that?

23 MS. HAYES: Except that Ed.....

23 MS. WUNNICKE: Oh, when do you start on your...

25 MR. WENK: 29th of September. I've got another

1 out of town trip. Another out of town and another out of
2 town trip in September. So, my first lecture is on the
3 29th.

4 MS. HAYES: What about making it earlier that
5 week?

6 MR. SUND: I think you just leave -- I don't
7 know if you can really change. I've gone through that
8 schedule and I know there's some people who have proposed
9 sub-committee meetings between there. Whatever.

10 MR. PARKER: Judith, do you have the office
11 tomorrow? Who's going to be here besides you?

12 JUDITH: Peggy's going to be here.

13 MR. PARKER: Okay. Has she left yet?

14 JUDITH: Yes.

15 MR. PARKER: I would like someone to call Rick
16 Steiner at the Marine Advisory Service in Cordova -- 424-
17 3446 or 424-5509 and advise him of the schedule. He's
18 the one that's coordinating the vessel traffic system
19 workshop.

20 JUDITH: This is for the August meeting or the
21 end of August?

22 MR. PARKER: This is for the August 2nd, 3rd
23 and 4th meeting. You know.

23 JUDITH: Wasn't that the original -- I thought
25 that was the original dates.

1 MS. WUNNICKE: It is. We are just going to
2 Kodiak first and then gonna meet here the 3rd and 4th.
3 JUDITH: Okay.
4 MR. SUND: Mr. Chairman, just on the agenda
5 items of meeting back here, are we going to schedule some
6 time in for just the committee to work or we're just
7 going to have all day hearing sessions?
8 MR. PARKER: On the 3rd and 4th?
9 MR. SUND: Yeah.
10 MR. PARKER: I would believe that that would be
11 mostly work time with some time schedule for public
12 participation. But at least one full day of work time
13 and public participation. It depends on what we've got
14 to cover, but I think we are going to be needing that
15 work time by then.
16 MS. WUNNICKE: I would say at least a full day
17 of work time.
18 MR. PARKER: I would appreciate it.
19 MARY NORDALE: Mr. Chairman?
20 MR. PARKER: Yes?
21 MARY NORDALE: On August 3rd you scheduled
22 (inaudible).
23 MR. PARKER: Yeah, we'll schedule that on the
23 3rd.
25 MARY NORDALE: Could you start it in the morn-

1 ing for about an hour and just give us a definite
2 schedule on that?

3 MS. WUNNICKE: Why don't I get together with
4 Marilyn and schedule it right now?

5 MR. PARKER: Yeah. Go ahead. Just go ahead and
6 schedule it with Marilyn. Yeah.

7 MARILYN: Just as far as if there's ideas as to
8 people who want to be on the agenda to contract me, you
9 know, I have discussions with other Commissioners -- how
10 should I go about determining what should be on the
11 agenda? I guess that's my next question? How.....

12 MR. PARKER: If you are not absolutely certain
13 ask me. If you can get me ask her.

14 MS. WUNNICKE: But, I think one of the things
15 that we are saying here is save us the 3rd for.....

16 MARILYN: One full day for work session.

17 MR. PARKER: We are nearing adjournment. Is
18 there anyone else who wishes to.....

19 MR. WENK: The gentlemen over there that just
20 came in.

21 MR. PARKER: Okay. You were the gentlemen I
22 was concerned about. So.

23 MARILYN: Can I just make one comment?

23 MR. PARKER: Go ahead.

25 MARILYN: And that is, just for all the Commi-

1 missioners, we may not be able to fly to Seward tomorrow
2 because of the weather. So, we may be in a position of
3 having to drive to Seward. And so, what I am suggesting
4 is that we all meet in Van Dusen and if they can't fly
5 then we'll drive from there.

6 MR. PARKER: Till 7:30 at Van Dusen?

7 MARILYN: Yes. We need to figure out cars.
8 People who are willing to drive their cars, etc.

9 MR. PARKER: I normally drive to Seward in an
10 hour and half.

11 MS. WUNNICKE: I want to go with Marilyn.

12 MR. WENK: I'll be right behind you.

13 MR. SUND: I was kind of wondering why the
14 meeting there at 7:30 for a meeting that does not begin
15 until 10:00.

16 MR. PARKER: That's 2 1/2 hours.

17 MARILYN: We're on a schedule - Navahoe and
18 they have a scheduled flight.

19 MR. PARKER: Oh, I see.

20 MARILYN: To Valdez after they take us to
21 Seward. So we are trying to work around their schedule.

22 DENNIS: If you do get canceled you'll have
23 time to drive and make it.

23 MS. WUNNICKE: Mr. Chairman, can we go off the
25 record?

1 (Off the record)
2 (On the record)
3 MR. PARKER: I move that we recess until 10:00
4 tomorrow in Seward. Any objections?
5 (Off the record)
6 (On the record)
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