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**ALASKA OIL SPILL COMMISSION**

September 7, 1989  
Soldotna, Alaska

**OIL SPILL COMMISSION MEMBERS**

Walter B. Parker, Chairman  
Esther C. Wunnicke, Vice-Chairman  
Margaret J. Hayes  
Michael J. Herz  
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1 (Tape Number 89-09-07/01A)

2 MR. PARKER: The Alaska Oil Spill Commission will come  
3 to order. We apologize for the weather, since no one else is here  
4 to apologize for it, making us late for this morning. We're going  
5 to try to get everybody in so we can start on the schedule at  
6 noon again and anybody who didn't have enough time to talk in  
7 the morning, we'll be happy to hear you again at 4:15. But John  
8 Williams, Mayor Williams, if you would come up and I guess sit  
9 over here. Unaccustomed as I am to sitting so far removed from  
10 the audience, why we'll get used to it eventually. I'd like to  
11 introduce on my left, our Vice-Chairman Esther Wunnicke. I'm  
12 the Chairman, Walt Parker. On my right, Commissioner Meg  
13 Hayes. On her right, our counsel, John Havelock. On his right,  
14 our consultant on tanker operations and generally, Virgil Keith.  
15 And on his far right, our technical coordinator, Dennis Dooley.  
16 And out there, hiding, is our inter-governmental coordinator,  
17 Marilyn Heiman. The pretty young lady over here on our far  
18 right. The purpose of our meeting today is to mostly just hear  
19 what the effects of the spill have been on Kenai, but we very  
20 much want to hear anything anybody wants to tell us as to  
21 Glacier Bay and its aftermaths. And also, we want to get as much  
22 information as possible at this hearing on the present tanker  
23 traffic in and out of Cook Inlet and its problems. So, John, with  
23 that I'll turn it over to you.

25 MR. WILLIAMS: Thank you very much Mr. Chairman and I

1 appreciate your accommodating me early in this program. I will  
2 try to represent the views of the oil spill, some of the Glacier Bay  
3 effect and the Exxon Valdez, from the city's standpoint.  
4 Fortunately, or unfortunately, as the case may be, I was absent  
5 during the Glacier Bay spill so I don't have a lot of first hand  
6 knowledge and I'm hoping that some of the things that I say will  
7 not intersect some of the things that will be said by others that  
8 will be here and had a better understanding of it. It was a very  
9 peculiar incident, to say the least. But, from the perspective of  
10 Kenai, itself, with regard to the Glacier Bay spill -- first of all it  
11 was very close to home, and so therefore everyone was involved,  
12 emotionally and physically. Whereas the Exxon Valdez spill was  
13 much further from home and I had the intent feeling from those  
14 that I talked to early on in the spill that they really didn't want  
15 to deal with it 'cause it was somebody else's problem. It didn't  
16 become apparent that it was their problem as well until much  
17 later. So, there was a little bit of reluctance on the part of the  
18 business community and others within this area of Kenai to get  
19 involved in any way. I, on the other hand, had a considerable  
20 amount of first hand knowledge dealing with the Conference of  
21 Mayors and traveling to the spill site and seeing the  
22 ramifications of the spill and would try to bring that back. As I  
23 say, there was a more heightened awareness by the local people  
23 with regard to the Glacier Bay. I think the primary difference  
25 here, between the Glacier Bay spill and the Exxon Valdez and



1       how it affected the economics within the area was that in the  
2       Glacier Bay spill, a considerable amount of the fishing continued.  
3       And the State did not enter into the zero tolerance policy that  
4       was set. On the other hand, with the Exxon Valdez, as it became  
5       apparent that the affects of that spill would be tar balls running  
6       through the Inlet, it became apparent the zero tolerance  
7       situation was created and therein lies the involvement of the  
8       economics for the city itself. This is where we begin to see our  
9       problems develop. There was, with the Glacier Bay spill, as far  
10      as I can see in looking over the economy from the city  
11      government standpoint, and not looking at it, because I don't  
12      have that kind of knowledge, from the commercial area. But  
13      from the city government standpoint, there was no discernible  
14      impact on the city economy. Things seemed to go along. We  
15      collected our process tax. We didn't see any problems with our  
16      sales tax. We didn't have any loss in property values or anything  
17      of that nature. And there didn't seem to be a discernible  
18      economic impact on the city government itself. Now,  
19      understand that I'm only speaking in those terms. However,  
20      with the Exxon Valdez spill, it became apparent to me early on  
21      that there would be an economic impact on the city government.  
22      That was because of the processors that were located within the  
23      city boundaries, who were involved in the herring fishery that  
23      had to be shut down very early. There would have been  
25      employment as a result of the herring processing within the city.

1 We have yet to determine what the loss in the processor's tax to  
2 the city will be as a result of not processing the fish there. We  
3 have yet to collect or even consider a claim on that. And there --  
4 as that went from one step from the herring, closing of the  
5 herring fishery and on in to the salmon fishery, we began to  
6 notice all kinds of economic impacts that were taking place  
7 within the city. For example, through the local processors being  
8 shut down, there was a lack of employment, merchants, of  
9 course, who would have been drawing from wages earned by the  
10 processors were affected, everyone from grocers to mechanics  
11 and, of course, the fisherman. A strange incident occurred in  
12 the -- and I mentioned mechanics, a strange incident occurred  
13 in that area. There's a lot of repair work that goes on in the  
14 winter months to the fleet itself, by local mechanics. That  
15 repair work had been done in anticipation of a fishing season.  
16 There is also repair work that goes on during the fishing season  
17 as boats need to be repaired. That work did not occur this year.  
18 There will now be a void this winter because all the boats that  
19 were repaired last winter and did not work will not have to be  
20 repaired this winter. And there are several mechanics who  
21 would depend on their livelihood for that and will not earn their  
22 income for those types of repairs. The city's position, as far as  
23 the spill is concerned and the economics, and -- again because  
23 we were distantly removed from the spill, we didn't have the  
25 physical affect of oil on the beaches as did many of our sister

1 cities around the peninsula. So, our city position, there was  
2 virtually none as I can ascertain in relation to the Glacier Bay.  
3 However, we find ourselves in a position of having to exercise  
4 our right to claims against Exxon, or perhaps through the  
5 recently in place -- on a DC&RA grant program for certain losses  
6 that the city economy suffered. Those losses were in the area,  
7 presently and most immediately, of losses in revenue to our  
8 dock facilities. Our dock facilities lost revenue in wharfage over  
9 the dock. We lost a tremendous amount of revenue with regard  
10 to our dock budget and fuel sales. And we presently have placed  
11 with Exxon a claim for \$41,000 in loss fuel revenues and  
12 wharfage. This does not necessarily constitute our overall losses,  
13 only losses for the months of July and August, I believe, the early  
14 two months. We've indicated in our claim to them that there  
15 will be claims forthcoming when we ascertain the total effect of  
16 the economic loss. We have not addressed the 2% process tax  
17 that will eventually be -- have to, have to be looked at and  
18 brought to the city. It's necessary for the city to give strong  
19 consideration to those claims and to the lost revenue, because it  
20 impacts our ability to financially operate the dock facility, pay  
21 the wages, buy the fuel and things of that nature. I think there'll  
22 be a lot of impact through the city as well in lost sales tax and  
23 things of that nature when it comes to gear sales, mechanical  
23 repair. I'm not at liberty to talk about the reputation of the fish  
25 or the adjustment in world pricing of the fish as a result of it,

1 but the adjustments in the world price of fish will automatically  
2 be reflected again in the processor's, 2% processor's tax as it  
3 comes down to us. Now I realize that there hasn't been a lot said  
4 here about the effects of the spill on Kenai, but again remember  
5 that we're far removed from the physical location and did not  
6 actually get oil on our beaches as a result of this spill. The  
7 stories, of course, from other mayors are considerable different  
8 than ours. We're kind of in a rather unique position. With that, I  
9 would entertain, or attempt to answer any questions that you  
10 might have.

11 MR. PARKER: Thank you, John. I'd like to point out to  
12 the audience that the Commission has found the Mayors'  
13 Conference an extremely valuable source of input to us on what's  
14 gone on in your communities and we've urged the Mayor to, the  
15 Mayors to keep it up 'cause I can't think of any other means by  
16 which we can keep track of what's gone on in all the  
17 communities as efficiently as it's being done through the Mayors'  
18 Conference. Commissioners, any questions of Mayor Williams.

19 MS. HAYES: Is this on? When we were in Cordova, the  
20 House Merchant Marine and Fisheries Subcommittee questioned  
21 Earlene Johansen quite closely, some might call it attack, about  
22 whining about losses due to the Exxon Valdez without looking at  
23 the positive inputs into the local economy from the Exxon  
23 Valdez. Do you have anything to say about the positive economic  
25 impact? Has there been any? Have there been a large

1 proportion of Kenai workers involved with the spill cleanup?

2 MR. WILLIAMS: Again, that would be rather hard to tell  
3 until all the specifics relative to retail sales are in. Now, we  
4 charge a sales tax in the city of Kenai and that is a very good  
5 barometer. It is an excellent barometer for judging your  
6 economy and retail sales and what's happening within your  
7 community. We are always lagging behind. Those are quarterly  
8 reports, so they're in in three months and then it's a little while  
9 before they assimilate them all. I do not believe that during the  
10 course of the spill cleanup there was a great impact on the  
11 Kenai, on the city of Kenai as far as monies earned from those  
12 working on the spill. Now there's the possibility, and we're  
13 hoping, that those from our local area who went to the spill will,  
14 of course, come home and that the fourth quarter of the year will  
15 show good retail sales as a result of them utilizing their  
16 spendable income. That, of course, can change if the spendable  
17 income winds up in vacation tickets to our sister islands just  
18 south of Kodiak. That point is yet to be seen. I don't believe, in  
19 talking to the merchants, a lot of the merchants, and I'm  
20 speaking more in terms of local sales and software, and clothing  
21 and groceries and things like that, that we will see much of an  
22 impact from there. Now there were areas, and some contractors  
23 and other people who probably will make out fairly well. I'm not  
23 sure if that answered your question, but its.....

25 MS. HAYES: Thank you.

1 MR. PARKER: Counsel, any questions?

2 MR. HAVELOCK: Mayor, how many shoreline facilities are  
3 within the city limits?

4 MR. WILLIAMS: By shoreline facilities within the city  
5 limits, we do not have shoreline facilities per se there. They're  
6 within the river. The processors, if you're referring to dock  
7 facilities and things of that nature. Within the city limits there  
8 are six in-place dock facilities belonging to local processors and  
9 including the city dock facility.

10 MR. HAVELOCK: The city dock is a freight dock?

11 MR. WILLIAMS: It's a general cargo, freight, and fueling  
12 dock. It's the only Coast Guard approved, I believe Coast Guard  
13 approved marine fueling terminal within the river basin itself,  
14 and as a result, our fuel sales are a tremendous amount of the  
15 income -- or a tremendous amount of the income, profits to the  
16 city.

17 MR. HAVELOCK: Does your city boundary go out to the  
18 low tide mark, or where is your city boundary on the water?

19 MR. WILLIAMS: In looking back, I believe the city granted  
20 to the State, the rights to the land to the three mile limit, as I  
21 recall. Because we do have leasing power over the set net sites  
22 within the city limits of Kenai.

23 MR. HAVELOCK: Are any of the large processing docks  
23 within the city or are they outside the city.

25 MR. WILLIAMS: As I said, six of the docks are located in

1 the city and they include Kenai Packers, Salamantof Seafoods,  
2 Royal Pacific Seafoods, Dagnet Fisheries, the City Dock,  
3 Columbia Ward and Fish Pack, the new -- Inlet Salmon or Fish  
4 Pack. So there are six within the city limit boundaries.

5 MR. HAVELOCK: Is there servicing of the oil fields, the  
6 off shore oil fields from docks within the city?

7 MR. WILLIAMS: Not in the way of general freight and  
8 cargo. However, we do act from the city dock as a facility to  
9 launch seismic boats and exploratory equipment and things of  
10 that nature. We presently have some seismic crews working  
11 from the dock with their equipment. But our dock is, because of  
12 the tide system, our dock is not conducive to do draft boats and  
13 heavy freight carriers that would go back and forth a lot to the  
14 platforms.

15 MR. HAVELOCK: Do you have any mechanism for city  
16 involvement in the maritime responsibilities of the city?

17 MR. WILLIAMS: Yes, we do. We have a Harbor  
18 Commission that's been in play for many, many years. I'm a  
19 former chairman of the Harbor Commission myself. And the  
20 Harbor Commission oversees all the operations of the city dock,  
21 the placement of buoys in that area, comments to the Coast  
22 Guard on the placement of the buoys within the river, and the  
23 overall system.

24 MR. HAVELOCK: Does the Harbor Commission activity get  
25 you into a position where there's citizen input through that

1 mode into problems with traffic in Cook Inlet?

2 MR. WILLIAMS: I don't believe so, because, of course,  
3 that's beyond the limits of the city itself. However, I would  
4 imagine that should a spill occur that were close to the mouth of  
5 the Kenai River in which there was a danger of the oil coming in  
6 with the tides or whatever it was that was spilled, the Harbor  
7 Commission would definitely be involved. I might also state that  
8 one member, the present chairman of our Harbor Commission is  
9 also the director for the Cook Inlet Response Organization.

10 MR. HAVELOCK: Is there a contingency plan for spills or  
11 anything like that under the Harbor Commission?

12 MR. WILLIAMS: No, we do not have a contingency plan.

13 MR. HAVELOCK: Thank you, Mr. Chairman.

14 MR. PARKER: Thank you, counsel. Thank you, Mayor,  
15 and we'll look forward to getting your end-of-season information  
16 as it becomes available on the processing tax loss and so forth so  
17 we can factor it into our studies on what the overall effects of the  
18 spill were.

19 MR. WILLIAMS: Thank you very much for having me, and  
20 again, welcome to Kenai. I'm sorry that your trip took a little bit  
21 longer than you anticipated, but welcome anyway.

22 MR. PARKER: Yeah, it's not very often you're not able to  
23 get into Kenai. It's the one airport you usually count on getting  
23 in to. Mayor Gilman, are you.....?

25 MR. GILMAN: Thank you, Mr. Chairman. For the record,



1 my name is Don Gilman. I'm Mayor of the Kenai Peninsula  
2 Borough. I'm sure that Mayor Williams gave you a very eloquent  
3 welcome to the community. I was not here to hear what he said,  
4 but I echo it, I think. This is my second opportunity to appear  
5 before the Commission. I was in Seward with you and today I  
6 would like to just -- first of all I'd introduce Mr. Jim Butler who,  
7 since I talked with you, has joined my staff trying to help us  
8 wade through the myriad of problems that have now been  
9 created for us. The deal with the planning of future activities  
10 and kind of cleaning up what we have been doing. Mr. Butler is a  
11 graduate of George Washington University in Economics. He was  
12 a regular member of the staff for Senator Murkowski at the time  
13 of the Glacier Bay spill and was Senator Murkowski's point  
14 person for that spill. He is a Cook Inlet drift fisherman and he  
15 was on the beach, was available, and I put him to work. I would  
16 like to just very -- as I understand what your charge is today and  
17 what you've asked is to try to make some comparisons between  
18 the Glacier Bay and Exxon Valdez spill and I want to be very brief  
19 because Jim's got a lot more technical and intimate background  
20 in this than I have, but, differences. It was a different  
21 environment. The currents were different. Tells me, at least,  
22 that the spills going to react different. And you just can't have a  
23 plan for oil spill. You have to have different plans for different  
23 conditions in different places. The similarities are much greater  
25 than the differences. The industry responsibility for spill clean

1 up -- it was not clear who was in charge, either case. There's  
2 been a lot information that's been put forth and you're going to  
3 hear a lot more today, I'm sure. The cleanup equipment was  
4 there was either not operable or was not effective. And it was  
5 obvious that additional support vessels were needed, whether for  
6 containment or recovery. The question of -- and I will go off just  
7 a little bit. I know I'm going to get into some of Jim's testimony  
8 when I say this, but I feel compelled to. The spill occurred July  
9 2nd and it was federalized, there's a difference, July 6th, I  
10 believe or 7th. It was four or five days. I think the interesting  
11 thing's what happened in between. The -- as I understand it to  
12 the best of my knowledge, no employee of Trinidad Shipping  
13 Company was initially sent to the site. An attorney from  
14 Anchorage showed and said the Cook Inlet Resource, that we're  
15 taking over. So, the Cook Inlet Resource Organization that it set  
16 up by the owners to respond was sent away by the owner of the  
17 Glacier Bay, which I guess was in accordance to the plan that's  
18 submitted and signed off by the State. I think the important  
19 point I want to make here is that through the legal system here  
20 is a company, a local firm, that is -- obviously has a different  
21 objective in mind and that is protection in the future from the  
22 liabilities and not cleanup. I mean, the objective is not the  
23 immediate cleanup. I just felt compelled to get that, not that I  
23 am picking on the attorney. Other similarities, tanker traffic in  
25 the Cook Inlet has not been monitored even as much, certainly

1 not as much, as in the Exxon Valdez case. We had no plan to  
2 take care of oily waste. What do we get when it's picked up?  
3 What do we do with it? And it's a major problem. There were a  
4 lot of other -- again I don't want to dwell on the similarities and  
5 differences. Of course, the major difference, I believe is the  
6 federalization. There was federalization in the Glacier Bay spill.  
7 It's interesting, the federalization lasted a week. I think it was a  
8 week. It might've been nine days, but I think it was July 15th or  
9 16th that the Coast Guard turned it back to the owner of the  
10 vessel. Some of the ancillary problems, we do not have, and I  
11 guess Prince William Sound did not either, have any designated  
12 place to take an injured tanker for surveillance, for inspection,  
13 whatever. I think I'll stop. I don't want to use all the time. I  
14 want Mr. Butler to make his presentation, or maybe, Mr.  
15 Chairman, we could wait for Jim to finish and then both of us  
16 would be available for questions, if that's okay.

17 MR. PARKER: Yes, Mayor, I think that'd probably be best.  
18 I do want to thank you here for the use of our facilities here  
19 (inaudible - fade).

20 MR. GILMAN: I would ask you Mr. Chairman, I don't think  
21 your microphone is on. It's, those are supposed to be voice  
22 directed and is there a button on top there?

23 MR. PARKER: I guess. Do you hear it now?

23 MR. GILMAN: Ahh, there you are.

25 MR. PARKER: Okay. He says I need to use it this way.

1 Mr. Butler, my colleague here is a graduate of GW Law School  
2 and I was a research associate at the Stino (ph) Soviet Institute  
3 there, so you're in -- yes.

4 MR. BUTLER: Well, alright. It is a small world. I see a lot  
5 of familiar faces here also. Mr. Chairman, members of the  
6 Commission, I'd like to thank you for the opportunity to speak  
7 before you today and also thank you on behalf of a lot of people in  
8 the community who aren't here who appreciate the sincere  
9 effort you're making at taking a look at what's going on with the  
10 oil spills and response and the efforts that -- getting a lot of  
11 different input to develop a practical solution to some of the  
12 problems we're faced. To start off this morning, I'd like to give  
13 you a quick update on what's going on in the, what is the Kenai  
14 Peninsula Borough, with respect to the spill that we have  
15 underway at the present time. The Kenai Peninsula Borough,  
16 due to the size, is actually in three management zones for the oil  
17 spill. We're unique, I think, because of that. We have the  
18 Seward Zone, the Homer Zone and then what some folks  
19 facetiously call "No Zone", and unfortunately that's the west side  
20 of the Inlet. The west side of the Inlet is actually part of Kodiak,  
21 but because of logistical limitations, they have a hard time  
22 getting over there to find out what's going on. As of today,  
23 September 7th, there will no longer be any vessels less than a  
23 hundred feet long out on the spill and for practical purposes that  
25 means all clean up crews will be pretty much off the beaches. In

1 the Homer Zone yesterday, we had a report of one of the otters  
2 being recovered that had already been released. It was dead and  
3 they've already picked up a couple in Seward Zone. So, we're  
4 also seeing an increase in mortality among the fall migration of  
5 birds and we aren't going to have anybody out on the coast to  
6 pick up any of the fallen species and there's a real concern on  
7 the impact of the predators for the fall. I'm sure you've heard a  
8 lot about what's going on out there, but I can't stress enough that  
9 this is an ongoing event and that's important to keep that in  
10 mind when we make decisions and when you talk to people  
11 about what's going on. We still have an oil spill underway. As you  
12 know, in 1987, we had an oil spill in Cook Inlet also and that  
13 was the Glacier Bay. It happened on July 2nd. I see a lot of  
14 familiar faces from that spill and unfortunately we're wrestling  
15 with another one. When that incident occurred, it was a little  
16 different situation in that we had vessels in the area operating.  
17 As you're probably aware, the Cook Inlet Fishery does not have  
18 vessels active all year round as in, like we have in the Sound and  
19 the lower part, around Kodiak. That was a blessing of sorts.  
20 There were vessels in the area that were able to respond and go  
21 out and participate in the clean up. As the Mayor mentioned,  
22 the spill was federalized and if I could look at kind of the pros  
23 and cons of that, I would say that pros were that when  
23 federalization occurred, it became very clear who was in charge.  
25 And I think everybody that was involved in those tense days

1 appreciate Captain Rucell's (ph) determination to get a job done  
2 out there and his clear authority. He set everybody very straight  
3 on who was in charge. There was also resources that were made  
4 available that helped considerably. It was clear that the Coast  
5 Guard was committed to taking whatever steps necessary that  
6 were to getting equipment identified and moved into the area to  
7 support the effort. There also was a defined command structure  
8 that was in place, which is a very important part of managing an  
9 emergency situation, or managing any situation. But early on in  
10 the spill, as the Mayor mentioned and I'm sure other people  
11 have testified, it was clear who was in charge, and it was clear  
12 what the priorities were for the people in charge. I think it  
13 became clear when we found that there was not necessarily  
14 enough resources being identified and moved into the area.  
15 That the priorities were not containment and recovery of oil, but  
16 minimizing costs and minimizing losses associated with  
17 managing this spill. There were some down sides to  
18 federalization though and I think that it was a matter of the  
19 administration problems that were associated. What happened  
20 was the private contractors were involved had already initiated  
21 contracts and had mobilized vessels to go out and respond. After  
22 federalization occurred, the contracting process changes  
23 considerably. You have blanket operating agreements that are  
23 already established with certain contractors in the area and  
25 you've also got federal contracting statutes that you have to

1 subscribe to. And, believe me, it's a tough thing to deal with  
2 when you need to get a boat now for a lieutenant in the Coast  
3 Guard to come up and ask to see what's going on, and it's a real  
4 frustrating thing. We had a fair amount of problems with people  
5 who didn't get paid what they thought they were. There were  
6 re-negotiations and people came to the dock and their fees were  
7 cut, that type of thing. One of the other problems was, and I  
8 don't say this in a negative sense, was that a lot of the Coast  
9 Guard personnel that came in did not have an understanding or  
10 a local knowledge of the area. I think that, if anything, that  
11 should be stressed in management of oil spills and contingency  
12 planning. Local knowledge is going to be a key ingredient. And  
13 I think that the Coast Guard was sensible enough to realize that  
14 and they appreciated and sought local input and I have to take  
15 my hat off to some of the members of the fishing organization  
16 who spent days on end in that office identifying what and how  
17 rips move and where the fish move and how we could fish  
18 around what was going on. If there's a couple of key areas, I  
19 guess, that I would hope that you consider when you look at your  
20 recommendations -- and I'd like to temper these with one thing.  
21 And that is that you must, in all decisions and considerations,  
22 keep in mind there's seasonal factors that have to be dealt with  
23 and any time you make a plan to have a boat stationed some  
23 place, you're going to have an impact with winter, you're going to  
25 have an impact with fall. There's a significant differences in the

1 wildlife that's in the area during changes of the year and there's  
2 also differences in what steps you can take to mitigate the oil  
3 escapement, either out of the containment process or the  
4 recovery process. In the winter it's going to be a much more  
5 complicated situation, but other alternatives that you don't want  
6 to work during a salmon run might be available. I guess to start  
7 off, it's just a simple question, who's in charge? We keep  
8 coming back to this and I think that the Mayor touched on a real  
9 good point and that is that the shipper is, by statute, in charge,  
10 but it's the shipper or his agent. And the shipper and his agent I  
11 think, oftentimes are -- their priorities are in conflict with the  
12 local people being impacted by an oil spill. Or they're perceived  
13 to be in a conflict. I think it's very important that a defined  
14 chain of command is recognized. You've got a couple of windows  
15 of opportunity in the initial management of a spill. You've got  
16 twelve hours, which is one tide cycle, a flood and an ebb. And  
17 then you've got, I'd say, four days and then after that it's gone,  
18 depending on the weather environment. I've had the  
19 opportunity to serve on the Alyeska Citizens Advisory Committee  
20 that's reviewing the plan. We've had some really constructive  
21 input from some people who were involved in international oil  
22 spill work and they all seem to agree that you've just got time  
23 that you can't stop and you have to be prepared to mobilize and  
23 respond. I think it's going to be very important that a command  
25 structure is established and I think it's very important that local



1 and regional input is put into that because if you don't have that  
2 input, you will not have the people who are going to be called  
3 from Homer and Kodiak to respond in Cook Inlet, understanding  
4 what their role will be. And I think that with definition comes a  
5 certain feeling of trust that people know what they're supposed  
6 to do and they know what they're not supposed to do and they  
7 also know that there's somebody out there making sure there's  
8 enough fuel to power your boat when you get over to Kalgin  
9 Island to set booms. That command structure has to be  
10 prepared to be here for the long term. Oil spills, as we know,  
11 are going to take several months and, unfortunately in some  
12 cases, several years to deal with and I think that in contingency  
13 plans and in management plans for oil spill that it should be  
14 clearly defined how they are going to deal with mobilizing a  
15 response for a long period of time and rehabilitation, I think,  
16 should also be addressed as part of that. On another point, I  
17 think that there's decisions that should be clearly defined with  
18 community input before an oil spill, and those include burning  
19 and dispersant use in the event of an oil spill. I don't have to tell  
20 you those are some pretty touchy issues and there's a lot of  
21 complicating factors. I think that we're going to have to make a  
22 concerted effort to collect more information and inform the  
23 public and the people out in the communities to just exactly how  
23 these options can play into a practical oil spill response. There,  
25 unfortunately, are some physics involved and when you get

1 enough oil in the water, our opportunities to mobilize equipment  
2 get reduced significantly, just because of the size of the thing.  
3 When you have 200,000 barrels on the water, as we know in  
4 Prince William Sound, we've only got a window of opportunity to  
5 use dispersants or burning and after that it's gone. So I think it  
6 should be understood that those decisions should be made and  
7 identified. I know that the State has worked with the Federal  
8 government and their response team to define that. But I think  
9 we want to reinforce that there are some latitudes available in  
10 the first 12 hours and that the people who know, who are in  
11 charge of those decisions, know that they have the command to  
12 do that. One of the big problems we're finding in oil spills,  
13 unfortunately, is waste management. Few contingency plans  
14 address the waste management issue. And whether it's in Cook  
15 Inlet or Prince William Sound, you're going to have a significant  
16 amount of debris. You've got not only the oil, but you've got all  
17 the material used to collect the oil and move the oil. I don't  
18 know -- I've heard numbers of how many tons of debris are  
19 associated with each ton of oil collected. And I've heard  
20 anything from five to one; to ten to one. There's a lot of old  
21 gloves and rain gear stack up. That's going to be a very  
22 important part of what happens. And I think, again, that's going  
23 to come back to local and regional input. We've seen a lot of  
23 questions raised with the burning of debris on the beaches with  
25 the impacts associated with that and that should be thought out

1 before hand. I think it's important that local resources are  
2 identified in contingency plans and are checked regularly. That  
3 we put in our statutes somewhere that on a regular basis,  
4 agreements are going to be gone over to make sure the  
5 companies are still in operation or that the helicopters or planes  
6 are still available, or that the bulldozers for moving stuff down a  
7 beach are going to be available. This could include working with  
8 the fishing groups and other contractors in the area to provide  
9 working lists of people interested in providing some of their  
10 equipment to go out in short order. It might mean that  
11 operating agreements are going to have to be negotiated  
12 beforehand so we don't get six different people having six  
13 different deals being put together. I think along with identifying  
14 the local resources, you're going to have to look at the regional  
15 resources. One of the unfortunate realities of a large oil spills is  
16 it goes a long way. And one of the things I've found in Cook Inlet  
17 is that we're going to have to make sure that the people in  
18 Homer and the people in Kodiak are integrated into the  
19 decisions that are made in managing a spill and that they know  
20 that we're going to need their equipment to be mobilized and  
21 participate, particularly in the fall and winter when the boats are  
22 available on the Inlet. I think that if I was going to talk about  
23 some of the difference is what we had in Cook Inlet when we try  
23 to address oil spills. It's that in Prince William Sound, Alyeska  
25 provides a nice hook, if you will, of who to contact to talk about

1 the ship traffic. In Cook Inlet, we have a complicated situation  
2 in that we don't just have oil traffic. We've got the platforms.  
3 We've got submerged pipelines. We've got different cargos: LPG,  
4 LNG, ammonia, urea. It's a much more complicated situation.  
5 And I think that the communities and government have a  
6 strategic window of opportunity right now to identify how best  
7 we can address those and not try and run down one path and  
8 neglect taking a look at how we can cross-train individuals or  
9 cross use resources to make them more available in the event we  
10 have a problem with a different cargo. I also think that it's  
11 important for the State to take a more aggressive posture in  
12 getting adequate Coast Guard resources in our area and our  
13 community. I can't speak to exactly what's needed, but I do  
14 know that they need more than a few pick up trucks to get out  
15 there and see what's happening. And I think that the folks in  
16 Kenai stretched their resources a lot further than a lot of people  
17 really know, but we've got to make sure that when the drift fleet  
18 is out fishing and they report an oil slick that they can call the  
19 Coast Guard and the Coast Guard can get into the air to check it  
20 out at the time. It's a matter of timing and we need to make  
21 sure they have the capability -- that the Coast Guard in Juneau  
22 and the Coast Guard in Washington supports them and  
23 understands the importance of them having a quick response  
23 capability to get out and see what's happening in the Inlet.  
25 There are a number of folks here.....

1 MR. GILMAN: Excuse me, Jim, I need to explain what  
2 that is. This is our emergency test that goes on this Thursday  
3 every month throughout the Borough. We test our emergency  
4 sirens. That's all.

5 MR. BUTLER: Nobody's on the rocks.

6 (Tape Changed)

7 (Tape Number 89-09-07-01B)

8 MR. BUTLER: Like I said, I see a number of folks who I  
9 think are going to go into some of the details about some of the  
10 specifics, so I don't want to repeat those. I would like to, I  
11 guess, in closing, update you on what the Kenai Peninsula  
12 Borough is doing to try to provide some assistances in dealing  
13 not only with Cook Inlet, but the Alyeska plan. One thing the  
14 Borough's learned is that if you have a problem in Prince William  
15 Sound, or if you have a problem in Cook Inlet, it's going to  
16 impact the Borough. And we're one of the -- I think the Kenai  
17 Borough as well as the Kodiak Borough are the two that are going  
18 to get impacted no matter what happens. And I think that it's  
19 important not to forget Kodiak. Although they don't have any  
20 terminals, they don't have any tankers going in and out of it,  
21 they're the ones that get the oil if we have a big spill and they  
22 have to be included in the decisions that are being made. We're  
23 working with staff in-house to identify where within the Coastal  
23 Management Plan we can look at how our jurisdiction can be  
25 used to help -- I guess, constructively require some measures

1 that will help work in the prevention side as well as the  
2 response side. We're also working with the Department of  
3 Environmental Conservation on some specific measures in Cook  
4 Inlet and we look forward to establishing a rapport with DEC and  
5 making sure that we can get some good, short term measures  
6 that can get us through a crunch right now, if you will, and look  
7 at developing a long term plan for how we can make Cook Inlet  
8 an area where ships can transit without running the risk of a  
9 problem, and in the event that there is a problem, that there's  
10 adequate resources to handle it. I guess we're also going to, and  
11 it sounds kind of crazy, but we're going to plan. You know, it's  
12 an ongoing process and we've gotta look at where we're going to  
13 review plans and how often we're going to review plans. And we  
14 almost have to plan to plan. I think that it's too easy for people  
15 to get onto committees and sit down and get burnt out and  
16 suddenly forget about it. And unfortunately, it takes an incident  
17 to get everybody woken up to the importance of this type of  
18 work. I guess that's it. In closing, I would ask the Mayor if he  
19 has any other comments and would welcome any questions the  
20 Commission might have.

21 MR. PARKER: Mayor, do you have any comments after Mr.  
22 Butler's?

23 MR. GILMAN: No.

23 MR. PARKER: Okay, I think you've raised a host of things  
25 that we'd like to discuss in more depth and the weather has

1       ruined our schedule. Would you be available later in the  
2       afternoon to get into a question session with us?

3               MR. GILMAN: Certainly. Absolutely.

4               MR. PARKER: Okay. Let me say at 4:15. Would that be  
5       good?

6               MR. GILMAN: That would be fine.

7               MR. PARKER: Okay.

8               MR. GILMAN: We're not pre-empting anybody at 4:15 are  
9       we?

10              MR. PARKER: Oh, it's public testimony and we'll just sit  
11       through the -- extend our schedule to take care of the public  
12       that shows up, as necessary. Because, since we're driving back,  
13       why we don't have to run for an airplane, so we'll extend it.

14              MR. GILMAN: Mr. Chairman, if I could, I would just like  
15       to say that we -- sometime between now and 3 o'clock I think  
16       we will be having a meeting with Commissioner Kelso to discuss  
17       some of the items that Mr. Butler brought up. We have been in  
18       negotiations with the Department of Environmental  
19       Conservation for a number of days over what role we might play  
20       in this -- these would be the State role. We don't want everybody  
21       doing everything. We want to have a plan. Hopefully the  
22       Commissioner might be able to inform you of that during his  
23       comments.

23              MR. PARKER: Well, we'll look forward to that. We've got  
25       him scheduled at 3 o'clock. Thank you. We'll see you at 4:15

1 then. Theo Matthews of the Upper Cook Inlet Drift Association.

2 MR. MATTHEWS: Here's some more paperwork for you.  
3 We thought in the interest of brevity that we'd do a written  
4 testimony and then try to highlight it in my spoken testimony  
5 here.

6 MR. PARKER: We appreciate that.

7 MR. MATTHEWS: 'Cause we were well aware that many of  
8 the issues would be covered by quite a few people here. Mr.  
9 Chairman, members of the Alaska Oil Spill Commission, my  
10 name is Theo Matthews. I reside in Kasilof, Alaska and I'm a  
11 Cook Inlet commercial drift fisherman. I'm addressing today as  
12 President of the United Cook Inlet Drift Association. I'm also  
13 the current President of the United Fishermen of Alaska. Given  
14 the focus of today's meeting, I'll be addressing you mainly as  
15 UCIDA's president. UCIDA currently represents 450 of the 585  
16 Cook Inlet salmon drift permit holders. As such, our  
17 organization at this time represents fishermen who have  
18 completely lost access to their normal economic and social  
19 activities associated with the 1989 salmon season. Fishermen  
20 who saw essentially no cleanup effort in upper Cook Inlet.  
21 Fishermen who have been impacted by oil spills in the last three  
22 years. Fishermen who are virtually certain, I mean certain, to be  
23 negatively impacted by any spill, if it occurs at the wrong time,  
23 in Cook Inlet. Fishermen who have been impacted by an oil spill  
25 that occurred hundreds of miles away in Prince William Sound.



1 Fishermen who have been raising to State, local, Federal and oil  
2 companies for the last two years, the same issues we're going to  
3 discuss today. And finally, fishermen who sense two things.  
4 First, no real commitment on the part of industry to dedicate  
5 enough funds as a cost of doing business in Alaska for the  
6 prevention of, and the response to, discharges of oil and other  
7 pollutants to the marine environment. And secondly, fishermen  
8 who sense that industry's only real concept of a response to a  
9 spill is limited to dispersal by either natural or chemical means.  
10 In all of you, that essentially means, out of sight, out of mind, out  
11 of liability. Today UCIDA has been asked to address this  
12 Commission on two issues: tanker traffic in Cook Inlet and the  
13 comparisons between the 1987 Glacier Bay spill and the 1989  
14 Exxon Valdez spill in Prince William Sound. Mr. Rich King, next  
15 to me, is an active UCIDA member. He's going to address you on  
16 the tanker traffic issue when I've covered the comparison issues.  
17 First, I should remark that today is the opening of the halibut  
18 fishery, just simply won't have the time. They're out trying to  
19 make a living. The first item of comparison UCIDA would like  
20 you to consider is simply the fact that you are here today. UFA in  
21 general and UCIDA in particular have been stressing the need for  
22 the kind of review you're undertaking since the 1987 spill. We  
23 saw these problems then. They are still with us now. The  
23 second item we'd like you to consider is that both spills simply  
25 should not have happened. There was absolutely no reason for

1 the Glacier Bay to be inside the 10 fathom curves, and there was  
2 no reason for the Exxon Valdez to be on Bligh Reef. The third  
3 item we'd like you to consider would be that both spills  
4 happened under extremely good weather conditions. Weather  
5 conditions that were highly favorable to a mechanical cleanup  
6 had they been attempted. I guess the fourth item we'd like you  
7 to consider is that in both spills the State of Alaska, and I believe  
8 the public in general, were initially harboring a false sense of  
9 security for two reasons. First, the State and the public has been  
10 continually assured that such events were highly unlikely to  
11 happen and if they did happen the best available technology was  
12 at hand and a response would be rapid. Second issue is that the  
13 public has been bombarded, literally, with industry public  
14 relations and testimonials by individuals about the compatibility  
15 of oil and the marine environment. This has been over a number  
16 of years. You can go back as far as you want to go, we can find  
17 you the instances. Furthermore, it's been touched on -- Alyeska  
18 and the Cook Inlet Response Organization have been held up as  
19 entities ready, willing and able to respond should these rare  
20 events occur. In the Glacier Bay instant, zero and Cook Inlet  
21 Response Organization withdrew from any further response  
22 when "at approximately 8 a.m. on the sixth of July, through  
23 advice the Federal on-scene coordinator who was Captain Rucell  
23 (ph) at that time, they would no longer be responding to the oil  
25 spill because the discharge was a) not from a CIRO member

1 vessel and the vessel was no longer at a member's facility". In  
2 the Exxon Valdez case, Alyeska, and I believe to the surprise of  
3 everyone including the State, withdrew from response and  
4 handed it over to Exxon. In fact, I was sitting at the press  
5 conference in Valdez and we were all amazed that such a thing  
6 was happening. In theory the CIRO and Alyeska ideas, the team  
7 response concept, is a good concept. However, it proved not to  
8 be practical due to individual industry members' apparent  
9 reluctance to get involved with the cost and the liability  
10 associated with some one else's activity. The fifth item we'd like  
11 you to consider is that in both spills, the initial and major  
12 concern of the owner/operator seemed to be the offloading of  
13 the remaining cargo. In neither spill did there appear to be a  
14 real commitment to a rapid and major efforts at waterborn clean  
15 up. The sixth item would be that in both spills, the responsible  
16 parties relied heavily on what we term "the myth" that oil would  
17 be widely dispersed, and therefore harmless, by the actions of  
18 waves, currents, and/or the flushing action of Cook Inlet and  
19 Prince William Sound. The seventh item is that in both  
20 instances, governing federal regulation allows State and Federal,  
21 which would mainly be the Coast Guard agencies, to simply  
22 monitor the initial response. I was personally amazed in Valdez  
23 to see essentially the same agencies, many of the same faces,  
23 forming the same committees, to decide what committees they  
25 should form and what those committees should do. We

1 respectfully submit that this monitoring process, which is  
2 necessary, should be a pre-determined part of all contingency  
3 plans with pre-designated personnel and responsibilities. You  
4 don't have time to do this when the oil hits the water. The  
5 position of the Coast Guard in oil spill situations has been of  
6 great concern to us since the Glacier Bay spill. As we stated in a  
7 letter to Admiral Yost on September 18, 1989, as we saw here in  
8 Cook Inlet, by the time the Coast Guard has made the decision to  
9 assume control, it may, in fact, be too late for any meaningful  
10 cleanup to occur. I should mention, there's the weathering  
11 problems and other issues that Mr. Butler mentioned. The  
12 eighth and final point of comparison is our concern that rather  
13 than a real commitment to effect a rapid and meaningful cleanup  
14 in both instances, questions of liability seemed to pre-dominate  
15 the energies of those involved. Mayor Gilman touched on this  
16 and I'm in total concurrence. The critical first 48 hours were  
17 spent in efforts to offload the remaining cargo. This needs to be  
18 done, but it needs to be done in conjunction with an active,  
19 ongoing cleanup. Especially in the Exxon case, it's one of the  
20 biggest companies in the world. It certainly has enough people  
21 to do two things at once. It did not appear so in this case. In  
22 the case of the Glacier Bay spill, the Federal on-scene  
23 coordinator had trouble determining who's responsible, who he  
23 should be monitoring. In the case of the Exxon Valdez, Alyeska  
25 relinquished control to Exxon and we spent the rest of the spill

1 trying to find out what Exxon's plan is. We should have known  
2 what Exxon's plan was before the spill occurred. Indeed, to a  
3 large extent, UCIDA and other impacted fishing organizations,  
4 the State and Federal government still have no idea what  
5 Exxon's plan is. We submit that Alaska's fishermen and citizens,  
6 all of us, have every right to expect that Exxon and other  
7 responsible owners, quote/unquote, has plans of actions in place  
8 before these spills occur. In the case of Exxon Valdez spill, it  
9 was with the sense of the utmost frustration that the UFA  
10 drafted the letter on April 4th, 1988 to Commander Steve  
11 McCall, at that time the on-scene coordinator for the Coast  
12 Guard. We made recommendations for specific immediate  
13 actions which should be made at that time. And the frustration  
14 came because they should be actions that are in any and all  
15 contingency plans. It should not be the fishing organizations  
16 that have to make these suggestions. In conclusion, for my part,  
17 and on behalf of all Cook Inlet drift fisherman, UFA and its  
18 member organizations, I'd like to thank you for this opportunity  
19 to address you today and I offer you any assistance that you may  
20 have, may need now or in the future. Thank you and now I'll  
21 perhaps turn it over to Rich and let him do the tanker traffic if  
22 you prefer and then answer questions.

23 MR. PARKER: Thank you Mr. Matthews. Are the letters  
23 you referred to, are they part of what you gave us.

25 MR. MATTHEWS: UCIDA?

1           MR. PARKER:    The letters to Admiral Yost and  
2           Commander McCall.

3           MR. MATTHEWS: Yes sir. All the documents we refer to  
4           are in that packet.

5           MR. KING: Hi. My name's Rich King. I'm an upper Cook  
6           Inlet drifter. I've been fishing here for 13 years with my wife  
7           Marsha, and my children. I watched the Glacier Bay go by -- the  
8           spill go by. I was party to early cleanup efforts out of Seward on  
9           the Valdez as well as some recent volunteer work out of Homer.  
10          I'd be happy to answer any questions in that respect if you have  
11          them. But, for right now, I want to talk to you about what we  
12          envision as being necessary as far as tanker traffic coming in to  
13          Cook Inlet. To give you a little background -- you guys probably  
14          know some of this anyway, Cook Inlet's got some of the most  
15          treacherous waters in the world and from navigational  
16          perspective. Tide changes can go as high as 30 feet and seven  
17          knots. It moves right along. The industry is drilling and  
18          transporting oil all over this Inlet under those conditions. Icing  
19          conditions regularly occur at the Nikiski dock, as well as the  
20          Drift River Terminal, which is over on the west side of Cook  
21          Inlet and in Upper Cook Inlet where the production platforms  
22          are at. The volume of tanker traffic in Cook Inlet is high because  
23          of the diversity of products that are traveling in and out of here.  
23          The tankers that are being used in this Inlet sometimes, I think,  
25          are less than the best quality that are available. If you look in

1 your FOSC report, you'll find some history about the Glacier Bay  
2 itself. The drift association, or UCIDA, would like to make the  
3 following recommendations to the petroleum industry.  
4 Hopefully, some of your recommendations will include some of  
5 these. We'd like to see the immediate placement of a minimum  
6 of five tugs in Cook Inlet, capable of towing and docking the  
7 largest capacity tanker entering the Cook Inlet. We think that  
8 three of these tugs should be standing by, fully crewed and  
9 equipped, in Homer, Kenai, and the Drift River Terminals,  
10 available for escorts in upper Cook Inlet. The other two tugs  
11 we'd like to see coming out of Seward and ready in Homer to  
12 provide necessary escorts to tankers traveling from Prince  
13 William Sound or the Hinchinbrook Entrance around the outer  
14 district of Kenai Peninsula and into the Kennedy Entrance. We  
15 feel like any tanker or vessels transporting petroleum products  
16 in Cook Inlet should have on file with the Alaska Department of  
17 Environmental Conservation, as well as the United States Coast  
18 Guard, a contract with the owners of those tugs and be willing,  
19 ready, and able to call those tugs in the event of any type of a  
20 problem that they might have. If they don't then we feel like  
21 those authorities should deny access to the docks of those  
22 specific vehicles. Immediate placement of the best available  
23 escort response vessels with the equipment and technology and  
23 capability to respond and arrive on scene within two hours of  
25 notification on ten million gallon oil spill or a distress tanker

1 between the Kennedy Entrance and the Port of Anchorage. And  
2 we think they should be able to respond within six hours  
3 between Cape Hinchinbrook and the Kennedy Entrance. We feel  
4 like their response capability at the scene should include 30,000  
5 feet of heavy duty, deep skirted, rough water sea-going boom  
6 which is capable of withstanding and performing in three meter  
7 sea states. We'd like to see immediate deployment of the boom  
8 and management of the boom to contain the contaminants to  
9 prevent it from impacting the shoreline. We'd like to see  
10 recovery equipment capable of removing oil from the water at a  
11 rate of not less than 10,000 barrels per hour. We want to see  
12 pumping, transfer, lightering equipment, storage capacity,  
13 ancillary storage transfer equipment, adequate to receive and  
14 transfer and store recovered oil at a rate not less than 10,000  
15 barrels per hour without impeding the necessary recovery rate.  
16 We want to see sufficient vessels, equipment, manpower and  
17 pertinences adequate to accomplish all of the above. Industry  
18 should have in place a complete core inventory of all facility and  
19 tanker contingency plan equipment. They should identify to  
20 DEC, in writing, the storage locations of all core contingency  
21 plan equipment and after that, the industry should not use that  
22 core contingency equipment in any operation except for an oil  
23 spill response or training. Industry should designate around-  
23 the-clock oil spill response crews. Crew supervisors -- they  
25 should be located in Kenai, Homer and Seward and the crews



1 should, the crews and supervisors, should be on-call and  
2 immediately available to have as their sole responsibility, oil spill  
3 response. The industry should boom all tankers upon arrival at  
4 the dock, inspect the boom areas hourly, inspect for the  
5 presence of oil in all boomed areas prior to the tanker de-  
6 berthing. It should ensure that a pilot is aboard in an  
7 accompanying tug or on the tanker from the minute they leave  
8 the Hinchinbrook Entrance and the control of the Prince  
9 William Sound control area until the time that they arrive at  
10 their destination in Cook inlet. They need to maintain operation  
11 centers in Seward, Homer, Kenai, capable of radar control  
12 monitoring of traffic. They should have direct radio contact with  
13 the bridge of each incoming and outgoing tanker, accompanying  
14 tug or oil response vessels. All the radio transmissions need to  
15 be recorded and they need to be held onto for a period of 30  
16 days unless DEC or the Coast Guard needs them sooner, which  
17 was the case in the Prince William Sound. We feel like industry  
18 should require each tanker, accompanying tug and oil spill  
19 response vessels to notify operation centers immediately by  
20 radio transmission, if an incident occurs or there's any  
21 irregularity or indication of a problem which threatens, or may  
22 threaten the tanker or its cargo, including ballast water. And as  
23 soon as the industry receives that notice of a problem, it must  
23 alert all of its oil spill response teams and initiate all actions  
25 needed for immediate response. Industry should also

1 immediately provide oil notice to DEC's appropriate district  
2 office supervisor. The time period during which the industry  
3 should respond to the tanker oil spill will begin upon it's receipt  
4 of any notice. They should prepare an application for approval  
5 for a revised oil spill contingency plan which incorporates the  
6 modification terms and the conditions listed above, which adds  
7 supplemental and enhanced oil spill response capability. The  
8 industry should build adequate waste oil, ballast water treatment  
9 facilities equal in capacity to the large volume of petroleum  
10 product being transported. They should begin immediate  
11 investigation into the cost and feasibility of double hulled  
12 tankers, with twin engine, twin screw configuration and they  
13 should have a comprehensive, on-board, on-vessel drug and  
14 alcohol testing program immediately. You've probably seen some  
15 of this before. A lot of this is pulled right out of Dennis Kelso's  
16 emergency orders that he issued to tanker traffic in Prince  
17 William Sound. Our position is that we don't want to see him  
18 have to do it in an emergency order, but we feel like our  
19 situation is an emergency already and well worth the time and  
20 effort that it takes to institute these helpful suggestions.  
21 Thanks.

22 MR. PARKER: Thank you Mr. Matthews and Mr. King.  
23 The -- we don't have time to get into questions with you now. I  
23 know Mr. Matthews has a 1 o'clock appointment. We could  
25 either set up some time to get into it later today or I can -- one

1 of the Commissioners with staff can come down and just get  
2 into, after we've reviewed your material, get into further  
3 questions later this month, because you've given us a great  
4 wealth of material and to get into it in detail would take a good  
5 part of the rest of the afternoon. But you've certainly given us  
6 the kind of information we came down here seeking.

7 MR. MATTHEWS: Well, either or both of those would be  
8 fine with me.

9 MR. PARKER: Okay. Why don't we adjourn for lunch now  
10 and if you could come back about 4:45 this afternoon, why we'd  
11 do some then.

12 MR. MATTHEWS: That's be fine.

13 MR. PARKER: But I think we would want to get in touch  
14 with you -- have staff get in touch with you to work things  
15 through in greater detail later, too. Okay. We'll adjourn for  
16 lunch until, let's make it 1:10.

17 (Off the Record)

18 (On the Record)

19 MR. PARKER: Okay. The Alaska Oil Spill Commission will  
20 reconvene. The first person we'll hear from on our schedule  
21 this afternoon is Captain Ed Murphy of the Southwest Alaska  
22 Pilots Association. If you want to come right up here, Captain  
23 Murphy, there's a microphone and.....

23 CAPT. MURPHY: (Inaudible - mike turned off) .....Turn  
25 that on there. And then maybe I can answer your questions if

1       you have any.

2               MR. PARKER: Okay. Thank you. You know from our  
3       conversations generally what we're after today. Go right ahead.

4               CAPT. MURPHY: My name is Edward Murphy and I'm a  
5       marine pilot. I've been piloting tankers and other vessels in  
6       Cook Inlet and other areas of southcentral and western Alaska  
7       for about 15 years. I'm president of the Southwest Alaska Pilot's  
8       Association based in Homer and have recently completed a four  
9       year term as a member of the Alaska Board of Marine Pilots  
10      where I served as Chairman. Mr. Parker asked me to comment  
11      on pilotage, pilot certification, tanker traffic in Cook Inlet and  
12      tanker safety considerations. That's a tall order. I'll begin with  
13      some general remarks on pilotage as it exists in the United  
14      States and specifically here in Alaska. Since colonial times a  
15      regulation of pilotage has been the providence of the maritime  
16      states. Pilotage remained exclusively a public service under state  
17      control until 1871, when Congress acted to provide for the  
18      federal licensing of pilots on steam vessels engaged in coast-wise  
19      trade. This new act of Congress created the different category of  
20      federally licensed pilot who were employees of the ship and who  
21      often were actually the Master or other officer acting as pilot by  
22      virtue of additional endorsement on his license. This has caused  
23      confusion in defining the term, pilot. The term, pilot, in the  
23      United States today is used to describe two entirely different  
25      sets of relationships. One, it can refer to a federally licensed

1 employee of the ship who is subject to the selection and control  
2 of the ship owner and whose terms and conditions of  
3 employment are determined by mutual agreement. The  
4 relationship is a common law one of employer and employee. In  
5 the second case, it can refer to a state-licensed, publicly  
6 regulated pilot not subject to the control and selection of the  
7 ship owner and whose terms and conditions of employment are  
8 established by statute and not subject to negotiation. The  
9 relationship is created by compulsion of law and defined by the  
10 State Compulsory Pilotage statutes. In simple terms, the  
11 federally licensed pilot is acting in private capacity on privately  
12 agreed terms and conditions. The state pilot is exercising a  
13 public function on publicly regulated terms and conditions.  
14 There's a vast difference in the training, experience, perceived  
15 duties and responsibilities, working relationships, legal  
16 relationship and attitude that separate the federally licensed  
17 employee pilot and the state licensed public pilot. An  
18 understanding of the differences is necessary. The state  
19 licensed pilot is regulated by State statutes, creating compulsory  
20 pilotage. His state license is both a certificate of competency  
21 and, in all maritime states except Alaska, a franchise as a public  
22 servant, requiring him to assume public obligations in  
23 maintaining pilot stations and operating a pilotage system. State  
23 pilots provide services under legally established terms and  
25 conditions and for a fee prescribed by law and published in a

1 tariff. Compulsory state pilotage is a creation of law, not a  
2 contract. It is regulated in much the same manner as a public  
3 service company and charged with the public responsibility of  
4 rendering pilotage service to vessels. The pilot is in no sense an  
5 employee of the ship owner or the vessel he pilots. He is  
6 required to be accepted by the vessel and placed in charge over  
7 navigation to serve the State's interest in protecting life,  
8 property and the environment from the hazards of navigation.  
9 He sees his duty and obligation as being owed to local political  
10 authorities and to the public rather than to a ship owner in the  
11 role of employer. The public nature and regulations of the terms  
12 and conditions of his service protect and insulate him from the  
13 demands and pressures that can be placed on an ordinary  
14 employee to compromise the margins of safety. In contrast, the  
15 federally licensed pilot is a common law employee of the ship  
16 owner, serving in a private capacity. The ship owner has the  
17 right of selection and the prospects of future employment are  
18 dependent on how well the employee satisfies the demands  
19 placed upon him by the employer. The Master and the pilot  
20 work for and are answerable to the same employer. In many  
21 cases, the Master and pilot may, in fact, be the same person,  
22 serving in a dual capacity. This lack of independence and the  
23 absence of checks and balances should give the public cause for  
23 concern. To sum up, compulsory state pilotage protects and  
25 insulates independent decision making affecting the safety of

1 navigation from commercial pressures by placing navigational  
2 control on high risk areas in charge of a compulsory state pilot  
3 who is free of the ship owner's interest and control. It's coming  
4 to pilotage in Alaska. Compulsory state pilotage in Alaska is  
5 regulated by the Alaska Board of Marine Pilots. The Board's  
6 authority derives from several statutes and regulations, but it's  
7 main brief is to provide, and I'm quoting here, "provide for the  
8 maintenance of an efficient and competent pilot service and to  
9 ensure protection of shipping and the safety of human life and  
10 property". The Board consists of seven members appointed to  
11 four year terms by the Governor: two pilots, two shipping  
12 agents, two public members and one person from the  
13 Department of Commerce and Economic Development. The  
14 Board examines and licenses pilots, adopts regulations with  
15 respect to pilots and piloting, sets pilotage rates, and disciplines  
16 pilots. As I stated previously, Congress provided for federal  
17 control of pilotage on US vessels engaged in coast-wise vessels.  
18 That is the system in force today, both in the Lower 48 and here  
19 in Alaska, with this exception. In 1977, the Alaska Legislature  
20 passed an act which requires any oil tanker in excess of 50,000  
21 dead weight tons, whether enrolled in coast-wise voyage or  
22 registered foreign voyage, when navigating in state waters to  
23 employ a pilot licensed by the State, with some exceptions.  
23 There's been some question whether or not this statute can  
25 survive a legal challenge, but thus far it has not been contested.

1 In undertaking your investigation as it pertains to pilotage, I  
2 would ask the Commission to view pilotage as a uniquely local  
3 concern with the consequences of failure having a profound  
4 impact on Alaska's environment and it's citizens. If your final  
5 report to the Governor includes a section on State pilotage, I  
6 urge you to press for the highest standards of qualification and  
7 training. Turning to tankers in Cook Inlet. In recent years, the  
8 majority of tankers calling at Cook Inlet ports are bound for  
9 Nikiski, with some traffic to and from Anchorage and Drift River.  
10 Tankers calling on Nikiski are typically there to discharge North  
11 Slope crude, load Cook Inlet crude, or load refined product.  
12 Most tankers call at Anchorage to discharge refined produced.  
13 The crude oil loading port of Drift River on the west side of the  
14 Inlet has little traffic these days, due to declining crude  
15 production. While I am unaware of any set schedule, I believe  
16 the following estimates of traffic are reasonably accurate:  
17 Nikiski, six to ten oil tankers per month average; two gas LNG  
18 tankers per month average. Anchorage, two oil tankers per  
19 month average; probably more in summer and none during  
20 winter ice season. Drift River, one or two calls per month.  
21 Tankers calling at Cook Inlet ports normally take a pilot at the  
22 Homer Pilot Station before proceeding to their destination.  
23 Upon completion of discharge or loading, as the case may be, a  
23 pilot boards and conducts the vessel from its berth to the Homer  
25 Pilot Station where he disembarks. In some cases, the Master of



1 the vessel does his own work and does not employ a local State  
2 pilot. Ordinarily a tanker waiting a berth on the upper Inlet will  
3 anchor at Homer until the berth becomes available. In some  
4 cases, usually when a berth becomes available after the ship is  
5 well up the Inlet, tankers will anchor south of the Nikiski docks.  
6 Tankers rarely anchor off the port of Anchorage. I'm unaware of  
7 any Coast Guard or State regulations specifically directed at  
8 tanker navigation at Cook Inlet other than those laws and  
9 regulations which would ordinarily apply to these vessels. That's  
10 the end of my prepared remarks. Can I answer any questions.

11 MR. PARKER: Okay. Thank you very much, Captain  
12 Murphy. I was taken by your comments on the highest  
13 standards and qualifications and interested in receiving from the  
14 Association, anything in writing pertaining to that other than  
15 what may be in State statutes, which, of course, we can look up.

16 CAPT. MURPHY: You want me to comment on that?

17 MR. PARKER: Yeah.

18 CAPT. MURPHY: Piloting in Alaska's changing in recent  
19 years. As I mentioned in my testimony, Alaska's the only  
20 maritime state in the country that I'm aware of where there are  
21 an unlimited number of state pilots licenses available. In recent  
22 years -- that hasn't been a problem, until recently. In recent  
23 years, because of legal difficulties, traditional pilot associations  
23 have been less and less able to discipline their own members,  
25 force them to comply with exacting standards. Their lawyers

1 have persuaded the courts that the association can't force these  
2 kinds of standards on its members because the licensing bodies  
3 have declared them to be competent. After all, they have a  
4 license. So the piloting picture is changing. As the pilot  
5 associations become less and less able to enforce high standards  
6 of its members, in my opinion, the State's going to have to take,  
7 and perhaps the Coast Guard, a much more active hand in  
8 forcing high standards of qualification and training. There's  
9 another problem, which I think is a large one. As I mentioned,  
10 in other states there are a limited number of pilots' licenses,  
11 probably something like limited entry permits for fisherman.  
12 And while we all love competition, the reason historically that  
13 state pilots have been regulated and public bodies, in some cases  
14 legislatures, have established pilotage tariffs is to eliminate  
15 competition. What I mean by that is what pilots are out hustling  
16 jobs, trying to get pilotage contracts and piloting jobs for various  
17 shipping companies, they've completely forfeited any  
18 independence. They then become a defacto employee of the  
19 ship owner. State pilotage, the guts of State pilotage is -- that  
20 violates the heart of State pilotage, if you will. That hasn't been a  
21 problem in recent years. Some forces at work in Alaska today,  
22 not the oil companies by the way, other forces in the shipping  
23 industry have taken a pretty active hand in the piloting game and  
23 have, in my opinion, have helped establish competing pilot  
25 associations, which they're legally allowed to do. I'm not sure

1 that's in the public interest and I believe that's something that  
2 eventually the State's going to have to look into because I believe  
3 the margins of safety have already been compromised. That's an  
4 awfully long winded answer.

5 MR. PARKER: (Inaudible - fade)

6 (Tape Changed)

7 (Tape Number 89-09-07-2A)

8 MR. HAVELOCK: Just a couple. In what respect do you  
9 that the margin of safety has already been compromised?

10 CAPT. MURPHY: Well, I'm going to refrain from  
11 mentioning any specific incidents. In my opinion, Alaska's the  
12 easiest state in the country to obtain a State pilot's license.  
13 Again, that hasn't been a particular problem when pilot  
14 associations were strong and could impose their own standards.  
15 With an unlimited number of pilots and competing pilot  
16 associations, there have been some incidents and some  
17 accidents which, in my opinion, are attributable to this new  
18 situation we're seeing. I don't believe that pilots are necessarily  
19 as well qualified as they used to be.

20 MR. HAVELOCK: Are you suggesting that the examination  
21 system run by the State is deficient?

22 CAPT. MURPHY: No, I'm not. I think the examination  
23 system has been strengthened quite a lot, but putting down  
23 answers to questions on a piece of paper is an important and an  
25 objective test of being able to reproduce knowledge on paper,

1 but it really doesn't have much to say about the practical ability  
2 to get on a ship and handle it or about one's seagoing  
3 background and training.

4 MR. HAVELOCK: Is there any requirement of continuing  
5 education for pilots?

6 CAPT. MURPHY: There is not. In my opinion that's one of  
7 the great weaknesses in Alaska's pilot statutes.

8 MR. HAVELOCK: Does that mean that there's no  
9 simulation training then, either or is there some access to that?

10 CAPT. MURPHY: There is none required. I and my  
11 associates, at our own expenses, considerable expense, gone to  
12 what we think are the best ship simulator schools in the world,  
13 some of us on a continuing basis because we're professionals.  
14 That, however, is not required.

15 MR. HAVELOCK: Is there any training available with  
16 respect to casualty and particular oil spill casualty.

17 CAPT. MURPHY: I don't understand your question.

18 MR. HAVELOCK: Is there any training available to pilots as  
19 to what the pilot's role might be, or could be, in the event of an  
20 accident and particularly an accident involving an oil spill?

21 CAPT. MURPHY: No. I -- no, there's not.

22 MS. WUNNICKE: The members of the Southwest Pilots  
23 Association that you had -- are all licensed by the State of Alaska?

23 CAPT. MURPHY: Yes, ma'am. A pre-requisite for a State  
25 license is a Coast Guard or Federal license. Certain -- let me go

1 through the scenario. In order to get a State license, first of all  
2 you have to have a Coast Guard license or a Coast Guard pilotage  
3 endorsement, if you will. To qualify for that, a person has to  
4 make a specified number of observer trips over a particular  
5 pilotage route and pass a written examination. In almost all  
6 cases, that person did not actually do the piloting work. He  
7 observed it. Then a person has to have a one thousand ton  
8 Master's license and have performed a specified number of  
9 dockings and undockings under supervision by State pilots.  
10 When he passes just through those hoops, that person is then  
11 presumably qualified to take the State written examination, oral  
12 examination and then he can get a State license.

13 MS. WUNNICKE: If I may follow up, Mr. Chairman. So you  
14 are making a distinction between the Federal licensed employee  
15 and the independent State licensed pilot. Are there members of  
16 your association or any other pilots association in Alaska who are  
17 just the Federal licensed employee?

18 CAPT. MURPHY: No ma'am. No, not at all.

19 MS. WUNNICKE: I see. How many pilot associations are  
20 there in Alaska?

21 CAPT. MURPHY: There are three that I know of.

22 MS. WUNNICKE: Three. Okay. Thank you Mr. Chairman.

23 MR. PARKER: Meg?

23 MS. HAYES: When we were -- our hearing that we had  
25 last week had the Alyeska shippers gathered together and they

1 were virtually unanimous in pointing to requiring that the pilots  
2 would no longer, should no longer be held blameless or not  
3 liable for an accident while the ship is under the navigational  
4 control of the pilot. Is that a fair characterization of that? Could  
5 you give me your response to that and could you differentiate  
6 between the, as you did as the beginning, the Federal licensed  
7 pilot and the State licensed pilot.

8 CAPT. MURPHY: Well, I'm not sure I understand the  
9 question. That's no change. A pilot is always responsible for his  
10 actions or inactions.

11 MS. HAYES: Do you carry insurance? Do the pilots carry  
12 insurance on that?

13 CAPT. MURPHY: I don't know what the other pilots do. I  
14 have license insurance and defense cost insurance which  
15 presumably will help pay an attorney's fees. It doesn't pay any  
16 damages if one loses a civil suite, however.

17 MR. PARKER: I think that part of what the shippers were  
18 bringing out had to do with the new California regulations to a  
19 certain degree. But, a scenario that I'm not familiar with either,  
20 so I was somewhat at sea on exactly what they were trying to  
21 get.....

22 CAPT. MURPHY: I'm really not sure what it is you're  
23 asking.

23 MS. HAYES: Somebody who knows more than I should  
25 respond.

1 MS. WUNNICKIE: We were told -- alright, I guess it was  
2 just a comment that was made by, and I've forgotten now, who  
3 on that panel of shippers, but they left the impression, anyway,  
4 that the Master's still liable for an accident even though he  
5 might have done, made the moves, under the direction of the  
6 pilot and that the pilot was blameless or held blameless from a  
7 legal standpoint.

8 CAPT. MURPHY: Were they citing a particular accident?

9 MS. WUNNICKE: No, they weren't citing any particular  
10 incidences. It was just a comment that they were.....

11 CAPT. MURPHY: The pilot is always responsible for his  
12 actions. I would point out that in 12 years of operation at  
13 Alyeska and coming up on 10,000 dockings that we have a  
14 perfect safety record. There has been one accident and the pilot  
15 was held entirely blameless in that accident.

16 MS. HAYES: Excuse me, I think that the accident that  
17 they were referring to was a ship that ran into Golden Gate  
18 Bridge.

19 MR. PARKER: Yeah. I think that was the one they were  
20 referring to.

21 MS. WUNNICKE: Yeah, it was California. It wouldn't be  
22 in your jurisdiction.

23 MR. PARKER: Well, thank you very much for those  
23 insights and I will -- as I told you, we'll be getting in touch for  
25 more information as we work our way through our systems

1 analysis and get more familiar with the system we will be  
2 examining it statewide. And so, thanks very much for this  
3 information.

4 CAPT. MURPHY: If I could make one more comment. I  
5 know you're talking about the Glacier Bay accident today and  
6 without getting in to any of the specifics of that accident, I  
7 would encourage you in the strongest possible terms to look  
8 toward better navigation charts, better charting of the Inlet.

9 MR. PARKER: Yeah. I was shocked to discover that large  
10 portions of the Sound had not been charted since the quake. I  
11 guess that gets back to the coast and geodetic survey budget and  
12 a whole host of other things. Okay, thanks a lot and we'll  
13 certainly be talking to you and other members of the association  
14 you care to bring in later. Vince O'Reilley?

15 MR. O'REILLEY: Members of the Commission. My name  
16 is Vince O'Reilley, Chairman of the City of Kenai's Economic  
17 Development Commission, for the record. And I do appreciate  
18 the opportunity to appear before you. I can't help but say, after  
19 hearing the most interesting, fascinating and meaningful  
20 testimony that's been presented, you people have quite a bit to  
21 handle. I do want to point out that Mayor Williams of the City of  
22 Kenai asked that I try to present to the Commission some of the  
23 economic implications of the Glacier Bay spill and that's what I'll  
23 be addressing in a very short manner. The focus of, or the scope  
25 that you're operating under seems very broad and, again, I can't



1 help but notice that most of the testimony that you've been  
2 offered deals with the physical aspects of the spill. And, I  
3 suggest that what I'll be offering to you is another side that  
4 occurs during these incidents, namely what happens to the  
5 economy and the people involved in the economy on land. Both,  
6 I believe, are of equal importance and should be dealt with and  
7 there has been a dearth of dealing with what was happening to  
8 the economies of the people on land and their economic  
9 decisions and the economic effects of such incidence. But  
10 speaking to the 1987 Glacier Bay spill, let me just give you this  
11 type of framework. The Kenai Peninsula Borough is  
12 approximately about a billion dollar economy with a State  
13 economy somewhere of about 20 billion dollars. To establish  
14 what was happening -- what effects the Glacier Bay spill had, you  
15 have to look at what the economy was doing in 1986 and 1987.  
16 1986, the economy of the Kenai Peninsula was affected along  
17 with the State's economy by a major downturn in the economic  
18 cycle. Low oil prices, reduced wages and severe weaknesses  
19 appeared in the economy on the Peninsula, principally in the  
20 construction force and also in wage levels, in the lowering of  
21 wage levels. This was reflected in steeply declining -- as a  
22 matter of fact free fall was occurring in real estate prices and  
23 values. There was deep uncertainty as regards retail sales. And  
23 you have to understand that that was what was happening in the  
25 late '86 and through the spring of 1987. One of the constructive

1 activities I believe was going to take place was in 1987 in that  
2 Fish and Game had anticipated and projected a very substantial  
3 salmon run. Salmon prices were at very high levels and in  
4 peoples' minds that 1987 fish run was going to at least help  
5 stabilize what was a declining economy. The Glacier Bay  
6 incident occurred immediately, as you're aware, before the  
7 opening. The Upper Cook Inlet Fishery opening was delayed  
8 and then never fully was opened relative to the quantity of fish.  
9 The processes were anticipating that the fishing period would  
10 be open every day, Monday through Friday and instead of that  
11 they were only opened Monday through Friday. That point is  
12 important to bear in mind because within the economy, though  
13 the total numbers that come out at the end may look the same,  
14 there are changes that take place inside the economy due to a  
15 Glacier Bay incident that says you will only fish Monday and  
16 Friday as compared to Monday through Friday. It changes the  
17 processors' method of being able to accommodate for the fish.  
18 It's very difficult to appraise what might have been if there had  
19 not been an incident. But you have to realize that 1987 was an  
20 immense year of fish value. Now I'll speak from some of the  
21 figures that were presented in the Coast Guard report. Some  
22 nine and quarter million salmon, probably with a fish value "x"  
23 the boat of about \$140 million was harvested. And that was an  
23 all time, all time high, both of quantity and of value. That results  
25 in a processing value, in other words the value of the product

1 leaving the processes, of close to a half a billion. But the report  
2 also demonstrates how high the risk was during that period and  
3 how we all escaped by a very thin margin. On page 16, they talk  
4 of 62,800 fish rejected; page 37, 35,000 pounds of fish  
5 decaying; on page 38, 25,000 fish destroyed. You may say,  
6 though, compared to nine and a half, nine and a quarter million,  
7 these look like small matters. It was the deep concern and  
8 terror, in some cases, or extreme fear that the fishery operated  
9 under in that period. They were always concerned about  
10 contamination of the fish. I can't help in going through this and  
11 trying to glean from it emphasis on the economy, I can't help but  
12 also comment on, as regards the clean up effort and the  
13 equipment. I think it would stop the average reader just to read  
14 a) the equipment that was used in most cases was inadequate.  
15 In most cases it didn't work. In a lot of cases, the equipment  
16 was not in place. And then when I read that they had decided to  
17 send for a skimmer from Valdez and found out that they had to  
18 return it to Valdez 'cause they couldn't come over the highway.  
19 This indicated to me poor planning. Going back to the,  
20 however, to the economic implications of the Glacier Bay  
21 incident. There are also quotations in the report from the State  
22 area marine biologist. "Fish quality suffered." And as you know,  
23 Alaska has been embarked for the last several years on improving  
23 our fish quality. Otherwise we will not remain competitive in  
25 the world market. It also points out that, due to the way the

1 openings were handled, and that was the best thinking that Fish  
2 and Game could come up with, to handle the fish catch around  
3 this incident -- that this resulted in fish coming into our  
4 processors in the Kenai River and they ended up plugged, filled.  
5 They could not handle the fish. The fish, therefore, were  
6 shipped off to British Columbia, Bethel, Naknek, and other areas  
7 that did have excess processing capability. Now, I never want to  
8 disagree with the Mayor of Kenai, but what happened is that, due  
9 to the vast volume of fish and the activity that was taking place,  
10 these losses were lost, were obscured. And we suffered a loss of  
11 what could have been additional salary and income to the City of  
12 Kenai. I know what's happening -- and I feel a sense of  
13 responsibility for some of this too. I sit before you with three  
14 small pages of what happened to the economy during that  
15 period. And the reason is that there is no report in place as to  
16 what happened. The Economic Development Commission of the  
17 City of Kenai never had the Glacier Bay as an incident, never had  
18 it on the agenda. I did check verbally with the Economic  
19 Development District of the Borough. As far as they can  
20 understand, in other areas of the economy, apparently toison  
21 (ph) was not affected at all. And due to the fact that there was  
22 such a quantity of fish at such a price harvested, many of the  
23 components within the economy that may have suffered as a  
23 result of Glacier Bay and also may have benefited as a result of  
25 Glacier Bay, are obscured. You'll notice also in the Coast Guard

1 report, it talks about -- it lists the purchase orders that went in  
2 to the economy as a result of the spill. Now this doesn't,  
3 apparently, cover the rental of commercial fishing boats involved  
4 in the spill clean up, but the total comes out to some \$76,000, of  
5 which \$31,000 is for the rental of one tug boat. So that  
6 essentially means that it appears some wages and salaries that  
7 were paid both to Federal employees and government personnel  
8 involved in the spill -- that there was very, very little impact into  
9 the economy to offset the losses that did occur. And I can't tell  
10 you -- I can't quantify the losses that occurred because no in  
11 place, quick studies were made as to what was happening to the  
12 economy at that time. We have lost the economic history. Once  
13 that period goes by, it's most difficult to go back and try to re-  
14 capture it. What also is worrisome is that we apparently are  
15 going down the same path. There is no mandate to a  
16 government body that when an incident like this occurs they  
17 shall go gather data. There's no mandate in place and there's  
18 obviously no funding for that mandate. And being an ex-  
19 bureaucrat, I think I can offer to you that if there was funding to  
20 perform that type of service when an incident takes place, it  
21 would be done. 'Cause, baby, the effort follows the funding. But,  
22 in closing, and I'm available for any questions that you may have,  
23 the focus, and it's not the long focus, but the focus has been on  
23 the marine damage, the damage to the fish, the damage to the  
25 wildlife, the damage to the marine values out there. And what

1 I'm suggesting most strongly is that we also all take a look at the  
2 damage on land to the human, to the economic human and to  
3 the economic activities of the human. Because they are just as  
4 important. To cue you, to fill up or to fill in on Mayor Williams'  
5 comment, you must understand that the processing facilities in  
6 the Kenai River mouth area, and I may be a little hazy on this,  
7 are approximately two and a half times Homer and about three  
8 times Seward and they're probably two and a half to three times  
9 Valdez and about the same as regards Cordova. So when you're  
10 dealing with the Upper Cook Inlet Fishery, you're dealing with a  
11 very, very major fish gathering and fish processing area. And  
12 when you have an incidence such as the Glacier Bay incident and  
13 the potential consequences that it could have caused, plus what  
14 it did cause being obscured and you combine that the fact that,  
15 under the Exxon Valdez incident, as it was pointed out in  
16 testimony this morning, some 600 drift netters didn't operate  
17 this year. I don't know what other industry has been asked to  
18 take that type of a hit, but that's a substantial hit. And, yes, I sit  
19 on the Board of Salamantof Seafood Processors. And I've  
20 questioned every month or every week, how are we doing on  
21 volume and it turns out that our volume was anticipated to be  
22 four million four, and came out to four million two. I said, oh,  
23 well fine. It didn't work out that way. Internally, what happened  
23 is that we've always focused on obtaining our fish from the  
25 drifters. Well, we try to make friends with the set netters, but

1 we emphasize the drifters. Well this year, the set netters took  
2 the fish in so we had to rapidly turn towards them. Most of the  
3 four million two that we processed went to -- were process for  
4 other peoples' account. They were not processed for our  
5 account. If we had produced the four million four that we had  
6 anticipated, that would have all gone under contract to our  
7 Japanese buyer. Instead of that, we supplied him with probably a  
8 half a million pounds. I don't know what his attitude's gonna be  
9 next, or this year, when we go back to negotiate with him and he  
10 says, "I was counting on you for four million four and you only  
11 showed up with 500,000 and I know about the spill, etc. etc.".   
12 But it's having disruptions throughout the economy that are  
13 sometimes hidden. I think I may be sounding the clarion call  
14 too often, but I do hope that the Commission will give adequate  
15 weight in their recommendations and in their findings and in  
16 calling for testimony by far greater experts than I can provided  
17 as to what is happening to the economy on land when incidents  
18 like this occur. Because, not many of my friends are fish, but a  
19 lot of my friends are people. I am prepared to answer any  
20 questions you may have.

21 MR. PARKER: Okay. Thank you, Vince. The perceptions  
22 I've gained from talking to many of the fishermen that were  
23 involved in that '87 season is pretty close to what you reported --  
23 that everybody was doing so well they weren't nearly as unhappy  
25 as they would've been if they hadn't been doing that well. And

1 that was one of the reasons why the aftermath of Glacier Bay got  
2 obscured somewhat. I was sorry to hear your feelings that the  
3 economic trail is now lost, but hopefully we'll be able to  
4 resurrect as much of it as possible. Counsel?

5 MR. HAVELOCK: I have no questions.

6 MR. O'REILLEY: Thank you, Commissioners. Appreciate  
7 the opportunity.

8 MR. PARKER: We will take to heart your comments on  
9 following up on the economic impact on land. We are limited  
10 only by the time we have to report and the statistics that will be  
11 available and so whatever we do will have that limit that anything  
12 that isn't available by the middle of November is not going to be  
13 reported on in our report.

14 MR. O'REILLEY: I think the point is that we all have to  
15 do better. You know the Economic Development Commission of  
16 the city should have jumped right on it. The Economic  
17 Development District of the borough should have jumped right  
18 on it. And maybe the way to do it is mandate that we have to do  
19 it as soon as something like this occurs. Thank you sir.

20 MR. PARKER: Lieutenant Commander Huckmiller and  
21 Lieutenant Wilson, U.S. Coast Guard.

22 LT. HUTMACHER: Good afternoon.

23 MR. PARKER: Good afternoon.

23 LT. HUTMACHER: First, I just thought I'd mention the  
25 spelling of my name. I hadn't quite seen it that. I've seen it a lot



1 of ways, but not that way before. It's H-U-T-M-A-C-H-E-R.

2 MS. HAYES: Say it again.

3 LT. HUTMACHER: H-U-T-M-A-C-H-E-R.

4 MR. PARKER: That was a lot -- a big change.

5 MT. HUTMACHER: Yeah. I hadn't seen that particular  
6 spelling before, but that's all right. It's sounds that way  
7 somewhat on the phone. I believe they had asked that we try to  
8 come up with a few statistics. I think some of those you heard  
9 from the pilots association already, but just for our purposes, the  
10 number of the LNG transits per year, usually it can be between  
11 25 and 30; anhydrous ammonia ships to Unical, 25. I don't  
12 know that one was specifically asked for, but that's another cargo  
13 of particular hazard as we would designate it. Drift River -- these  
14 are calendar year '88 statistics. Drift River tankers, 23; and on  
15 the Nikiski side, this figure we particularly -- we had included  
16 barges, tank barges was 120.

17 MR. PARKER: Okay. Thank you for that. We had some  
18 questions that we'd like to get in to just on the general  
19 operations on what ports, which, you know, you can follow up on  
20 later if you don't have the answers now.

21 MR. HAVELOCK: Well, we might take a shot of a couple of  
22 them. Do you have any, just in rough estimates and maybe you  
23 could furnish this later in writing, some idea of the traffic that  
23 passes on up to Anchorage?

25 LT. HUTMACHER: Well, I could have had that. I don't

1 have it. I don't believe it's going to be more than like two  
2 tankers. Again, if you want, I can try and find out -- we would  
3 distinguish, if we need to distinguish, between tank barges and  
4 tank ships. Tank ships, I'm sure there's no more than like two a  
5 month.

6 MR. HAVELOCK: If you could later furnish us the data on  
7 that for ships and barges. And how about other forms of freight  
8 carriers. Do you have data on that?

9 LT. HUTMACHER: Again, I can get you those figures. I  
10 assume you're talking like the Sealand.....

11 MR. HAVELOCK: Right.

12 LT. HUTMACHER: .....vessels and TOTE vessels.  
13 Certainly, we can come up with that.

14 MR. HAVELOCK: Are you familiar, also, sir, with the  
15 general weather conditions and the comparison between Cook  
16 Inlet and Prince William Sound?

17 LT. HUTMACHER: Yes, I pretty much am. Just to let you  
18 know, I am Chief Port Operations at Marine Safety Office in  
19 Anchorage. And I've been here just about two, a little over two  
20 years. I came in just about at the time of the Glacier Bay, a little  
21 bit after that.

22 MR. HAVELOCK: In terms of the nature of conditions that  
23 might be deemed hazardous, how would you compare the  
23 problems with respect to currents in Cook Inlet versus the  
25 problem with currents in the Valdez tanker lanes.

1 LT. HUTMACHER: Well, the big difference here, I think,  
2 well you do have a lot current. You have the tremendous tidal  
3 variation. As we found out very well, those of you -- I know some  
4 of you are from Anchorage -- the icing, which is normally not a  
5 major problem in the winter time, did create some problems in  
6 this past winter in upper Cook Inlet.

7 MR. HAVELOCK: What kind of problem was that?

8 LT. HUTMACHER: Well, again, you had some heavier ice  
9 than was normally present and it created some problem with the  
10 ships trying to get alongside the dock, in Anchorage specifically.

11 MR. HAVELOCK: Does it create any kind of a problem in  
12 navigation while under way?

13 LT. HUTMACHER: To us -- that would be a question  
14 probably better directed to the pilots, but, in our opinion, it has  
15 not. They have been telling us that it has not been creating a  
16 problem.

17 MR. HAVELOCK: How about wind and storm conditions.  
18 What are the differences there?

19 LT. HUTMACHER: Well, again, I'm not speaking -- Prince  
20 William Sound is not my particular area. I have pretty much all  
21 of Alaska except for southeast and Prince William Sound. But in  
22 Cook Inlet, they definitely -- they have problem with wind at  
23 time. Getting alongside at Nikiski, it does create some  
23 problems. I know Prince William Sound has their own problems  
25 and Valdez Narrows with winds that causes problems at times.

1 But, I'll just stick with Cook Inlet.

2 MR. HAVELOCK: In general thinking of summarizing  
3 those weather and other related condition, is bringing a vessel  
4 into Kenai or Anchorage more difficult or less difficult, more  
5 hazardous or less hazardous than coming into Valdez?

6 LT. HUTMACHER: Well, I would think if you look at the --  
7 normally looking at your conditions, if you have to contend with  
8 some sort of ice and you have to contend with pretty strong  
9 currents, if you look at it relatively I think you're looking, as  
10 opposed to Prince William Sound where you're coming in in a  
11 wide open area, I think relatively speaking you could probably  
12 say it's more -- you have more things to think about when you're  
13 trying to bring a ship into the dock in Cook Inlet.

14 MR. HAVELOCK: Do you have any kind of a tracking  
15 system with respect to vessels when they enter Cook Inlet?

16 LT. HUTMACHER: No. The only thing we have is we find  
17 out from the pilots, usually, or from the vessels themselves.  
18 They have to give their advance notice of arrival. But there is no  
19 tracking system, no sir.

20 MR. HAVELOCK: When do you pick up the advance notice  
21 of arrival and how?

22 LT. HUTMACHER: Well, ships are required to give us 24  
23 hour advance notice of arrival. So that's how we would find out.

23 MR. HAVELOCK: Where would the vessel be when it gives  
25 you that notice?

1           LT. HUTMACHER: Normally, most of the ships are  
2 transiting from the West Coast United States and they would  
3 normally give it to us somewhere out in the Gulf of Alaska.

4           MR. HAVELOCK: So the information they give you, would  
5 it have any precision to the information that would allow you to  
6 local the vessel very closely.

7           LT. HUTMACHER: No. Their advance notice would  
8 simply say that sometime after the next 24 hours they plan to  
9 enter U.S. waters. But again, a lot of the U.S. vessels provide --  
10 and a lot of the foreign vessels, can be tracked because they  
11 voluntarily participate in what's called the "AMVER system".  
12 This is basically a -- it's called, I think, Automated Mutual Vessel  
13 -- I can't remember exactly what it is, but it's the AMVER system  
14 and this is essentially a search and rescue type system that's set  
15 up where ships routinely send their -- report their position to  
16 let people know where they are so in case there was a search  
17 and rescue incident, they could possibly be notified and they  
18 could help.

19           MR. HAVELOCK: They report that to you, do they?

20           LT. HUTMACHER: What they do is they report that to the  
21 Coast Guard's AMVER center by reporting to various radio  
22 stations, yes sir. Not to the Marine Safety Office directly, no.

23           MR. HAVELOCK: Is that -- you say that is a voluntary  
23 system. Do the vessels that we've been discussing here, those  
25 25-30 LNG through the 120 barges going in to Nikiski, do they

1 all participate?

2 LT. HUTMACHER: I know the U.S. vessels participate  
3 and, I believe the, Jerry Wilson can correct me if I'm wrong, the  
4 Polar Alaska and the Arctic Tokyo, which are the two LNG ships,  
5 all participate in AMVER.

6 MR. HAVELOCK: How often are they calling in their  
7 positions?

8 LT. HUTMACHER: I don't have the exact answer, but it's a  
9 couple times a day, normally.

10 MR. HAVELOCK: So.....

11 LT. HUTMACHER: I can get you that if you'd like.

12 MR. HAVELOCK: .....that will generally give you a vessel's  
13 location as being lower Cook Inlet, upper Cook Inlet, but it's not  
14 going to give you a latitude and a longitude or anything like that.

15 LT. HUTMACHER: Well, it will. Certainly it will give you a  
16 latitude and a longitude. When they report their position,  
17 they're going to tell you exactly where they are. But normally  
18 when a vessel gets up -- once they've made their arrival into a  
19 port or they're in an area like that transiting up, almost inland,  
20 their usefulness as a search and rescue type thing is not -- is  
21 greatly diminished. It's mainly for the open ocean transit areas.

22 MR. HAVELOCK: And the information, at least, is way too  
23 generalized to be used for any kind of a flow control or vessel  
23 tracking system. Is that right?

25 LT. HUTMACHER: I would say so. And specifically, in this

1 instance, with this particular system, like I'd mentioned, it is  
2 voluntary and they want to encourage people to continue to do  
3 this so, you know, they provide -- most of them are pretty good  
4 about providing the information, but they don't have to. Foreign  
5 vessels especially do not have to. But I don't see the that it  
6 would be useful -- it's not useful -- what it is useful is -- what it  
7 was intended for is when you're out in the middle of the Pacific  
8 or the Gulf of Alaska you have somebody calling for assistance,  
9 you can check your record to see if there's any ships within 30,  
10 50, 100 miles of them. But as a pinpointing their location, if you  
11 want to know exactly where they are when they gave that  
12 position report, you could find it out. But as a vessel tracking,  
13 no, it's not.

14 MR. HAVELOCK: Have you, yourself, or do you know of any  
15 study every undertaken to examine whether a vessel traffic  
16 control system would be useful in Cook Inlet?

17 LT. HUTMACHER: I'm not aware of any study being done,  
18 sir, and I don't know that one is being -- I'm not aware of one  
19 that's being done now.

20 MR. HAVELOCK: Is that kind of a system being  
21 considered in other places, locations in the United States?

22 LT. HUTMACHER: Well, it's presently -- it's been in  
23 existence, as I'm sure you're aware, in Puget Sound and in San  
23 Francisco area, and in Houston. There were systems that were  
25 established in New Orleans and New York, but they were dis-

1 established due to budget cuts.

2 MR. HAVELOCK: I think I'll stop there, Mr. Chair.

3 MR. PARKER: Okay. Commissioners? Do you review the  
4 contingency plans under which the Cook Inlet traffic operates?

5 LT. HUTMACHER: Yeah. Our office maintains a  
6 contingency plan, yes sir.

7 MR. PARKER: That's the regional contingency plan, or.....

8 LT. HUTMACHER: No, this would be the Marine Safety  
9 Office Anchorage local contingency plan. Local meaning all of  
10 western Alaska, not specific to Cook Inlet, including all of the  
11 Aleutians and every where else.

12 MR. PARKER: If, just for an illustration, if a tanker got  
13 into trouble at Drift River, you know, had a power failure at a  
14 critical time and had a grounding and started to spill some oil  
15 just south of the Drift River terminal, what would the  
16 contingency plan call for and the response there, in general  
17 terms?

18 LT. HUTMACHER: Well, again for us, in terms of pretty  
19 much in the event of any spill, the first thing we're going to do --  
20 obviously it's going to depend on what the initial report states.  
21 In our case, obviously, if we have a tank ship -- if we know -- if  
22 he hurts Drift River, it immediately is going to trigger to us that  
23 a tanker could be involved. Okay. So we would necessarily look  
23 at that immediately differently. Probably if we heard that we  
25 would immediately get in touch with the ship to try to find out



1 exactly what was going on. At the same time, we would probably  
2 be putting our Pacific Strike Team on alert to let them know  
3 that we may need their assistance and equipment up here. And  
4 that would be -- I would envision us doing that in any case, no  
5 matter even if the operator of the vessel was taking  
6 responsibility and we felt they were taking the proper actions.  
7 We would also, in the event of -- any time you hear that, we  
8 would immediately be talking to people to see whether or not  
9 we could find out if there was another vessel in the area that  
10 might be able to assist, tugs, off shore vessel, another tank ship,  
11 something like that. Those would be the first, the immediate  
12 steps.

13 MR. PARKER: Okay. In regard to that, you keep a check  
14 list of the operators within your area that have some sense of  
15 which of them would be able to handle their own spill response  
16 and which would probably require federalization? Is there any  
17 kind of list maintained that gives you any guidance.

18 LT. HUTMACHER: We do not make any pre-judgment  
19 regarding federalization of any thing.

20 MR. PARKER: No, I know.

21 LT. HUTMACHER: But what we do -- what we are very  
22 aware of us is who are the members of the cooperative, of the  
23 Cook Inlet, I keep on wanting to say response organization, but  
23 the Cook Inlet Resource Organization, now. I'm very aware of  
25 who the members of that area and so I would have an idea right

1 off the bat whether or not CIRO could, would immediately be  
2 brought to bear in something like that. You know, that's  
3 something that we always thing of. We try to think of -- we have  
4 to make the effort of approaching the operators of the vessel to  
5 see what they're going to do, but we are aware of who the  
6 members of CIRO are, if that's what you're asking.

7 MR. PARKER: Yeah, that's generally what I was looking  
8 for. How often does CIRO meet, do you know?

9 LT. HUTMACHER: I don't know. They have various  
10 meetings of their Executive Committee. I don't know the  
11 frequency. You'd have to.....

12 MR. PARKER: Yeah, well we'll get that from (inaudible), I  
13 just thought.....

14 LT. HUTMACHER: .....talk to the manager of CIRO.

15 MR. PARKER: Working our way through this, on the  
16 decision to federalize.....

17 (Tape Changed)

18 (Tape Number 89-09-07-2B)

19 MR. PARKER: .....From the press and from some of our  
20 hearings, the decision was made very quickly at Narragasset Bay.  
21 The Coast Guard -- your counterpart in that part of the world  
22 gave him 30 minutes after he was over the rail to make their  
23 decision and then federalized it. What are the general guidelines  
23 that enable one to make a quick decision on federalization over a  
25 lengthy decision such as happened with Glacier Bay?

1 LT. HUTMACHER: Well, the guideline is such that the  
2 Federal On-Scene Coordinator, in this case it would be Captain  
3 Assoro (ph) who is the new commanding officer in Anchorage.  
4 The guidelines are such that he has to immediately ascertain the  
5 intentions of the responsible party -- who he deems to be the  
6 responsible party. If, for whatever reason, he feels they are not  
7 taking what he deems would be prudent actions, he can  
8 immediately federalize it. And if he feels that -- he walks aboard  
9 and he's getting the run around or they're proposing to do  
10 something that he does not think is prudent or not doing it fast  
11 enough, he can federalize it immediately. It's very broad  
12 authority -- that's all it takes. If the Federal On-Scene  
13 Coordinator is not satisfied that something is not being done  
14 quick enough or in the way he thinks it should be done, he has  
15 the option to federalize it. And that does not require -- and  
16 that's his decision. He can do it over the objections of the  
17 responsible party.

18 MR. PARKER: Say he encounters a situation similar to  
19 Glacier Bay where, you know, there was obviously a -- not of  
20 institutional problems in deciding who was going to do it. Is  
21 there any kind of back up data bank maintained either by the  
22 Federal DOT or anyone else that he could access quickly to help  
23 him in making that decision? Do you know of .....

23 LT. HUTMACHER: I guess I don't understand the  
25 question.

1 MR. PARKER: Say you're dealing with the attorney instead  
2 of the Master, as seems to have happened at Glacier Bay to some  
3 degree, and you're simply not getting the answers. Do you have  
4 anything other than intuition to go on for guidance in those  
5 situations?

6 LT. HUTMACHER: I think you look at the bottom line and  
7 you have to look at the bottom line. Whoever you're dealing with,  
8 whether it happens to be the Master or the attorney or whoever  
9 it may be, if they have declared that they're the responsible party  
10 and they're not taking the action you want them to take, or that  
11 you think is correct, then you, no matter who it is you're dealing  
12 with, you just tell them, "we're taking it over".

13 MR. PARKER: Okay, well that -- I think that was very  
14 straight-forward exposition of what goes on and I thank you for  
15 getting into that with me, 'cause getting -- say we decide, we  
16 have our tanker south of Drift River and we decide to federalize,  
17 what resources could be brought to bear from within Cook Inlet  
18 on that now?

19 LT. HUTMACHER: Okay. Again, right now, one of the  
20 things I was going to mention as a result of the Glacier Bay, the  
21 Coast Guard has pretty much kept a tremendous amount of their  
22 equipment to deal with open water spills. Open water type  
23 recovery equipment based in California with the Pacific Strike  
23 Team. As a result of that, Captain Rucelle (ph) who was the on-  
25 scene coordinator at the time, asked and was -- he asked to have

1 one of these systems positioned in Alaska to try to cut down on  
2 the response time. That was one of the things that was initially  
3 positioned in Nikiski and then was left in -- moved up to  
4 Anchorage so it would be available for response to other areas  
5 also besides Cook Inlet. There's still plans on the board to bring  
6 up two of these systems along with a lightering system and  
7 eventually -- and those plans -- I am not aware that those plans  
8 have been changed at all by the Exxon Valdez incident. These  
9 systems are now -- they were long since deployed and were used  
10 in the Exxon Valdez. But the original plan was to station  
11 additional systems in Anchorage and possibly in Nikiski and as  
12 far as I know those plans haven't changed. Now, in addition also,  
13 the Coast Guard would have, notwithstanding, all of the  
14 procurement and contracting problems that go along with  
15 federal spills. The minute that we get into a federal spill, all of  
16 the federal contracting procurement regulations and everything  
17 else come in. If you'll notice, one of the recommendations in  
18 the OSC for the Glacier Bay was regarding a contracting  
19 assistance. That's a difficult and -- that's a difficult problem. So  
20 that's something -- maybe I should add that. The minute we  
21 decide that it was a federal spill, we'd immediately ask for a  
22 contracting officer here, also. Let's say, notwithstanding the  
23 contracting problems that is inherent with any federal response,  
23 we would go to various clean up contractors in Alaska and those  
25 which we have signed a basic ordering agreement with two

1 companies, one in Seattle and one in Portland. KEMPRO, which  
2 used to be Crowley Environment Service, and Rydell  
3 International. We have somewhat simplified our potential  
4 contracting problems with them by signing these basic, ordinary  
5 agreements. I would say we'd make use of all those sources of  
6 equipment, plus we would, obviously since they own a lot of  
7 equipment, we would also go to CIRO and try to utilize their  
8 equipment. Now that's something that we're still in negotiations  
9 with CIRO about, but I would envision that we would go to them  
10 also.

11 MR. PARKER: In negotiations to arrive at a contract for  
12 access to their equipment as needed?

13 LT. HUTMACHER: Well, without going into -- sort of there  
14 is -- based again on the Glacier Bay, there was some equipment  
15 damaged and we've had some -- there's been some questions  
16 regarding future access of -- to CIRO equipment, but we're in the  
17 process of working that out. I don't believe -- I am certain that if  
18 we went to CIRO and asked for their equipment, we would be  
19 able to use that in a federal response effort.

20 MR. PARKER: Okay. This whole area of the contracting  
21 process and getting the, both the cooperatives and the private  
22 contractors on scene in a hurry, I've heard this dialogue last --  
23 intensively at the 1988 simulation that was conducted in  
23 Anchorage and that whole area just seems to -- seemed at that  
25 time to be a little bit loose judging from what the contractors

1 were saying then. The problem being that a lot of them were  
2 having a hard time staying in a ready response capability simply  
3 because they had no cash coming in during -- in between spills.  
4 And is there anything underway to take care of that particular  
5 problem?

6 LT. HUTMACHER: In between spills? You mean like  
7 putting somebody on retainer or something. No, there's not.

8 MR. PARKER: Yeah, because, you know, we'd had a  
9 particularly long stretch evidently where their services were not  
10 needed and in their statements made and during that oil spill  
11 simulation exercise there, they indicated very strongly that most  
12 -- they had to moth ball most of their equipment here, there and  
13 everywhere and reduced their staff substantially, simply 'cause  
14 there was no income coming in. Which would seem to be the  
15 nature of the game. If you're successful at not having oil spills,  
16 obviously you can't support people whose whole being and reason  
17 for existence is to respond to oil spills. So that left me with a  
18 problem which nobody's resolved for me yet as to what their  
19 particular role is in a contingency plan and how you maintain  
20 them as a responsive force in a contingency plan.

21 LT. HUTMACHER: Well, there's nothing in the works that  
22 I'm aware of, sir, to put anybody on retainer or to try and keep  
23 somebody in business. The only thing that we have is annually  
23 the Coast Guard goes out, from the 17th Coast Guard District in  
25 Juneau. We ask for proposals for people to sign these basic

1 ordering agreements which are nothing other than we agree  
2 that -- they're agreements, or a contract if you will, saying these  
3 are the amounts that will be charged for labor, equipment, and  
4 things like that. And they tell us exactly what equipment and  
5 personnel they have available, in what time frame.

6 MR. PARKER: Well, thank you very much. Anyone else  
7 have any questions, now? Counsel?

8 MR. HAVELOCK: I notice that we're back on track time  
9 ways so maybe I can take a couple extra minutes. Is there any  
10 way in which the Coast Guard records near misses as well as  
11 accidents?

12 LT. HUTMACHER: Well, the only time we would find out  
13 about such things like that would be -- if you're aware of our  
14 casualty reporting system, there is -- it is in the Code of Federal  
15 Regulations that if people have what's deemed to be a casualty,  
16 they have to report it to us. Now, near misses are not, are not,  
17 won't fit in the definition of casualties. But I would think, in my  
18 cases it's been my experience, one or the other -- one of the  
19 parties involved in things like that, if we're talking about two  
20 vessels, one of the parties usually reports it to us. 'Cause those  
21 kind of things just don't happen. Now, if you're talking near  
22 misses of -- I don't know what you might think. A grounding  
23 would fit our definition of a casualty. Even a grounding not  
23 resulting in any kind of a spill.

25 MR. HAVELOCK: So they are reported?



1 LT. HUTMACHER: Right, well.....  
2 MR. HAVELOCK: I'm not saying.....  
3 LT. HUTMACHER: .....there always reported. They're  
4 required to be reported. Yes sir.  
5 MR. HAVELOCK: Do you have records that would be  
6 accessible to us where we could look, statistically or otherwise,  
7 at the record of casualties in Cook Inlet.  
8 LT. HUTMACHER: We do -- we investigate all the  
9 reported casualties, so as long as the casualty investigation has  
10 been completed on it and approved by the Coast Guard  
11 Headquarters, I'm certain those certainly would be available to  
12 you.  
13 MR. HAVELOCK: Do you have compiled data on that or do  
14 we -- we would have to go through them one at a time.  
15 LT. HUTMACHER: I'm not -- I know we don't compile the  
16 data specifically at our office. It may be available in some type of  
17 form through our Merchant Marine Investigation Division in  
18 Coast Guard Headquarters. I can look into that for you, if you'd  
19 like.  
20 MR. HAVELOCK: I would appreciate it.  
21 LT. HUTMACHER: My note taker left, so I'll have to write  
22 this down.  
23 MR. HAVELOCK: Have there been any change in the  
23 contracting rate for equipment as a result of the accidents that  
25 have occurred: the Glacier Bay and Exxon Valdez and others. Is

1       there an inflation?

2               LT. HUTMACHER: Not that we've seen. We used -- we  
3       have had quite a few federal spill responses since the Glacier  
4       Bay. I think the majority of them have been -- they've been in  
5       the news, but they've been sort of out of sight, out of mind, as  
6       they've occurred out in the Aleutians or in the Pribilof Islands.  
7       We have spent millions of dollars on federal spills oil there and  
8       we have been able to -- they have been the kind that we have  
9       been able to negotiate and look for competition befor -- they are  
10      that type of response. So, I don't think we have seen any  
11      particularly inflated rate. I don't know what'll happen after the  
12      Exxon Valdez, but we'll see.

13             MR. HAVELOCK: What's the relationship between CIRO  
14      and the Regional Response Team, the RRT, or is that the same?

15             LT. HUTMACHER: No, there's no relationship. Cook Inlet  
16      Resource Organization is a member sponsored and industry  
17      cooperative and it has nothing to do -- no connections with  
18      federal or state government that I know of.

19             MR. HAVELOCK: The Regional Response Team has no  
20      linkage with CIRO, that you're saying as a.....

21             LT. HUTMACHER: No, other than people know each  
22      other. The Regional Response Team is the advisory group,  
23      federal and state advisory, agency advisory group to the Federal  
23      On-Scene Coordinator, whether it be the Coast Guard in coastal  
25      waters or EPA in inland.

1 MR. HAVELOCK: Do you have any special contingency  
2 plan for LNG accidents?

3 LT. HUTMACHER: Well, we have our own LNG response  
4 plan and then that would be -- that's based a lot on what is  
5 contained in Phillips own emergency plan.

6 MR. HAVELOCK: Could you furnish us with a copy of your  
7 own plan on that.

8 LT. HUTMACHER: Certainly.

9 MR. HAVELOCK: What is the availability of Corps of  
10 Engineer support for contingency or for response work?

11 LT. HUTMACHER: Well, the Corps of Engineers has been  
12 -- they've always been a member of the Regional Response Team.  
13 They, at least here in Alaska, they act as the Department of  
14 Defense representative. And if we ever need Department of  
15 Defense resources for whatever reason, whether if be U.S. Navy,  
16 Superintendent of Salvage, technical expertise or helicopters or  
17 whatever, we have usually gone to the RRT representative which  
18 is provided by the Corps of Engineers. I know in the -- during  
19 Exxon Valdez incident, early on, they had looked -- the Corps of  
20 Engineers was mentioned as a possible source of contracting  
21 officers which is something that, as I mentioned before, can  
22 create problems at the beginning. So, possibly in the future, that  
23 will be brought up again. I don't know that. I just remember  
23 that they were brought up as that possible source.

25 MR. HAVELOCK: We've heard some suggestion that Corps

1 of Engineer dredges are a very effective way of recovering oil in  
2 cold water where the oil turns into a fairly heavy material. Is  
3 that correct or are there better ways of affecting in-water  
4 recovery.

5 LT. HUTMACHER: Well, they certainly, in this instance  
6 where, again -- I guess we're talking a little bit -- obviously we  
7 have to talk Exxon Valdez. This was the first time, I think, that  
8 these dredges had been thought of being used in that manner.  
9 When I first heard they were bringing up the Corps of Engineers  
10 dredges, I couldn't imagine for what -- other than as something  
11 to put recovered oil or something in. I couldn't imagine what we  
12 could use them for. But they were quickly adapted to. By  
13 turning the dredge head upside down, they found out very  
14 quickly that they could -- they were one of -- and they eventually  
15 used this Russian vessel in the same manner. They found out  
16 that they were very effective in dealing with the weathered oil  
17 and debris that was being encountered; that ordinary skimmers  
18 could not deal with. So it's obvious that, in that regard, these  
19 Corps of Engineer dredges, if you're dealing with oily debris like  
20 we certainly would be in a Cook Inlet spill, then those would be  
21 probably more effective than other things. I know I would  
22 certainly look for them now, but there's none based here in  
23 Alaska.

23 MR. HAVELOCK: Thank you, Mr. Chairman

25 MR. PARKER: Thank you. Anything else, Commander,

1 from you or Lieutenant Wilson?

2 LT. HAVELOCK: No, I don't believe so. I'll get you that --  
3 we'll provide this other information to your staff.

4 MR. PARKER: That was most instructive. Mr. Williams  
5 from Chevron.

6 MR. WILLIAMS: Good afternoon.

7 MR. PARKER: Good afternoon. You got my letter with my  
8 questions and things.

9 MR. WILLIAMS: Yeah, it's kind of an interesting way to  
10 get here. When I originally called your office on Tuesday, it was  
11 only to find out what the agenda was, and then when the agenda  
12 arrived at 10 o'clock Wednesday morning, I found I was on it. So  
13 if I can be pardoned for not having written remarks to hand to  
14 you.

15 MR. PARKER: No, we very much wanted to hear from at  
16 least one of the shippers out of the port and you're perception of  
17 the world of operations in Cook Inlet.

18 MR. WILLIAMS: Well, perhaps I can give you just a little of  
19 my background and then tell you what I think about the topic of  
20 discussion today. I am an employee of Chevron, USA and operate  
21 a refinery for them in North Kenai. I also operate a marine  
22 terminal, the Kenai Pipeline Terminal, which is a partnership  
23 between Chevron and ARCO, each of them being half owners in  
23 that facility. And Chevron operates that for the two partners.  
25 I'm also a member of CIRO, as a company, and individually am on

1 the Executive Committee of that organization and have been for  
2 several years. And then as a way for some personal background,  
3 I'm also a 30-year commercial fisherman in Bristol Bay so I know  
4 a little bit about the fishing side of the business, although some  
5 of my fellow fishermen tell me I don't know very much in the  
6 years that I don't do very well. I'd like to kind of start today by  
7 telling you I'm not an expert on transportation in terms of the  
8 shipping end of the business. I have had a lot of association with  
9 that in operating the terminal and in my experience with  
10 Chevron, but I'm certainly not an expert in terms of the  
11 capabilities of ships and some of the detailed and engineering  
12 type information. I probably will not be able to help you very  
13 much in that area. So my information would be based on what  
14 I've acquired here in the Cook Inlet and in other places. I'm  
15 pleased to see this group here today. I wish I would have had a  
16 little more time. Perhaps I could have brought some of these  
17 experts here and hopefully, in your deliberations, you will call on  
18 some people who are really experts in the shipping business  
19 because they have a lot of insight which will not come out in this  
20 testimony or maybe in some of the other public forms that you  
21 have been involved in.

22 MR. PARKER: We'd appreciate anybody you care to  
23 suggest for us to invite for our later meetings.

23 MR. WILLIAMS: I will next respond to the specific  
25 questions that you asked in the letter. The first one was, "What

1 did I view as the major problem in Cook Inlet tanker operations  
2 as the moment?" I thought about this for some time and I don't  
3 want to be funny when I say this. But I think probably one of the  
4 major problems is that there are an awful lot of uninformed  
5 people running around, and I think they're, well, undaunted  
6 people, but they're running around trying to mandate tanker  
7 safety without really understanding what the transportation of oil  
8 is all about. I'll give you some statistics a little later on. But at  
9 my terminal, which is one of the largest handlers of crude oil  
10 and products in the Cook Inlet, we handle both. We handle  
11 about 36 million barrels of oil a year and that's 18 days out of the  
12 Valdez terminal by comparison. So there are some magnitude  
13 differences, certainly, in the Cook Inlet itself, in the type of  
14 materials being handled and in the volume of materials being  
15 handled.

16 MR. PARKER: That's still a lot, 36 million barrels.

17 MR. WILLIAMS: Yes, it's substantial. We're a busy  
18 operation. There's no doubt about that. I guess my concern  
19 about having people trying to jump to solutions is that there is  
20 always a limited amount of time and financial and material  
21 resources and I guess one of our efforts ought to be how to  
22 deploy those in the best way, which gives us the best return on  
23 safety. Maybe an example of this I could give you is that if we  
23 have a major accident in a refinery, and perhaps it might even  
25 involve the loss of life, which is certainly one of the most serious

1 situations that we come up against, a great deal of our effort is  
2 spent in evaluating that incident and trying to solve our  
3 procedure and our equipment to prevent that -- to prevent that  
4 incident and similar incidents from occurring. One of the ways  
5 we handle the general background of safety is to continuously  
6 look at our business on an ongoing basis. If we have an incident,  
7 we don't generally go in and try to overhaul the entire refinery.  
8 That is -- it tends to dilute our efforts too quickly. And so I'm  
9 somewhat concerned, I guess, that a lot of people are trying to  
10 fix the entire safety question in two or three weeks and then go  
11 on about their business. And I don't think that can happen. I've  
12 not heard a recommendation that we have a Safety Committee,  
13 for example, of the industry out of this. And the fact is, we  
14 already have a Terminal Safety Committee and it has been in  
15 operation certainly all the time I've been here. I'm a member of  
16 it, and years before that -- and I'd say that the improvements in  
17 handling tankers alongside the dock and in tanker safety in the  
18 Inlet has been an ongoing improvement and so, short term,  
19 quick solutions are perhaps not the best way to approach those  
20 things if we're going to make a long term contribution to safety.

21 The second question you asked was, "What past problems  
22 have been corrected? For example, did the Glacier Bay incident  
23 result in any improved procedures?" I think this is a real  
23 pertinent question and I'm sure that a lot of people are not  
25 aware of the things that have been done and maybe that's



1       unfortunate. One of the things that happens is that when events  
2       and incidences like these are in the news and in the public  
3       attention, there seems to be a great deal of interest at the time.  
4       And then when the real work is done and contributions are  
5       made, everyone forgets about it. It's no longer a sexy story and  
6       so if you go to someone and say I've got some great news to tell  
7       you about what has happened, they're interested in the event of  
8       the day rather than the solution to what has happened. So, I'd  
9       like to talk a little bit about some of the things from my  
10      perspective and there may be many others that the shippers  
11      have done. I can talk about Chevron Shipping and about some of  
12      the procedures that we've done at CIRO. Our company used to  
13      dispatch tankers out of Kachemak Bay toward the Cook Inlet  
14      pipeline to meet an arrival schedule based on when we  
15      anticipated the existing barge or vessel would be ready to leave.  
16      Our company's current practice is that the vessel will not leave  
17      Homer or not leave Kachemak Bay until they have confirmation  
18      that it's a firm departure time. At that time, the vessel will leave  
19      Kachemak Bay and proceed north so that there will be no need  
20      to anchor when they arrive at the Kenai Pipeline dock. Now in  
21      the event that there is a delay, and there are occasionally delays  
22      in shipping for various reasons and the ship might miss a tide, it  
23      might mean a four to six hour, or perhaps a 12 hour delay. The  
23      vessel would make a decision about returning to Homer, or it  
25      would proceed north, depending on the weather, and would

1 anchor in a defined anchorage area. Now that's another change  
2 that has occurred. We have actually had, through the  
3 government agency, and I'm not sure whether it's through the  
4 Corps or the USGS, we've actually had areas of Cook Inlet  
5 surveyed and designated as anchorage areas. That was not true  
6 before the Glacier Bay. Another thing that our people do, I  
7 guess, and in terms of changes, is we have tried to get a better  
8 definition of navigational aides and the make up of the bottom  
9 and I guess the physical characteristics of the Cook Inlet. And  
10 I'll have some comments of those in terms of the recommenda-  
11 tions for State and Federal when I move a little further. I might  
12 also add here some of the things that have happened since the  
13 Glacier Bay spill. As I say, our companies have ongoing safety  
14 programs. They tend to respond intensely to incidences and see  
15 if we can improve our performance and improve the safety. In  
16 the area of substance abuse, Chevron has had a policy of  
17 substance abuse and has done testing, random testing, of  
18 employees, and I might add, to a great deal of resistance by  
19 many legal groups and many employee groups and many union  
20 groups. We've continued to do that. Now, of course, it's  
21 mandated by the Coast Guard to be in place by the end of the  
22 year that half of your employees be tested once a year. Chevron  
23 is currently doing that. The same is true with Mooring Masters.  
23 100% of them have to be tested every year and we currently are  
25 doing that. We're also working on a breathalyzer, repeatable,

1 easy-to-use breathalyzer thing that can be used on board by the  
2 Captain of the ship or the First Mate. We evaluated where our  
3 tankers pass through areas where the risk of an accident might  
4 put us too close to the land and we re-routed our tankers in off-  
5 shore California, for example. You may have seen some articles  
6 on that. We had our Chevron Shipping people involved with  
7 Exxon early in the spill to try to evaluate response and sort of  
8 get a first hand look at what was going on so we could apply that  
9 to our own internal planning. We've revised our Chevron  
10 Shipping spill plan to a great deal. We've also undertaken a task  
11 which will take a little longer, probably one to two years, to  
12 completely overhaul our corporate plan. Our corporate plan was  
13 more based on regional response and I think our people, after  
14 observing the Exxon Valdez incident, have decided that what is  
15 really needed is a firm, in-place, complete corporation response  
16 which pulls people and pulls equipment from across every part  
17 of the corporation and utilizing, of course, resources from other  
18 co-ops and other companies. And so, that is not an easy  
19 undertaking and you can't complete that sort of thing in a short  
20 time, but I think it's a real positive step. Those, I think, are  
21 some of the positive things that have happened from our  
22 company. I might mention, my being connected with CIRO,  
23 some of the things that CIRO has done, which probably has not  
23 received much attention, but it's not a real sexy sort of thing.  
25 Since the Glacier Bay incident two years ago, we have added over

1 \$1.5 million worth of equipment into the CIRO inventory. The  
2 Executive Committee and the member companies are looking at  
3 a number of proposals right now that have been generated by our  
4 internal committees amounting to several millions of dollars in  
5 new type equipment that we would plan on adding to the  
6 inventory as we're able to review that equipment, get some idea  
7 of its effectiveness and how it fits in with the existing inventory.  
8 That would be added over the next several years. Another  
9 important area, that I think, is that we doubled the training  
10 budget that CIRO had and that budget is currently over  
11 \$160,000 a year just in training contractors and employees in  
12 the Bay area, or in the Inlet area.

13 The third question asked, "How many ceilings we have  
14 had in the past year?" And I pulled together our data at the  
15 Kenai Pipeline Facility for 1988 and it looks something like this.  
16 We had 160 total vessels; 38 of those were barges. We had 121  
17 ships, tanker ships. 76 vessels carried Alaska North Slope crude  
18 oil into the Cook Inlet. Refineries don't have enough local crude  
19 and they both run North Slope crude to make the products for  
20 here in Alaska. There's approximately 10 product vessels and, of  
21 course, all the barges were carrying ships. In terms of the  
22 breakdown of the products, in 1988 we moved about 26 million  
23 barrels of Alaska North Slope crude over our dock. There is  
23 about one million barrels of Cook Inlet crude oil on the east side  
25 that flows out of the Cook Inlet and goes to California, the San

1 Francisco Bay area to a refinery there. About seven and a half  
2 million barrels of resid fuel oil, which is the leftover material  
3 once the light products have been removed from the crude oil,  
4 is moved out of the Inlet, some of it to the coast of California, a  
5 great deal of it on foreign flag vessels to the far east. There was  
6 about 1.3 million barrels of products, everything from gasoline to  
7 heavy diesel that were moved during that period. And that's  
8 probably pretty typical given that the refineries are sort of  
9 running the same volume of crude from year to year.

10 Question number four is "How much of your traffic is  
11 incoming product and how much is crude from Cook Inlet  
12 Production?" I think I've defined that in these statistics.

13 Question number five, "What improvements could the  
14 Federal and State government make to ensure safer operations  
15 in the Cook Inlet?" Again, my not being a sailor, or with the  
16 shipping company, kind of limits my knowledge and my ability  
17 to make some recommendations, but I do have some things in  
18 talking with some of the shipping people that I think are worthy  
19 of looking at. I'm surprised at the large amount of things that  
20 the fishermen proposed earlier, that some of these were not  
21 mentioned. Because, I think they're very obvious and I think  
22 they're things that add a great degree of safety with perhaps  
23 more reasonable amounts of money and certainly I think are  
23 easier to implement. One thing that I think maybe even puzzles  
25 the pilots somewhat and they haven't mentioned this, so I'm

1 going to speak from my own experience just in talking with the  
2 shipping companies, is that there is not very many markers for  
3 the shoal areas in the Cook Inlet. Now that's kind of a difficult  
4 one, because there is a lot of ice in the Cook Inlet and this last  
5 year, which is very unusual, our dock was not utilized by tankers  
6 for nine days because we had enough ice in the upper Inlet to  
7 pose a hazard to navigation and we had no ships come to our  
8 dock during that period of time. Buoys in the Inlet had  
9 somewhat of a problem in getting wiped out by the ice and it's  
10 an expensive thing. The other problem with marking shoals,  
11 and perhaps this is even a better reason to have the shoals  
12 marked, is that the Cook Inlet continues to fill up with silt and  
13 the shoals tend to change every year, depending on the ice and  
14 the amount of silting and the number of weather conditions. So,  
15 some sort of marking system would probably be helpful. Another  
16 fellow that I talked to brought a most obvious one, I think, to my  
17 attention. And that is a thorough review of the LORAN system.  
18 Apparently, and I'm not that familiar with the LORAN  
19 navigational device, but it's one every vessel has including the  
20 fishing vessels. I don't have one on my boat, but there are other  
21 reasons for that. There are certain areas where the LORAN  
22 curves cross at narrower angles where they are not as accurate  
23 and some of the shipping people seem to indicate that there  
23 may very well be sections of the Cook Inlet that would have a  
25 greater degree of accuracy, provide a better navigating tool if in

1 fact these LORAN lines were intersecting at right angles and  
2 giving them more accurate readings. The source of this is just  
3 someone's off-the-cuff kind of look at it. But it seems to make a  
4 lot of sense that we look at the very best navigational aides that  
5 are available so people know exactly where they are when they're  
6 moving up and down the Inlet. That's something, I guess, within  
7 the Federal jurisdiction and one I would think that oughta be  
8 looked at. Along with the question of, what is the current state  
9 of technology for navigating? They're obviously satellite devices.  
10 There maybe not as accurate as some others and perhaps we  
11 need to look at that as we review the different things that could  
12 be done in the Inlet. I would like to compliment the Coast  
13 Guard and make a plug for them and I guess that one of the  
14 things I'd like to see done would be more substantial funding of  
15 the Coast Guard's program. My observation of the local Coast  
16 Guard office is that they have great deal of mandated work that  
17 they have to do; a great deal of inspections of small vessels and  
18 inspections of docks and reports that need to be filled out and  
19 licensing of boats. That's great. They're very similar to my work  
20 load. They've continued to add that work load over a long period  
21 of time and I think what it has done is it has taken them away  
22 from the business of doing vessel inspections. That's also  
23 mandated, but it's mandated on kind of a spot basis is my  
23 understanding and you sort of add that to the list after you've got  
25 everything else taken care of. And I think there's a real need to

1 fund the Coast Guard in such a way that you have people who can  
2 apply themselves to the job of looking at vessels, the quality of  
3 the navigational equipment, the quality of the vessels that are  
4 sailing up and down the Inlet. And that's certainly a positive  
5 thing that could be done to intercept some of the possible safety  
6 concerns that might result from inadequate vessels. Another  
7 thing that my company feels is that -- Chevron feels, is that  
8 there probably should be some federalization of the pilot  
9 associations nationwide. Their concern is that perhaps States  
10 regulate pilotage in many different ways and there's probably  
11 some basic requirements and some basic testing that should be  
12 done and if it were done under one agency, administered by the  
13 Coast Guard, we would be pulling in the expertise of people who  
14 are involved in the business all the time. They have this as a  
15 national position. The thing that ought to be done nationally  
16 with -- of course the pilots would have to qualify for certain  
17 areas. It wouldn't mean that you'd be able to sail in New York  
18 Harbor if you got a license here. But we think that that would go  
19 a long ways in help shoring up the whole question of the use of  
20 pilots and the qualification of pilots. A suggestion I might make,  
21 I guess, to the State in this whole effort -- I know the State is  
22 very concerned because of the damage that has occurred over  
23 the two spills and there seems to be a great tendency, a greater  
23 tendency, for the State to move into more vessel regulation and  
25 more vessel monitoring and more maritime activity. And I guess



1 I'm concerned as a tax, well as a small taxpayer, 'cause there  
2 aren't very many taxpayers in the state. I pay local property tax.  
3 But, I'm concerned as a citizen of the state of Alaska and as a  
4 member of the industry that we're going to try to build some  
5 expertise in a State organization that will probably not be  
6 effective for a very long period of time. I'm not so sure that the  
7 State, if in fact this is the direction the State should move,  
8 should not take a careful look at contracting a great deal of  
9 vessels surveillance and financial responsibility and maritime  
10 oversight to outside groups. I guess I'm somewhat impressed by  
11 the high quality people who have come out of the U.S. Coast  
12 Guard, held a great deal of responsibility to them. Many of them  
13 have managed co-ops and have moved into other ventures  
14 associated with maritime industry and I've got a feeling that  
15 there are experts out there, retired maritime people and  
16 maritime people who want to move out of the direct shipping  
17 business, who could probably do the State of Alaska and the  
18 citizens a great service, I think at a cheaper price and also do it  
19 more effectively. So, as you move into a new area -- that's kind  
20 of a look at that, I guess. Differences between Cook Inlet and  
21 Valdez, I guess those have been cited pretty thoroughly here  
22 today. There's two that I'd like to add, and I guess in terms in  
23 response, and we could talk all day about the theory of response.  
23 An advantage that the Cook Inlet has, several advantages that the  
25 Cook Inlet has in terms of response over Valdez is that we have

1 an airport, with the exception of this morning, that you can get  
2 into almost any day of the year. And it's a very large airport and  
3 it can take large aircraft from any part of the world. So we have  
4 access to other people's resources to be flown in very quickly.  
5 The other advantage that Cook Inlet has over Valdez is that  
6 because we have a large industry support group, we have a great  
7 number of contractors, equipment and people in the area who  
8 could respond to an incident and who could be housed in their  
9 local situations. So, the Cook Inlet does have some advantages.....

10 (Tape Changed)

11 (Tape Number 89-09-07-3A)

12 MR. WILLIAMS: .....things that we've talked about. Those  
13 are kind of the bulk of my remarks. I'll make a couple of  
14 comments on some things that I heard earlier. One is on citizen  
15 committees. I don't have any problem with citizen committees  
16 providing that a real effort is made to bring in people who want  
17 to take the time to educate themselves on the issues. It's taken  
18 me a very long time to learn something about this business. I  
19 can't imagine the casual person wandering in and being very  
20 helpful, and perhaps being obstructive and there are a lot of  
21 good, sincere people out there who could serve on these. And  
22 citizen committees made up of good people could be very  
23 helpful. There was a question raised in Alascom about  
23 maintaining private clean up companies and response companies  
25 and I hope we don't get in a situation of mandating that we're

1 going to keep some private industries in business. CIRO has  
2 spent deal of money, and the industry continues to spend a great  
3 deal of money to, maintain its own equipment because we  
4 recognize there's a problem with expecting to draw that kind of  
5 specialized equipment from the private industry overnight. And  
6 we don't think that can happen. So, that's kind of the bulk of my  
7 comments. I'll be available to answer any questions you might  
8 have, at least within the areas that I know about and I can try to  
9 get information for you from other parts of the country, other  
10 parts of the industry.

11 MR. PARKER: Well, thank you for your insightful  
12 comments and for responding so nobly to my questions. You  
13 obviously put a lot of work in from the time you got my letter  
14 until now. The.....

15 MR. WILLIAMS: It was a long night.

16 MR. PARKER: On the private spill response companies, I  
17 think my whole point there is that people are going to put them  
18 in their contingency plans and list them as a ready response  
19 available on their contingency plans, why we need to make sure  
20 they're really there to respond irrespective of how that's done.  
21 The -- how often does CIRO meet, usually?

22 MR. WILLIAMS: Well, since Valdez, we've been meeting  
23 almost every other week. Typically, they hold an annual meeting  
23 of all the companies and then we have a series of committees  
25 which meet once a month to look at safety, to look at

1 equipment, to look at training. Then the Executive Committee  
2 normally meets once a month.

3 MR. PARKER: Okay, thanks. Counsel?

4 MR. HAVELOCK: Mr. Williams, can you leave us the data  
5 that you are reading there so I don't have to go on my horrible  
6 notes on numbers and things that you were rattling off. Is there  
7 something you can give us on that, or leave with us, or send to  
8 us.

9 MR. WILLIAMS: Yeah, I'll send that to you. I'll make it  
10 available. It's kind of handwritten and scrawled here, but I will  
11 do that.

12 MR. PARKER: You too?

13 MR. HAVELOCK: Thank you. One of the concerns that I  
14 have heard in the Commission is that we might end up with a  
15 two-tiered type of system with some companies, such as your  
16 own and, presumably, the much-aligned Exxon, that are  
17 prepared to put a whole lot of resources in responding to a spill  
18 and yet there are others out there that happened to have had  
19 that major type of accident that do not indicate that, at least on  
20 the face of it, they are prepared to put in those kinds of  
21 resources. Is this a concern that we should be concerned about  
22 and how do you think we might address it?

23 MR. WILLIAMS: That's a good question. I'm -- I'll speak as  
23 an individual here, because I'm not sure there is a company  
25 position on this, although I've heard some people echo some of

1 the things that I feel, which I will tell you. I think one of the  
2 biggest concerns of the major oil companies, who -- many  
3 people have talked about the industry not caring and all those  
4 sorts of things, that's probably a minority opinion. I think we do  
5 care and we do have people that work very hard to try to take  
6 care of things. One of my biggest concerns is the operator who  
7 does not do business in the Cook Inlet or does not do business in  
8 the state of Alaska, long term, because their interest is entirely  
9 different from those companies who have a long term interest in  
10 the state. I have to go out and respond because it's the right  
11 thing to do and because my long term business depends on it.  
12 Someone who drives a ship into the area, they can take that ship  
13 anywhere else in the world and do business. So, that's  
14 something that it will be difficult to sort out, but I think bears  
15 some looking at. It requires you to take a very close look at the  
16 ownership of the oil and the ownership of the vessel and who is  
17 doing the chartering and where the oil is going. That's a very  
18 tangled arrangement. I think there would be some clarity in it,  
19 if some time was taken to study that relationship. That's  
20 definitely a concern of mine.

21 MR. HAVELOCK: Well, what's -- we've sort of started to  
22 take a look at that tangle. Once we have some factual definition  
23 in that area, what kind of remedies could we pursue? For  
23 example, should we charge a fee for users in Prince William, or  
25 in Cook Inlet that are not members of CIRO?

1 MR. WILLIAMS: Well, I can't speak for what regulations  
2 should be passed and I guess I would hesitate to invite the  
3 regulation of others. CIRO has approached people on the basis  
4 that if you run into a problem and you don't have the resources,  
5 you're going to have to have our equipment because it's the only  
6 major storehouse of equipment immediately on the scene. We've  
7 tried to sell the organization to all the people that do some  
8 shipping in the Cook Inlet. I'm sorry to say that earlier people  
9 did not buy that for the value of the CIRO organization. Since the  
10 Valdez spill, we've had a couple people who have joined the  
11 organization because they tend to recognize the value of  
12 belonging to that sort of association. There's one step in  
13 addition, though, that concerns me -- once we resolved the  
14 equipment question and we get everyone to belong to CIRO, is  
15 some of the shipping companies don't have manpower in this  
16 area. And the question is, who does the response for them in  
17 terms of the many things that need to be done. People have  
18 talked about, and given Exxon a real hard time, and maybe  
19 rightfully so in many areas, but one thing I know for sure that  
20 within 24 hours they had DC-10's full of equipment heading for  
21 Alaska. And that's pretty remarkable and I don't know if a  
22 foreign shipper from outside the state of Alaska, outside the U.S.  
23 would have that capability to bring those kinds of resources in a  
23 very short time. That concerns me because of the need to  
25 respond immediately to the incident.

1 MR. HAVELOCK: You referred to federalization of the  
2 piloting. There's been some comment that one of the  
3 advantages of piloting is that in some waters, important waters,  
4 it gives some redundancy on the bridge to have a pilot there.  
5 Would you change your view on that if federalization of piloting  
6 included a ban on the Master being his own pilot?

7 MR. WILLIAMS: I can't speak for the, for Chevron  
8 Shipping Company. I'm sure they have a position on that. It's, I  
9 guess I would liken it to someone getting their private pilot's  
10 license and if two people arrive at the airport at the same time,  
11 and they say well you need to take along this other private pilot  
12 as a redundant pilot because he has, he's not associated directly  
13 with your airplane, but he has exactly the same qualifications -- I  
14 think when we start talking about qualifications of people, we set  
15 up the system to qualify people to do the job and I don't think it  
16 makes much difference whether they're employed with the  
17 company or whether they're employed with an independent  
18 outfit. Now, if we want to make the argument that we have to  
19 have redundant pilotage on the vessels, then we need to make  
20 that a requirement, perhaps world wide, because we have just  
21 that one Master sailing. The First Mate is supposed to be  
22 training himself to be a redundant Master. So we can create  
23 redundancies all the way down to the engineer in the boiler  
23 house. I don't know what Chevron Shipping's position is on that,  
25 but it seems like if a guy qualifies for the waters, whether he

1 happens to be working for the company or not, he should have a  
2 choice to exercise that license, if in fact, it's been proven that  
3 he's capable.

4 MR. HAVELOCK: Your Terminal Safety Committee you  
5 referred to, does it cover the issues of navigation in the Inlet or  
6 does it just stop at the water's edge.

7 MR. WILLIAMS: Primarily, our concern is with the  
8 terminaling and the transferring of oil. We do work with each of  
9 concerns that are from the shipping end because most of us have  
10 direct contact with our different shipping branches and we can  
11 relay information and concerns to them. I'm in communication  
12 with the Chevron shipping people quite often from the things  
13 that come up at those Terminal Safety Committee meetings.

14 MR. HAVELOCK" Is there any committee of shippers that  
15 meets regularly to discuss safety in Cook Inlet.?

16 MR. WILLIAMS: To my knowledge, there isn't one in the  
17 Cook Inlet. I asked our domestic captain if he would be willing  
18 to serve in that and his -- instantaneously, he said yes. He's very  
19 interested in participating in that. I also spent, on a little side  
20 note here, I also spent a little bit of time and talked to him about  
21 the tug boat proposal and I think that using tugs in the Cook  
22 Inlet is not -- it's not clear that a tug boat could move a fully  
23 loaded, distressed tanker in the Cook Inlet with say a seven knot  
23 tide. His contention is that if anchors are used effectively, you  
25 can maintain the vessel at the point that the problem occurs.



1 It's these kinds of things that I think those experts bring to the  
2 table in their vast experience. So he's willing to do that, but to  
3 my knowledge there isn't an organization that does that right  
4 now. They meet as world wide or as U.S. organization, but not  
5 specifically for Cook Inlet.

6 MR. HAVELOCK: It sounds like there may be some  
7 movement towards having a regional one here that would be  
8 equivalent, for example, the shippers committee of the Alyeska  
9 organization.

10 MR. WILLIAMS: Yeah. I think we'll probably see some  
11 movement in that direction.

12 MR. HAVELOCK: With respect to your observation on  
13 tugging, tug boats -- if you were using a vessel such as one of the  
14 escort vessels that's now over in Prince William Sound, that  
15 would be a different situation, wouldn't it, with the level of  
16 power that they have in those vessels?

17 MR. WILLIAMS: Yeah, I think you're talking about two  
18 separate services. One to carry equipment and to accompany  
19 and one to physically try to move a very large piece of equipment  
20 sitting heavy in the water. And if you can come -- I don't know if  
21 those can be combined. Tug boats are designed very short with  
22 -- and they're primarily just one big engine in a little hull so that  
23 they have maneuverability and can effectively move a large vessel.  
23 As you increase the length of the vessel, you begin to loose  
25 maneuverability which is one of the purposes that a tug serves.

1 So, people who are more expert in this area would have to judge  
2 what would be the best piece of equipment, if it was feasible at  
3 all.

4 MR. HAVELOCK: It would be the case in Cook Inlet,  
5 would it not, and as compared to Prince William Sound, that the  
6 loss of power and loss of steering capability would pose much  
7 more likely instantaneous risk to the vessel, than others because  
8 of the currents and the ground conditions?

9 MR. WILLIAMS: Well, certainly because of the current,  
10 the vessel is going to move providing the Master or the, and/or  
11 the pilot does not effectively utilize the anchors to keep that  
12 vessel in place. And there's some debate about whether you can  
13 hold a vessel that size fully loaded in a seven knot current. Our  
14 shipping people seem to think that if you have the proper  
15 anchor and you effectively use the anchor, you can maintain that  
16 vessel in one location.

17 MR. HAVELOCK: Thank you.

18 MR. PARKER: Yeah, thank you. I've heard many stories  
19 about holding in seven knot currents in Cook Inlet and it does  
20 certainly require a high degree of seamanship, above and beyond  
21 what most places require. Commissioners?

22 MS. WUNNICKE: I have one point of clarification that, if I  
23 may? You're going to give us your notes on your figures, but  
23 when you talked about 76 vessels in the Cook Inlet carrying  
25 North Slope crude and 10 carrying product, and then you went

1 ahead to tell us how many million barrels of resid and crude  
2 were shipped out in 1988. Was that just from your dock or from  
3 the whole area?

4 MR. WILLIAMS: Yes, ma'am. Those figures were just from  
5 my dock.

6 MS. WUNNICKE: Just from your dock.

7 MR. WILLIAMS: There's another facility that also moves  
8 fuel oil.

9 MS. WUNNICKE: So, the first figure with respect to 76  
10 vessels would be both to Chevron and Tesoro.

11 MR. WILLIAMS: That's correct, and currently my facility  
12 handles all of the North Slope that comes in to the Cook Inlet.

13 MS. WUNNICKE: Okay. Thank you.

14 MR. PARKER: Anything else? Okay. Thanks a lot. We'll  
15 take up your LORAN comments with the Coast Guard -- have a  
16 little work session with them on it and see what we might  
17 propose in that area and also, the buoys. Mayor Gilman. That  
18 has side in the Baltic. I think they just pull the buoys and set  
19 'em. I was just talking to Mr. Williams while you were coming. I  
20 say in the Baltic, they just pull the buoys every year and set them  
21 out again. They're navigational buoys. That'd help for the  
22 summer or at least we oughta get by for eight months if we did  
23 that here.

23 MR. GILMAN: Mr. Chairman, I talked to Commissioner  
25 Kelso about 12:30 and they were having trouble getting

1 confirmed space to get here before three, get in Kenai before 3  
2 o'clock. As you know, everything was stacked up from this  
3 morning and so he thought he would be able to get a plane at  
4 2:30 and would probably be here, I would say, around 3:30  
5 depending on who went over to pick him up and how fast they  
6 drive. So this kind of gives us the opportunity to answer  
7 questions that you might have wanted to pose this morning.

8 MR. PARKER: Yes. Counsel, do you have any questions of  
9 the Mayor or Mr. Butler from this morning?

10 MR. HAVELOCK: I have a couple. I was interested in the  
11 comment made that the existing response team, at the time of  
12 the Glacier Bay spill, was sent away at the time that the owner  
13 took over. Which team was that now?

14 MR. GILMAN: Well, I don't know that there was a team. I  
15 think -- what I was talking about was Cook Inlet Response  
16 Organization had been on-scene and when the attorneys for -- as  
17 I understand it, when the attorney for Trinidad Shipping  
18 showed up he said we don't need you any more. We're going to  
19 take over the spill. Is that correct, Mr. Butler? Is that the way  
20 you remembered it?

21 MR. BUTLER: Well, like most situations, there's a lot of  
22 versions of what happened and it's still slowly sliding through  
23 the courts. But the -- that's pretty much what happened. Until  
23 the Coast Guard took control and explained to everybody quite  
25 clearly who exactly was in charge. The attorneys for the shipper

1 were trying to line up a contractor and were in the process of  
2 basically trying to get a handle on what kind of logistical support  
3 they were going to need. They were doing that at a very slow  
4 pace and there were a number of boats who were interested in  
5 going and starting to mobilize the equipment in the CIRO  
6 organization. The shippers, the representatives for Trinidad  
7 Shipping just didn't see that as a primary priority. There was an  
8 argument being made that oil introduced into the water in Cook  
9 Inlet will flush out in the matter of tides, over several periods of  
10 days and that was the argument that Trinidad Shipping seemed  
11 to be hanging their response on. It became pretty clear after the  
12 first few tides that that wasn't going to be the case. Keeping in  
13 mind, of course, that at the time that this was being discussed,  
14 there was a school of about five million red salmon heading for  
15 the Kenai River and there were quite a few anxious fisherman  
16 pacing the docks trying to get out. That was not a priority being  
17 considered by the shippers as much as it was the Coast Guard.

18 MR. HAVELOCK: Was the drawing back of the CIRO, was  
19 that basically -- was that a concern over cautions in the use and  
20 presence of equipment, vessels and manpower or was that  
21 essentially a financial issue that no one could see who was going  
22 to pay for them if they stayed around?

23 MR. BUTLER: I don't think that was the issue. I think it  
23 was a jurisdictional question of who actually has the  
25 responsibility of responding to a ship that's lost it's cargo. And

1 that's the ship's prerogative to define that, in that the shipper or  
2 the shipper's agent agrees that the local cooperative will manage  
3 the spill -- then that's what'll happened. But there was  
4 discussion on whether or not that shipper was a member of the  
5 cooperative or whether the person who owned the cargo was the  
6 member. It got into some pretty fine print and there was a lot of  
7 discussion on those particulars and who had the jurisdiction.  
8 That was -- the Coast Guard, I think, intervened saying this  
9 discussion is not what we need at the present moment. We  
10 need to get equipment out on the spill. That happened for a  
11 period of about eight or nine days. The level of recovery  
12 dropped off significantly during that period and then the  
13 shipper was allowed to bring in the contractor to continue  
14 mopping up the situation and collecting oiled debris. Does that  
15 answer.....?

16 MR. HAVELOCK: Partly. I'm still -- I'm wondering -- for  
17 example in this spill, I understand that communities like  
18 Seldovia simply went out and did things regardless of.....

19 MR. BUTLER: Correct.

20 MR. HAVELOCK: .....liability and I'm wondering why CIRO  
21 would've backed off with its resources simply because somebody  
22 announced that they were, I'd assume a lawyer from Anchorage,  
23 announced that they were assuming legal responsibility.

23 MR. BUTLER: Well, I am not going to speak for CIRO on  
25 that. All I can say is that there were several people who did not

1 clearly understand who had jurisdiction to do what. And the  
2 time to decide that isn't, obviously, at the time of a spill. And  
3 that was the failing of the situation. CIRO provides resources to  
4 facilitate a response and there gets to be questions about  
5 whether it's the person who owns the ship, whether it's the  
6 person who owns the cargo and -- I think, Bob Williams hit the  
7 nail right on the head. It's a very convoluted, contractual  
8 process. In the event of a spill, everybody's trying to posture  
9 themselves away from the incident as opposed to get closer and  
10 take the heat of trying to clean the oil up.

11 MR. HAVELOCK: I wanted to ask Mayor Gilman -- in other  
12 hearings we've noted the quick way in which Seward was able to  
13 respond and we heard that you, Mayor, were responsible or  
14 highly instrumental in getting incident team to Seward. They  
15 wondered if you would talk about why you did that, how you  
16 happened to know that and why that community happened to be  
17 so favored.

18 MR. GILMAN: Mr. Havelock, I'd love to take the credit for  
19 that, but the Incident Command Team was on the ground when I  
20 got there. It had been called in by the National Park Service  
21 through BLM and that same Incident Command Team had been  
22 in Valdez and were sent home, saying they didn't need 'em. And  
23 the superintendent of the park, Ann Castalini (ph) knew that  
23 this had taken place and knew that this team had been sent back  
25 out of Valdez to Fairbanks and she kind of intercepted them and

1 had them go to Anchorage. And then they came on down to  
2 Seward. My involvement in it was simply at the time of the  
3 incident to make the decision to call, to declare an emergency  
4 within the Borough which gives me some access to funds under  
5 our code as well as State code and to say to the Incident  
6 Command Team, we will cover the expenses on non-federal land  
7 because they had been -- they were restricted to -- their  
8 activities being called in by the Parks Service, to Park Service  
9 land. So I signed a very midnight type of contract with National  
10 Park Service and saying that Kenai Borough would be responsible  
11 for the costs incurred on non-federal land, including State land,  
12 private land, etc.

13 MR. HAVELOCK: There's been some comment on the  
14 need to clean up in Cook Inlet now. Is there a need for clean up  
15 in Cook Inlet at this time?

16 MR. GILMAN: Are you referring to the Exxon Valdez  
17 spill?

18 MR. HAVELOCK: The Exxon Valdez spill, yeah, for our  
19 upper Cook Inlet.

20 MR. GILMAN: We were going through the daily reports  
21 that we get from the different zones and there may be a need for  
22 some additional clean up in the McNeil River/Kamishak Bay area.  
23 That kind of got dropped in a hole between the Homer and  
23 Kodiak zone. It was in the Kodiak zone, was not being addressed  
25 by the Homer or Kodiak. And I don't know that anyone really



1 knows. Jim, you might, you keep closer dubs that I do. But  
2 there, as far as clean up, there've been beaches that have been  
3 oiled. There have been some clean up activities as far north as  
4 Ninilchik in the Cook Inlet, but that clean up activity has been  
5 instructed to kind of walk on the beaches and picking up tar  
6 balls and then some more experimental in the rips, trying to  
7 determine what is effective and what isn't as far as cleaning up  
8 on the water. All those activities have now ceased, including, I  
9 believe, the beach clean up activities, practically everywhere.

10 MR. HAVELOCK: Is that because there is no longer a  
11 problem there or is that just part of the general pull back?

12 MR. GILMAN: Well, I haven't walked the beach myself  
13 there, so I -- you know, all I'm going to tell you is what we get  
14 back from people that we hear from. I think the general  
15 consensus is that there are still areas that are oiled. There are  
16 still areas that have not been treated. There is, as Mr. Butler  
17 said this morning, we still are in the process of having an oil  
18 spill. There's still oil coming out of Montague, not daily, but  
19 there's been reports of oil slicks. In fact, I believe it was about  
20 the first of August, first week in August, DEC reported a slick  
21 that came out of Montague Island that was as big, or bigger, than  
22 the Glacier Bay spill, you know, to kind of put that in  
23 perspective. We were in Seward two days ago at the meetings  
23 that they have daily in Seward. Everybody in the room, including  
25 Exxon, said yeah, there's still oil out in the Pie Islands. Yeah,

1 there's still oil in the Chiswells (ph). They were trying to  
2 determine what they did with a place called Hook Point. I don't  
3 know where that is. They still had a crew out there, but every  
4 ship was gonna be out of there today. Every ship a hundred feet  
5 or less was gonna be out of the zones, period. I don't know  
6 whether I'm answering your question Mr. Havelock. I'm kinda  
7 gettin' to frustration level and I don't mean to get there. I think,  
8 as a practical matter, the clean up's over, 'cause Exxon isn't  
9 gonna put anybody else out there, right. When I say clean up's  
10 over, for this fall. We have to concentrate on next fall in what do  
11 we do next spring? What does Exxon do next spring? What  
12 does the Coast Guard do? What does the State do? What does --  
13 to collectively, we do? If we still have lowing oil, and it begins to  
14 threaten other critical habitat areas.

15 MR. HAVELOCK: Are there areas in your Borough where a  
16 treatment of beaches or shore conditions should continue, not  
17 withstanding increases in weather hazard?

18 MR. GILMAN: I am told by -- at least the resource people  
19 in Seward, in Homer and the groups that are there feel that  
20 there are. And they're specifically asking for certain activities to  
21 be provided for this fall. And we do have that in kind of a  
22 written proposal and plan that we could provide to you. It's kind  
23 of a fluid document at this point, but what we have done is taken  
23 the agency reports and the agency requests and any other  
25 requests that have come through the two zones and tried to put

1 together a recommended action plan for Exxon through the  
2 winter. And so, there seems to be some indication that that may  
3 go forward. I don't think the borough has been completely  
4 locked on that yet, but we would be glad to provide that to you.  
5 What is it, three or four pages, something like that.

6 MR. HAVELOCK: I would appreciate getting a copy of that.  
7 I suppose the implications for us is whether the decision to  
8 terminate a clean up activity should be a private decision or  
9 whether it should be a public controlled decision. Do you have  
10 an opinion on that?

11 MR. GILMAN: Well, yeah, I do have an opinion on that.  
12 It's the same opinion that I have about oil spill response in  
13 general. The person that spilled it shouldn't be the one that  
14 makes the decision when or where or how to clean it up.

15 MR. HAVELOCK: The jurisdiction of the Borough covers  
16 the -- a good deal of water, does it not? I mean that as you go,  
17 and I forget the exact description, but your.....

18 MR. GILMAN: You wrote the liberty strips. You must have  
19 got a block.

20 MR. HAVELOCK: Well it was a great power grab at the  
21 time, right. It covers the platforms, does it not, and it goes out  
22 to the water boundary with the Kenai, 'er with the Kodiak  
23 Borough, does it not?

23 MR. GILMAN: No, we do not bounder the Kodiak Borough.  
25 There's a gap in there. Our boundary roughly starts about 25

1 miles south of Montague Island and goes to Cape Douglas. And  
2 then the entire west side of the Inlet to the boundary of the  
3 Matanuska-Susitna Borough, which is essentially a line down the  
4 middle of Turnagain Arm. And nearly the entire water shed of  
5 the west side of the Inlet, all of the Beluga, Tyonek, Redoubt Bay,  
6 Trading Bay areas are in the Borough.

7 MR. HAVELOCK: So, potentially at any rate, at least in  
8 terms of boundaries, you have a good deal of potential  
9 jurisdiction with regard to spill, spill recoveries, and.....

10 MR. GILMAN: Yeah.

11 MR. HAVELOCK: .....such issues. I know you must have  
12 given some thought both ways on that. Whether you'd want to do  
13 it or not and I think you mentioned in your earlier testimony you  
14 were looking at, you said, how it might relate with the coastal  
15 zone aspects. Can you tell us at this time what kind of options  
16 you've been looking at in terms of a borough role with respect to  
17 prevention and traffic control and spill clean up or mitigation?

18 MR. GILMAN: Well -- I see that the Commissioner's come  
19 in to rescue me. Yes, we have. We have been examining that  
20 from a lot of different angles and as you know, the second class  
21 borough in Alaska system does not have all of the powers  
22 relegated by virtue of it being a municipality that other, say home  
23 rulers, first class city has. And a lot of those powers have to be  
23 voted by the public. You just don't inherently have them to  
25 exercise. And the Assembly doesn't inherently have that

1 authority. One of the powers, though, that we do have by  
2 statute, is the planning and zoning function. One of the four  
3 powers that's mandated by law. One of our problems that comes  
4 about when we get into this type thing is the regulatory function  
5 that the borough might provide or might have. And as you know,  
6 Mr. Havelock, we have to adopt ordinances in order to exercise  
7 that power. And we have not adopted any ordinances. In fact, I  
8 think you wrote the ordinance that we have. That I really -- I  
9 mean that it was a 1965 ordinance and I think you were still the  
10 Borough attorney at the time, and we have not updated it since  
11 1965. And, as far as the regulatory process, it has been the  
12 opinion of the public within the Borough and we're wrestling  
13 with it next meeting. We have a zoning document before the  
14 Assembly next meeting and it's my opinion that the public has  
15 said we don't like that one and it will probably not pass the  
16 Assembly, so we do not have within our ordinances any  
17 regulatory powers that we can exercise by virtue of -- other than  
18 what is called noxious, injurious and hazardous ordinance and  
19 that's kind of "eyes of the beholder" ordinance and it certainly  
20 doesn't have any regulatory power over anything that we're  
21 talking about. So our function is in the planning process. Our  
22 function right now is in, what do we do, first and short term.  
23 Are there activities that can take place in the Inlet that are short  
23 term in nature and, of course, the long term, down the road  
25 activities and plans. And we are working with the State on

1       formulating those. But again, we do not have any legal authority  
2       to enforce those. Even if we had -- even if we were allowed to do  
3       that, which there is some question, outside three mile limit  
4       particularly. And as you know we lost -- there was a law suite  
5       that was lost by the State over who owned lower Cook Inlet. It is  
6       not an inland water. The boundaries come three miles offshore,  
7       up to Kalgin Island and then three miles offshore, back down to  
8       Cape Douglas. So, there are a lot of things involved, but we do  
9       not have the ordinances to enforce, even if we were allowed to.

10       MR. HAVELOCK: At the present time are you engaged in  
11       innate review of contingency planes, either CIRO or Phillips or  
12       the LNG or the bulk plant? Do you have any participation in  
13       reviewing those plans?

14       MR. GILMAN: As of this minute, no. Maybe about 6  
15       o'clock this evening. That -- we are still working with the State  
16       on that and we have kind of a negotiations that are taking place  
17       and that's one of the things that the Commissioner and I will  
18       probably resolve and finalize this evening.

19       MR. HAVELOCK: Thank you.

20       MR. PARKER: Commissioners?

21       MS. WUNNICKE: Just one question, Mayor. I'm not -- is  
22       that better? You mentioned earlier, when you were speaking to  
23       us this morning, about some volunteer efforts to clean up oil.  
23       Are you familiar with those and what may be happening there?  
25       Some volunteer efforts out of Homer to clean up, is it Mars Bay.

1 That they had some difficulty in terms of getting approval from  
2 the Borough so they could get funding. Are you familiar with  
3 that?

4 MR. GILMAN: Well, I know what we did. We said to -- I  
5 don't think we ever had a written request for any funding. We  
6 said under existing circumstances there would be no way that  
7 we could provide them with any funding. And, as I understand  
8 it, the Department of Environmental Conservation did offer to  
9 supply some funds for that volunteer effort. But they -- and have  
10 to go back to that point about how does the State commit funds?

11 MS. WUNNICKE: Reluctantly.

12 MR. GILMAN: Well, no, it isn't so much in this case,  
13 reluctantly, as that there is a very stringent purchasing code that  
14 has to be followed. They just can't go out and say to any non-  
15 profit organization group or so on, here's money. But they can  
16 do that with most municipalities. And the Homer, city of  
17 Homer, the Mayor of Homer had reached an agreement with the  
18 Department of Environmental Conservation on how that they  
19 might.....

20 MS. WUNNICKE: They might be.....

21 MR. GILMAN: .....proceed to pass the money through to  
22 them. The City Council turned it down. They would not approve  
23 it.

23 MS. WUNNICKE: This was the Homer City Council?

25 MR. GILMAN: Yes. And I don't frankly know where it

1 stands right now. Now I have some reflections on that. I visited  
2 the camp and -- I think it was a couple weeks ago. There was a  
3 terrible rain storm. It was awful. I mean it was bad out there  
4 that day and people needed meddle just for standing out there,  
5 being out there. But, on the other side of the coin, if that had  
6 been a company that was running a camp, it wouldn't have been  
7 allowed to open. The.....

8 MS. WUNNICKE: What did you observe?

9 MR. GILMAN: Well, the sanitary -- there weren't any  
10 sanitary conditions. I mean it was, it was bad. And I don't say  
11 that on reflection of anybody, but it -- you know, if it had been  
12 either a private corporation or a municipal operation or State  
13 operation or federal operation, it would not have existed in the  
14 state. It would have been closed down by OSHA or somebody.  
15 And, you know, we can't tell citizens they can't go out and do  
16 things, and I'm not saying we should do that. But, at the same  
17 time, there's some risk in providing volunteer -- providing  
18 assistance to volunteers. I mean what liability have you taken  
19 on? And let me tell you what happened to me last Monday  
20 morning, I believe it was. We had a 7.1 earthquake and the only  
21 thing I could think about was, my god, those people are out in  
22 Moore's Cove and no communication and -- I applaud their  
23 intent in what they're trying to do, but there is a reason that  
23 Exxon brought people off the beach. And it gets pretty hairy out  
25 there. It was hairy enough for me the day I went out and it was



1 only a little blow, I guess. I really question the wisdom of having  
2 that out there as far as any of us supporting it. Anybody can go  
3 out and do what they want, but federal, state or local funds  
4 supporting it? I think that there may be some other better  
5 places that if they wanted to have an experimental program that  
6 they could have picked. That was dangerous. That's a dangerous  
7 situation. And I -- again, I don't want to throw cold water on  
8 their efforts, but it scared me.

9 MS. WUNNICKE: Okay. Thanks for clarifying that for me.  
10 Thank you.

11 MR. PARKER: Both you, Mayor, and Mr. Butler brought up  
12 the problem of initial response and strong direction and I'd like  
13 your insights on some of the things that we've heard proposed so  
14 far. Mr. Iorocy, the other day, said as a result of his experiences  
15 on Exxon Valdez, what is needed is a dictator. He didn't define  
16 what that dictator should be, but others did at that meeting and  
17 it should in fact be a federal dictator. And several congressman,  
18 of course, expressed the idea that the on-scene coordinator  
19 should be the eye level federal employee, probably in the Coast  
20 Guard, probably Vice-Admiral about similar to the present  
21 coordinator with rather absolute powers. And I think there's  
22 probably a trend in the Congress this way right now and  
23 obviously most states' righters are not going to like a total  
23 federalization very much as the only options. Some of the ideas  
25 that have been approached us are to have a strong federal

1 coordinator and a state coordinator of relatively equal rank with,  
2 you know, each operating in his areas of concern, but operating  
3 very much as a team. And then we've also heard ideas about  
4 having an an inter-state pact for the west coast states, gulf coast,  
5 Atlantic coast, and so forth and the inter-state pact director  
6 would be the automatic on-scene coordinator for a catastrophic  
7 or in a major spill. What I'm looking for here is what kind of  
8 structure the Borough would feel comfortable with, assuming  
9 that what we all want is a much firmer direction initially than  
10 what we're getting.

11 (Tape Changed)

12 (Tape Number 89-09-07-3B)

13 MR. GILMAN: Well, I do have a number of reflections on  
14 that and I have to preface what I say by admitting that I have  
15 built a bias in by what I saw out of the Incident Command Team  
16 that came from the Fire Training Center in Fairbanks. Now, let  
17 me just explain to you who was on that Incident Command  
18 Team. They were all Alaskans. They live in Galena and  
19 Fairbanks and I think there was a couple from Anchorage. I'm  
20 not sure exactly where they were all from. That was the original  
21 team. Their function was to, first of all, come in and assess what  
22 the circumstances were. But they have some legal authorities  
23 given to them by the Legislation that creates them. Number one,  
23 they can purchase. They can secure. They can commit funds.  
25 They have purchase orders in their pocket when they come

1 down the line. They don't worry about who's paying for it, they -  
2 - it's a federal purchase order. Generally, the entity that calls  
3 them in, Park Service, Forest Service, etc., would be the entity  
4 that they would have a code number for, but at the same time,  
5 they don't worry. They purchase what they need to purchase.  
6 But they are not fire fighters, per se. They are not oil spill pick  
7 up people. They are logistics people. And they make an  
8 assessment of what are the resources they need and then they  
9 know where those resources are and they can bring them to  
10 bear on that emergency. Admittedly, this group is more of a  
11 forest fire, wild fire organization than anything else, but the  
12 principles are the same. What I think we should do, barring  
13 anything that Congress does, and heaven knows what that might  
14 be, I think we need to develop that concept in this state. And  
15 not just for oil spills. We have floods and fires and earthquakes  
16 and volcanos and oil spills, unfortunately. The same concepts  
17 work. We ought to develop that capability. Maybe it's a regional  
18 team. Maybe -- I don't have any magic numbers, but I think we  
19 ought to develop that as an internal strategy of the state and  
20 train people, identify people to fill in those positions. And you  
21 start with four people, generally, and they are on the scene as  
22 soon as possible. And if it's a flood, or it's a fire, or it's an oil  
23 spill, they have the resources that are -- they have the resources  
23 that they can commit. What we found in this spill and what we  
25 found in Glacier Bay is that there are periods and windows.

1 There's about a 12 hour, as Jim said, window. There's about a --  
2 if you have to call a team in from some place, that 12 hours is  
3 gonna pass. You're not gonna have -- if you have to bring  
4 somebody in from some place, you're not going to have them,  
5 probably, on scene in that 12 hours. Then there's a two or three  
6 day, four day, and then there's the long term. We have to have  
7 people at the local level. Let's face it, we have two places in the  
8 state of Alaska that transport oil out of -- that we transport oil  
9 out of -- of any amount of crude oil. And we have some other  
10 places like Dutch Harbor; a tremendous amount of fuel that goes  
11 into Dutch Harbor; Kodiak, any where that we've got the big  
12 fishing fleets. We can identify those areas. It won't even take a  
13 genius to know where this opportunity is of the spills. As long as  
14 we've got ships, we're gonna have spills. As long as we've got  
15 men running ships, we're gonna have spills. We might as well  
16 accept that fact and work with the communities wherever this is  
17 liable to happen and have a trained response -- I think that's  
18 what the Legislature had in mind when Senate Bill 264,  
19 whatever it was, passed. That was a quickie. That was a quickie.  
20 Legislature reacted. There's no doubt in my mind that that  
21 legislation's gonna be reviewed and possibly re-written. It  
22 probably should be. But it said a point. It made a statement.  
23 Local area has to have a response capability, some way. We  
23 happen to have, internally -- as I said a while ago, the siren that  
25 was going off is our tsunami warning response and it goes off in

1 all the villages and all the towns every -- what is this, the second  
2 Thursday, first Thursday of every month. It's tested. That's just  
3 one little, tiny example, but we need to have that concept  
4 developed at their local communities. We don't have to have the  
5 same thing everywhere, but a network. And I see that as our  
6 role, as the Borough's role, not so much as providing it, but  
7 seeing that it is in place, maintained, reviewed, providing the  
8 adequate training -- seeing that the adequate training is  
9 provided maybe is a better way of putting it. There are a  
10 multitude of things that we can learn from and the federal  
11 emergency management agency, the Emergency Management  
12 Institute, has training classes that go on year after -- I mean,  
13 yearly. There are lots of things that we can do that isn't gonna  
14 cost a helluva lot of money in getting the preparedness,  
15 emergency preparedness awareness. But I do think that that  
16 concept of having internally, in the state -- and I don't say "a"  
17 team. It might be three teams. It might be -- but the idea that  
18 they can hit the beach with purchase procurement capabilities.  
19 And what happens is you have -- in the concept we work with, it  
20 answers the question I think has been raised here. The Incident  
21 Command Team doesn't work unilaterally. The Incident  
22 Command Team works under the direction of a local group that  
23 is formed to take charge of that incident. And it is, includes  
23 private land owners, municipalities, the agencies that might be  
25 involved. And they meet and make decisions about what has to

1 be done. What are the priorities, what do you do first? And that  
2 Incident Commander goes and does it. It isn't like you're  
3 sending a bunch of people from San Francisco in here to do your  
4 job for you. You tell them what you want done and they go do it.  
5 Pardon?

6 MS. WUNNICKE: You assign the priorities.

7 MR. GILMAN: We assign the priorities. We assigned the  
8 priorities. We had, and I'll give you an exact, we had probably  
9 three miles of area that we should put boom around and we have  
10 about 10,000 feet of boom. When you have six miles, five miles  
11 of area you want to boom and you only have two miles where you  
12 boom. Somebody had to make that decision. And we made the  
13 decision, collectively, that we would boom those critical areas  
14 that were in the mouth of the stream. So when the private  
15 landowner came in and saw, hey I'm gettin oil on my beach, we  
16 had to say to him, and we did, "Sorry, but our criteria, our  
17 priorities are this and if we can find enough boom to boom off  
18 that beach, we will, but at this time, this is what we're going to  
19 do with it."

20 MR. PARKER: Any other questions? Thank you for that  
21 answer, Don. That filled in a lot of things for me and based, you  
22 know, from what you told us at our previous meeting -- what  
23 there is, I think, to counteract what's going on for having a  
23 supreme dictator -- there is that other force that's very strongly  
25 expressed itself at local input to initial decision making must be

1 guaranteed by the system. Commissioner Kelso's not going to be  
2 here until 4 o'clock. Do you have anything else you'd like to  
3 bring up, you or Mr. Butler?

4 MR. BUTLER: I'll try and keep my foot out of my mouth  
5 on this, Mr. Chairman. Mr. Havelock asked earlier about the  
6 situation in Cook Inlet and there was a point that I'd like to  
7 address that seemed to develop as it related to Cook Inlet, that I  
8 think still seems to be a sore spot. As the mayor mentioned, the  
9 term MAC Team's kicked around quite a lot, and I don't know if  
10 it's been explained to you, but the MAC Team's a Multiple Agents  
11 Committee and the State agencies are members of that and got  
12 involved. As the oil came around the lower part of the Inlet and  
13 it started to disperse in the area of the lower Inlet and the Bay,  
14 down there in Kachemak Bay and Kamishak Bay, it became  
15 harder to track. The leading edge became much harder to track  
16 and things went south with the oil and it was much easier to  
17 track the big traces of oil. As a result, there was not a significant  
18 effort to keep track of what happened in Cook Inlet. Fish and  
19 Game had access to vessels made available by the Exxon to  
20 continue to trace the movement of oil in Cook Inlet, but it never  
21 became clear, and I still read reports that do not include  
22 impacts of oil in Cook Inlet, particularly as it relates to the spill.  
23 I think you could ask three or four different people about how  
23 much oil's out there and I know you'd get several different  
25 answers. Everybody will agree there's a lot of oil on the

1 Peninsula. Everyone'll agree there's a lot in Seward. But few  
2 people really understand what's gone on out in Cook Inlet. The  
3 local Department of Fish and Game did what I think an  
4 extremely commendable job with limited resources, trying to  
5 take on a new task of being oil monitors. And I think that it's  
6 important to keep in mind that if policy decisions are made as it  
7 relates to the fishery because of the presence of oil, it should be  
8 backed up with policies about dealing with the oil that closes  
9 fisheries. It's one concern that a number of fishermen have  
10 contacted me about. If there is a significant enough presence to  
11 close a fishery, there should be a significant enough presence to  
12 at least try and deal with experimental technologies or make the  
13 boats that are idle available to go out and try to make an effort.  
14 There were several proposals mentioned during the course of  
15 the season to try and get boats out there to deal with  
16 experimentation on recovery of oil. I was contacted by one of  
17 the test boats last week before he was let go. He saw more oil  
18 between Anchor Point and Ninilchik than he's seen all year out  
19 there. The oil's on it's way and it's going to continue to come  
20 around into the Inlet. And I hope that I can leave you with the  
21 impression that we want to keep track of what's going on this  
22 winter with what's happening. The MAC teams, and I will give  
23 you a copy of the plan -- I wanted to also qualify what that plan is.  
23 That plan is a list of equipment needs that is expected to be  
25 used as the MAC's identify priorities through the course of the



1 winter, if the funding's available. It comes down to the magic  
2 green problem there. But, the list I'll be providing you has been  
3 agreed to by each of the MACs as far as a level of equipment that  
4 should be made available. It's not a plan that identifies priorities  
5 of action. That's something that is determined as the season  
6 unfolds and the movement of the oil unfolds. So, I hope you  
7 keep that in mind when you review it. It's equipment needs that  
8 the people who've been on track will be able to allocate as they  
9 see it's appropriate. If there are any other questions? Thank  
10 you very much.

11 MR. PARKER: Thank you and we'll look forward to getting  
12 that because at least that'll be the first of anybody's winter plans  
13 we will have received, I believe. So, we'll recess until 4 o'clock  
14 and resume with Commissioner Kelso who just came in and  
15 went out.

16 (Off the Record)

17 (On the Record)

18 MR. PARKER: Oil Spill Commission will reconvene.  
19 Commissioner Kelso would join us. Welcome to Kenai, the place  
20 where the airport you're able to get into 99 and nine-tenths  
21 percent of the time. Today, this morning, it failed us.

22 MR. KELSO: Thank you Mr. Chairman. My apologies for  
23 being so late. The fog seemed to selectively locate itself just to  
23 delay things all day. The oiled mayors were getting ready to  
25 meet this morning, I think at 9 o'clock, and they weren't able to

1 start until about noon because many of the mayors couldn't get in  
2 and several of them hadn't arrived when I left. So, that's not a  
3 sign of things to come. I can report, it looks better out there  
4 now. I know that you had a long day of hearing figures and  
5 thinking about tankers and traffic in Cook Inlet and with your  
6 permission maybe I can skip my version of those figures and talk  
7 more directly about the oil pollution control program -- some of  
8 the thoughts that we have about strengthening the safeguards in  
9 Cook Inlet, both in the short term and the long term.

10 MR. PARKER: Yeah. I'd appreciate that.

11 MR. KELSO: I have with me Lynn Kent. You don't have to  
12 come up yet, Ms. Kent. Why don't we just wait 'til there's some  
13 questions. Lynn is chief of our oil and hazardous substance spill  
14 response section and, in particular, she's responsible for the oil  
15 pollution control program. That's the part that you'd be most  
16 interested in now. I asked Lynn to be ready to answer any  
17 specific questions you may have about the oil pollution control  
18 program itself. Her shop is responsible for review of oil spill  
19 contingency plans. The problem is that her shop has never had  
20 funding for that function, so they pick it up in the course of their  
21 other oil pollution work and basically we steal bits of staff time  
22 from other functions in order to look at oil spill contingency  
23 plans. But, Lynn is ready to give you information about that to  
23 whatever depth you'd like. Our experience during the 1987 spill  
25 for the Glacier Bay here in Cook Inlet was a very sobering

1 reminder of what the stakes are here in the Inlet. And although  
2 it was, in 1989 terms, not a large spill, it was a crucial spill. It  
3 happened just as the run was building, the sockeye run was  
4 building to it's peak. It happened July 2nd, just before a large  
5 recreational fishery was supposed to happen, and in Cook Inlet  
6 the spill behaved in a way that was difficult to contain and clean  
7 up. So, we did take some actions to follow up on that. For one  
8 thing, we did a full technical analysis with recommendations  
9 even though we knew we did not have the funding to carry out  
10 those recommendations yet. There were some things that we  
11 could do immediately, though, and one of those was to request  
12 that the Legislature change our statute so that it was required in  
13 State law that not only must there be an oil spill contingency  
14 plan approved in order to operate, but that the entity  
15 responsible for implementing that plan actually have that  
16 equipment on hand, or access to it -- that the plan specifies  
17 equipment, personnel and so forth. And also that the plan be  
18 implemented as quickly as feasible in the event of a spill. The  
19 Legislature did make those changes so, following the Legislative  
20 session in 1988, that authority went into effect. The experience  
21 we've had in the Exxon Valdez spill is very different than the  
22 experience we had with the Glacier Bay, including the  
23 promptness of response and the -- basically the follow up to the  
23 spill event itself. If you have any more specific questions about  
25 that, the person who really carried the ball for us during the

1 Glacier Bay Spill response, Lester Weatherbury, is here and I  
2 would be happy to invite him up to join us if you'd like any  
3 specifics about how the Glacier Bay event compares with the  
4 Exxon Valdez. Clearly, their orders of magnitude differ in size,  
5 but the lessons to be learned I think go beyond just magnitude.  
6 At any rate, we are aware that there are crucial resource values  
7 here for the people who live in the Kenai and for people who live  
8 downstream, in effect, in Kodiak, because of our experience in  
9 both '87 and '89. We're also aware that the oil and gas industry  
10 here in the Kenai, although it involves many of the same  
11 companies, has different characteristics. The volume of crude  
12 oil moving is different. The size of the tankers is different, and  
13 I'm sure you've talked about that already today. In addition, the  
14 ability of the industry in its operations here to fund the response  
15 capability that may be necessary is perhaps different, is perhaps  
16 different, according to what industry tells me, from what it is in  
17 the TAPS trade. But, setting all of that aside for the moment, we  
18 think that there are some short term changes that need to be  
19 made and some long term changes that we ought to put on the  
20 table as soon as possible. We now have funding, as of July, to  
21 begin working on some of these problems, but we still don't have  
22 funding for an oil spill contingency plan review program. What  
23 we have is funding for one-time review of oil spill contingency  
23 plans, but we don't yet have the program to do the three year  
25 reviews that are required by statute. We also have funding to

1 review the standards for oil spill contingency planning, which  
2 we will want to coordinate carefully with you, but we don't have  
3 the money to implement those standards on a continuing basis  
4 through the oil spill contingency planning process. We will be  
5 requesting funding in the Governor's budget process for that  
6 function, but I think I should put it right on the table right away  
7 that that has been the limiting factor in dealing with Cook Inlet  
8 safety measures to date. Here are some of the things that we  
9 believe need immediate attention. The Governor has formally  
10 asked Secretary Skinner, U.S. Department of Transportation, for  
11 improved navigational aides and other measure to improve  
12 tanker and tank barge safety in both Prince William Sound and  
13 Cook Inlet. We wanted to make sure that in the attention given  
14 to Prince William Sound that Cook Inlet was not overlooked. We  
15 expect to work closely with the Coast Guard on those, in both  
16 places, but it's critical that the authority that the Department of  
17 Transportation and the Coast Guard have be exercised to  
18 strengthen those safeguards. We have also, now that we have the  
19 funding in this new fiscal year, assigned two positions to work  
20 with appropriate interests here in Cook Inlet to develop and  
21 implement measures for spill prevention and response  
22 preparedness. The way we're gonna do that is that we will be  
23 borrowing and paying for a member of Mayor Gilman's staff, Jim  
23 Butler, and Joe Sottner from our staff will be assigned to work  
25 with Jim and they will initially be working full time on this

1 effort. We don't know exactly how long it's going to take, but  
2 we're treating this as a situation in which time is of the essence.  
3 Because we really need to have the safeguards strengthened as  
4 soon as we can. Lynn Kent, whom I mentioned to you earlier, is  
5 in charge of that overall effort. The first step we think that  
6 needs a quick review by Jim Butler and Joe Sottner is to work  
7 with the various interested folks here, including the fishing  
8 industry and the oil and gas industry, local governments to  
9 evaluate the possibility of capable tugs being stationed in Cook  
10 Inlet. That would involve looking at locations, numbers, types of  
11 tugs, how they might -- what level of protection they might  
12 provide. We have met with both fishermen and with the oil and  
13 gas industry representatives. I met with them about two weeks  
14 ago, two to three weeks ago, and talked about this overall  
15 situation. I would not want to suggested that the industry had  
16 said it would embrace the idea of stationing capable tugs, but  
17 there was a positive reception to that idea, recognizing that  
18 industry expects to talk more with us about the future of  
19 safeguards in Cook Inlet. We are also going to ask these two staff  
20 people to be working directly with the interest groups here and  
21 to, as soon as it is possible, and I won't name a particular date  
22 because I think that depends on some factors that we can't  
23 control directly, but we'd like to see a list of other specific steps  
23 that could be taken to improve spill prevention and response  
25 readiness in Cook Inlet. It's important that the oil industry be

1 involved in those discussions, for obvious reasons. There's a lot  
2 of technical expertise that they can bring to bear. We need to  
3 know early on what safeguards they'd be willing to implement.  
4 In other words, what voluntary measures they'd be willing to get  
5 started with. We will also need to identify measures that would  
6 require State or Borough action to implement. We have initiated  
7 a comprehensive inventory of contingency plans for Cook Inlet  
8 and by that I mean identifying which facilities have current plans  
9 and evaluate whether they have major inadequacies. We need to  
10 see that those are corrected and, in some instances  
11 enforcement action may be necessary. We are also considering  
12 proposal of regulations that would require terminals to file a  
13 certification that each vessel that arrives for loading or offloading  
14 has aboard an approved contingency plan. That would provide  
15 information that we currently do not have and it would also  
16 involve the terminal directly in making sure the vessels arrive or  
17 depart their facilities actually have what is required by State law.  
18 In the longer term, we will complete the comprehensive review  
19 of contingency planning requirements. Based on that, and of  
20 course we'll be consulting with you about that, we will establish  
21 new performance standards for oil spill response and will be  
22 evaluating all contingency plans against the new performance  
23 standards. We also will require that new plans reflect a level of  
23 response capability that would meet the new standards. We will  
25 also develop protocols for spill drills, criteria for evaluating the

1 success of drills, and remedies for inadequate performance  
2 during a drill. The new legislation that was passed by the  
3 Legislature, that we've discussed before, authorizes us for the  
4 first time to develop statewide and regional plans for responding  
5 to oil spills. A different type of contingency plan than we've had  
6 the opportunity to build in the State of Alaska before. We are  
7 going to treat this planning process as an opportunity to lay the  
8 foundation to have a regional plan developed for the Cook Inlet  
9 area. And, basically, there are several pieces of that: developing  
10 the regional contingency plan; establishing one or more  
11 response depots, equipment depots; and developing and  
12 training local response corps for Cook Inlet. And, of course, we  
13 will also be, as part of that, developing our own strike team  
14 capacity which is also authorized by the legislation. We will also,  
15 of course, as we talked about during one of your last sessions, be  
16 proposing legislation to strengthen response capability in Cook  
17 Inlet and elsewhere, but we want to wait until we've really had a  
18 chance to consult with you further before we make such  
19 proposal. I think your views on this would be very important in  
20 getting those changes that we need to have. I won't go on  
21 further at this point, but I would be happy to answer questions. I  
22 want you to know that I see the things that I have described  
23 here as a starting point. This is going to be a difficult area to  
23 work through. The fishermen that we've talked to have said,  
25 "Look, we're very concerned about this. We want to see action



1 right now." They have suggested the possibility of using  
2 emergency action in order to get these measures in place. At  
3 the same time, the oil and gas industry has said, we're willing to  
4 strengthen safeguards, but we also want to make sure it's within  
5 our ability to support the costs. And they've made some  
6 technical suggestions in our early discussions and have agreed to  
7 work with us on a continuing basis, so they will designate people  
8 to be working with us. The fishermen have indicated that they  
9 will work with us. The fishermen have said, we've been quite  
10 patient and we're concerned now that things happen quickly  
11 because we don't want to be exposed to further risk that's  
12 unacceptable to us. They've basically said, our problem is that  
13 the risk is not reciprocal in the sense that a spill affects them  
14 very directly and the risk of a spill is one that they cannot  
15 control. So, with all of those factors in mind, we are eager to  
16 work with the various interests, and I think that they can do a  
17 lot to help shape this and we're committed to do that. At the  
18 same time, we realize that we have a responsibility to make sure  
19 the safeguards are there. And so, ultimately, it comes back to  
20 my signing appropriate regulations or an order to make sure that  
21 the margin of safety is increased here in Cook Inlet and that we  
22 can all live with the results. Thank you Mr. Chairman.

23 MR. PARKER: Thank you, Commissioner. Has the  
23 industry identified AOGA as the forum that they wish to work  
25 through on this?

1           MR. KELSO: At our meeting a couple weeks ago, the  
2 industry representatives indicated that AOGA would basically  
3 convene their representatives. It may have happened during the  
4 past few days when I've been away from Juneau, but we were  
5 waiting for Bill Hopkins from AOGA to let us know who the  
6 representatives were and we are prepared to sit down any time.

7           MR. PARKER: Yeah, I think it would clear up a lot of  
8 things 'cause with Alyeska being so active with their new  
9 contingency plan, I think a lot of the public perceives it as "the"  
10 contingency plan, so be on top of that as soon as possible so the  
11 people understand what's being talked about when contingency  
12 plans are talked about is, I think, important. We'll give Hopkins  
13 a call too and explain that we'd be interested in hearing from  
14 them on whatever they're coming up with. Our schedule is  
15 we're going to have some workshops in late October on response  
16 and other items, so we'll certainly invite everyone to those  
17 workshops that is involved in this as we attempt to -- it'll be  
18 after our workshops we'll move into our analysis stage, 'cause we  
19 have to begin report writing in November. The report  
20 finalization, we're writing it right along, but the report  
21 finalization in November.

22           MR. KELSO: Mr. Chairman, you raised an important point  
23 having to do with Alyeska's relationship to Cook Inlet. It should  
23 be borne in mind that some of the crude oil moving into Cook  
25 Inlet is from the Valdez marine terminal. But, of course, here,

1 as you've talked about today, we're looking at a very complicated  
2 situation with refined product moving both ways, crude oil  
3 moving into the Inlet, and so a logical question is, well what  
4 about Alyeska's connection to all of this? The American  
5 Petroleum Institute, some weeks ago now, announced a plan by  
6 which five response centers would be created around the  
7 country. None of those is scheduled for Alaska and we pointed  
8 out that that is a serious flaw in the API plan. The API plan is a  
9 step in the right direction, but omitting Alaska where there is so  
10 much oil production and so much movement of oil products, is  
11 just a serious gap. Their press release, API's press release,  
12 indicated that that was not necessary to have a response center  
13 in Alaska because Alyeska would take care of it. I'm paraphrasing  
14 here, but that's what it amounted to. Shortly after the API press  
15 release, I met with Alyeska and said, is it your intention to serve  
16 as the response center for Alaska, including Cook Inlet? And  
17 the answer is no. So, it's very important that we make the  
18 distinction that you suggested.

19 MR. PARKER: Yeah. We discussed that same point in  
20 great detail with Mike Williams when we met with him last  
21 Friday on their new contingency plan. His points were valid in  
22 that the response time for ships from Valdez is, in essence, too  
23 long, so points were -- there were suggestions made here earlier  
23 today on staging tugs in Cook Inlet in addition to what you  
25 brought up and, indeed, tugs in Seward also. The other aspect

1 of that, of course, as Mike pointed out, is that both Kenai and  
2 Anchorage International are your best airports to stockpile for  
3 air response, so thinking this thing through obviously requires a  
4 lot of good work sessions. Commissioners? Esther?

5 MS. WUNNICKE: Mr. Chairman, Commissioner Kelso, you  
6 mentioned in developing a plan for Cook Inlet that one of the  
7 things you would want to look at would be one or more response  
8 depots. Would that be in consultation with the Cook Inlet  
9 Resource Organization or would that be one of the topics that  
10 you'd be discussing with industry representatives that AOGA's  
11 going to convenes?

12 MR. KELSO: We would certainly want to talk with all of  
13 the parties that I mentioned before, including CIRO and the  
14 other -- CIRO, of course, if I can digress a moment and you may  
15 have talked about this today too? CIRO is not a response entity  
16 in the sense that Alyeska is a response entity. Because CIRO is  
17 basically a warehouse, it can be tapped by the member  
18 companies, but they do not maintain an independent standing  
19 response capability that basically trouble shoots what happens in  
20 Cook Inlet. I think that's a fair characterization. In thinking  
21 about how best to locate a state response depot, we would  
22 definitely want to take into account CIRO's resources, and how  
23 those might be deployed. One of the things we have to pay  
23 attention to in Cook Inlet is, given that CIRO is primarily a  
25 warehouse, an agreement among the participants in the

1 cooperative that they have access to that equipment. We need to  
2 make sure that there's really the capacity to use it in addition to  
3 that. So, it would not make sense for us to locate a depot  
4 without having really worked through what that means in  
5 relation to CIRO and who would use the resources anytime that  
6 there's a need for response. Is that -- am I.....

7 MS. WUNNICKE: Yes, that answers my question. I would  
8 follow up one more question, if I may Mr. Chairman. You further  
9 went ahead to say that you would be looking at developing strike  
10 team capacity. I assume for Cook Inlet as well as other parts of  
11 Alaska. And maybe I'm leading you beyond the point you want to  
12 go, but would you be looking at that kind of strike team capacity  
13 in concert with the strike team capacity that the Coast Guard  
14 has their Pacific Strike Team capacity? Would you see that as an  
15 adjunct of your own or would you look at a stand alone strike  
16 team capacity?

17 MR. KELSO: That has -- you're not leading me too far.  
18 That's fine. That has not been fully determined, but from our  
19 experience -- in our experience from working with the Coast  
20 Guard, it would be desirable to have those dovetail and not  
21 duplicate. But, there are some spills in which it's going to be  
22 important for the state to be able to have stand alone capacity  
23 and to be able to move in quickly, because there's some spills  
23 that I think -- I won't try to speak for the Coast Guard. I think  
25 they've been here anyway. I don't see them right now, but.....

1 MS. WUNNICKE: They are here.

2 MR. KELSO: .....I hope the Coast Guard will wave its flag if  
3 I say this wrong, but there are spills where it would be helpful to  
4 make sure -- even where the Coast Guard would have jurisdiction  
5 because of the location of the spill, where it would be important  
6 to have the State's capacity because the Coast Guard's strike  
7 teams may or may not be available. For example, particularly for  
8 small spills. And so, I would see them as being complementary,  
9 but that we would not want to assume that the State's capacity  
10 would only be activated in conjunction with the Coast Guard. I  
11 think we have to be able to.....

12 MS. WUNNICKE: Yeah, I hear what you're saying. Okay.

13 MR. KELSO: Is that fair?

14 MS. WUNNICKE: Thank you. I think that's a good answer.  
15 Thank you.

16 MS. HAYES: I'm somewhat -- I need a little bit of  
17 clarification. Right now, are you reviewing the Cook Inlet  
18 contingency plans in place now?

19 MR. KELSO: We are taking inventory of all of those plans  
20 to determine which facilities really have plans that are up to  
21 snuff. And for those that are not, we're going to ask for changes  
22 and if it requires enforcement action, we will take that. Each of  
23 those -- it's easy -- maybe I talk faster than you can write. It's  
23 also easier for me to say that than it is for us to actually do that  
25 work. It's very complicated and that's why, when I say we're

1 taking inventory, it's not as if we can just go to the computer and  
2 punch it in and get the printout. It's much more of an analytical  
3 task than that and that's what Lynn's crew is doing right now.

4 MS. HAYES: And right now that's an unbudgeted task. I  
5 mean you don't have any place in your budget, a line item for that  
6 particular task, in fiscal year '90 budget?

7 MR. KELSO: That's correct. Lynn do you want to come up  
8 just in case.

9 MS. HAYES: So, you're waiting for the rest of the  
10 contingency plan statewide until you have funding.

11 MR. KELSO: No, we have funding to do a review one time,  
12 but not to do continuing contingency plan review. We've not had  
13 funding to do them up to this point, but we have some funding  
14 that we will be able to use for the one-time check.

15 MS. HAYES: An initial check.

16 MR. KELSO: That's right.

17 MS. HAYES: And what standards are you using for that  
18 now?

19 MR. KELSO: Well, let me let Lynn speak to that. In part,  
20 there are standards in our regulations now, but that is what  
21 we're -- the adequacy of that is what we're reviewing in this  
22 comprehensive look at the standards themselves.

23 MS. KENT: Thank you. We do have a current ability to  
23 review some facility contingency plans each year. It's not that  
25 we don't have any funding to do that, but it's not adequate to

1 follow up on the reviews to ensure compliance with conditions  
2 that we put on approvals, etc. The comprehensive review that  
3 we want to undertake, first of all will be a review of our current  
4 regulations. We intend to divide out the facilities into different  
5 types of facilities, such as the shore base facilities, the platforms,  
6 or the offshore facilities, the tankers, the barges -- are all  
7 somewhat different and require different types of contingency  
8 planning because they have different types of releases. We would  
9 like to have our regulations refer to specific types of facilities  
10 and have review criteria, contingency plan review criteria for the  
11 different types of facilities. As soon as we have those new review  
12 criteria, we do have funding to go back and take a look at each  
13 facility contingency plan and review it against the new criteria.  
14 In the meantime, as facility plans expire, we continue to review  
15 those on an ongoing basis with our limited resources, based on  
16 the current criteria in our regulations.

17 MR. KELSO: Some of those we are treating as situations  
18 where given that we will have the standards review completed  
19 before that contingency plan would expire the next time around  
20 or require review. Some of them we think it's most important  
21 to treat them as interim approvals so that we can take another  
22 look once we have the standards.

23 MS. HAYES: So now my -- I'm still learning quite a bit  
23 about contingency plans, but one of my questions is that it would  
25 seem that a contingency plan should require more than simply a



1 list of people you call. Or even equipment that is needed and  
2 we'll just go get it. It seems that you would need some kind of  
3 identification of resources at risk instead of priorities for  
4 protecting those resources. Is that something that is done in  
5 what you're calling facilities plan or is that something that would  
6 be done in the regional contingency plans.

7 MS. KENT: That's something that right now we expect to  
8 be included in each facility's plan and you should know that  
9 we've learned a lot of lessons from that Exxon Valdez spill and as  
10 we review contingency plans, based on our current criteria, we  
11 now have a different idea of what those criteria mean. Facility  
12 plans, right now, are required to have waste disposal options  
13 identified, management structure identified, in addition to the  
14 equipment lists and where the equipment is located and the  
15 standard things that you would expect to find in a contingency  
16 plan. They're to identify critical resources and how those are to  
17 be protected. It's a whole gamut of things that are way beyond  
18 just a list of people to be identified to call upon.

19 MS. HAYES: And, also, would a -- is there any  
20 requirement for -- one of the things that various members of our  
21 Commission have been concerned about is that while certainly  
22 our focus has been in Cook Inlet and Prince William Sound and  
23 transportation of crude oil, we're also concerned about  
23 extrapolating some of the information we have to deal with  
25 things like large tour boats operating out of southeast Alaska. Is

1       there requirement for any of those kinds of boats, ships, vessels  
2       that are not specifically transporting oil or petroleum products  
3       as much as they're transporting people, but nevertheless pose a  
4       risk in the event of some kind of an accident.

5       (Tape Changed)

6       (Tape Number 89-09-07-4A)

7               MS. KENT: That's a very good point that you make. Some  
8       of those large cruise ships do carry large quantities of oil and,  
9       under current regulations and statutes, those vessels are not  
10      required to have a state-approved contingency plan.

11             MS. HAYES: Thank you.

12             MR. PARKER: Counsel.

13             MR. HAVELOCK: Commissioner, now that there is a  
14      contingency plan of sorts, put in place for Prince William Sound  
15      that is an approved plan, I would assume, and can I not assume,  
16      that Cook Inlet is the major risk area in the State now with  
17      respect to traffic problems and environmental or other risks. Is  
18      that right?

19             MR. KELSO: Yes.

20             MR. HAVELOCK: So that, let's say, in terms the Glacier  
21      Bay situation would repeat itself more or less according to the  
22      scenario that went before -- if it happened again, would it not  
23      with respect to the planning process, at any rate?

23             MR. KELSO: The planning process would now be  
25      different because we have the authority to require the showing

1 that the equipment, personnel and so forth are actually available,  
2 including a requirement that we see the contractual evidence  
3 that a relationship exists so that we have some assurance that  
4 there really will be performance rather than just a paper plan.  
5 Am I missing the point of your question?

6 MR. HAVELOCK: No, I think you're partly responsive,  
7 anyway. What is the effect of that in terms of how the scenario  
8 would be different?

9 MR. KELSO: With respect to -- Lynn do you want to  
10 respond to that?

11 MS. KENT: I might be able to shed a little bit of light on  
12 that question. When the Glacier Bay spill occurred, we and the  
13 vessels were relying upon CIRO's contingency plan to react to  
14 that spill. Since that spill occurred, we now require each vessel  
15 to have their own contingency plan. Some of those vessels do, of  
16 course, reference CIRO's response capability, but each vessel's  
17 required to have their own contingency plan.

18 MR. HAVELOCK: All of the tankers coming into Cook  
19 Inlet now do have an approved contingency plan, you're saying.  
20 Or just the CIRO members.

21 MS. KENT: No, I would.....

22 MR. KELSO: They are required to have, but we believe  
23 that not all do have and, in fact, we intercepted some vessels,  
23 even during the height of the Exxon Valdez spill that did not.  
25 When we catch them, we turn them back. But that is part of the

1 reason that we are contemplating this regulation to require  
2 terminals to assure themselves that the tankers calling there  
3 have approved plans and to notify us. That way we have at least a  
4 partial check. Yes, that doesn't cover all the traffic into and out  
5 of Cook Inlet, but it gives us a good share of that traffic that we  
6 can keep updated with.

7 MR. HAVELOCK: That's a regulation that you're now  
8 proposing to require that reporting?

9 MR. KELSO: We haven't proposed it yet, but we are  
10 looking seriously at it and we've talked with fishermen and with  
11 the industry about it.

12 MR. HAVELOCK: I think I also understood you to say that  
13 there is no regional response plan for Cook Inlet at this time. Is  
14 that right?

15 MR. KELSO: In the sense of the newly authorized  
16 statewide and regional contingency plans, no, that's not yet been  
17 done.

18 MR. HAVELOCK: As you're depending on vessel plans,  
19 there's no shore based contingency plan for a major incident in  
20 Cook Inlet that's not at a terminal.

21 MR. KELSO: Maybe I could ask Lynn to describe the  
22 relationships that exist right now in Cook Inlet.

23 MS. KENT: Each of the facilities, the shore based and the  
23 platforms and the vessels, are required to have their own  
25 contingency plan. As far as a regional plan, the only plan that

1 I'm aware of is the Coast Guard plan on what they call their local  
2 plan. The Department does have a State contingency plan. It's  
3 somewhat out of date and it was not developed in response to  
4 any specific guidance from the Legislature. A new plan -- I'd like  
5 to make a distinction I guess between the facility plans and the  
6 new plan that DEC will be developing under the new legislation.  
7 That plan is for state response to an incidence, be it an incident  
8 where the responsible party is taking appropriate action or an  
9 incident where the state is going to have to have more  
10 involvement in that. It will include other state agency's  
11 involvement, not just our department.

12 MR. HAVELOCK: Do you have a timeline for the  
13 completion of that plan and what is it?

14 MS. KENT: We do have a statutory deadline for the  
15 completion of that plan. I believe it's in July of 1990. I can  
16 check that for you. I have my notes here.

17 MR. HAVELOCK: So you don't have anything in place that  
18 covers that for any major accident occurs this winter or next  
19 spring?

20 MS. KENT: Not as state.

21 MR. KELSO: No. We've just received the authority to  
22 create state and regional contingency plans and it's a very -- it's  
23 an important priority for us because both the recent experience  
23 and the fact that -- I think that the communities that have been  
25 affected by the spill are eager to develop a capacity to respond

1 and now that we have the ability to basically sponsor these local  
2 volunteer corps, there's a real opportunity here that I think the  
3 local communities are going to want to move on as well. So  
4 we're eager to put that in place. But to do it effectively,  
5 statewide and regionally, is going to take some care and I think  
6 it will need the participation of the local communities, as well,  
7 in the planning of that.

8 MR. HAVELOCK: Well, on an emergency basis, I guess  
9 what I'm thinking about is the dramatic way in which the  
10 response capability in Prince William Sound has gone up in just a  
11 matter of a few months and I'm looking at that in, perhaps  
12 either contrast or comparison with a relatively slower  
13 development in the Cook Inlet side, notwithstanding that this is  
14 a very high risk area.

15 MR. KELSO: There is a substantial gap between the  
16 preparedness levels in the two areas. I should fill in one  
17 omission, though. Bear in mind that there is an overall state  
18 emergency response plan that was not developed specifically  
19 with oil in mind, but which does exist and we have a direct  
20 connection to the Division of Emergency Services in working  
21 that kind of thing through. For example, the State Emergency  
22 Response Commission is now working with local communities to  
23 try to help them prepare at the local level and this effort was  
23 largely designed to deal with hazardous chemicals. But, the  
25 structures that you put in place -- I mean, my view has always

1 let's use as few structures and as little paper as possible. And  
2 the structures that you put in place at the local level for that may  
3 well provide the structure that we could use for the local role in  
4 oil spill response as well.

5 MR. HAVELOCK: This is the same response capability that  
6 was moved out of Valdez and finally ended up in Seward in the  
7 Prince William Sound, the Valdez Spill?

8 MR. KELSO: The capacity that I'm -- I'm not sure that I  
9 understand your question.

10 MR. HAVELOCK: I'm wondering if the team you're talking  
11 about, isn't that the team effort that ended up operating in  
12 Seward in the Valdez spill?

13 MR. KELSO: No, the Incident Command Structure and  
14 the Incident Command Teams that we talked about a couple of  
15 days ago are not the same thing. The State Emergency  
16 Response Commission and the local emergency planning  
17 districts are a creation of federal law, actually, a requirement of  
18 federal law, that's usually called SARA Title III. It was a federal  
19 law, a portion of federal law adopted in response to the Bopal  
20 (ph) chemical release and that was the origin of the  
21 requirement. We're trying to adapt it to Alaskan conditions is  
22 what it amounts to here.

23 MR. HAVELOCK: Let me turn to the contingency plans for  
23 a minute. The funding question. The review of the contingency  
25 plans is a method of enhancing the safety of operation, the

1 transportation of oil, is it not?

2 MR. KELSO: That's right.

3 MR. HAVELOCK: And that being the case, wouldn't it be  
4 economically appropriate for the cost to be borne by that  
5 industry for those inspections as opposed to general funding? In  
6 other words, to go to sort of a follow up question, shouldn't you  
7 be recommending legislation includes a fee schedule to cover  
8 the cost of your inspections rather than attempting it out of  
9 general fund appropriations?

10 MR. KELSO: That, it seems to me, is one of those items  
11 that if the Commission were interested in suggesting it, would  
12 likely get a good reception in the Administration. Bear in mind  
13 that at the present time we do not have authority to charge fees  
14 for anything, really. And we certainly don't have the authority to  
15 charge fees and then use those program receipts to support the  
16 program that the fees are related to. So that would require both  
17 the decision that it was appropriate to have this review paid for  
18 by the industry, and a decision on the part of the legislature to  
19 authorize us to do it. That's a little tricky because you have such  
20 a variety of kinds of facilities and what may be a facility that has a  
21 substantial capacity to pay for the costs of handling its  
22 contingency plan, say in Prince William Sound, may be very  
23 different than what you have in a shore based -- well let's not  
23 even take a shore based, take a smaller barge that delivers fuel  
25 oil to communities somewhere on the Aleutian chain. So, it's



1 relatively complicated, but as a matter of policy choice, perfectly  
2 relevant.

3 MR. HAVELOCK: I think I heard you testify that you're  
4 asking the industry for a list of improvements to improve the  
5 prevention capacity in Cook Inlet. Did I hear you correctly on  
6 that?

7 MR. KELSO: Yes. When I met with the industry, and this  
8 was an introductory meeting. I don't want to give you the  
9 impression that we had an extended technical discussion. I  
10 suggested that this would be a good time for the industry to put  
11 its heads together and decide what it was willing to do at the  
12 outset because we have a need to get a short term improvement  
13 in the safety here and we also have the longer term problem.  
14 The longer term one we have more of an opportunity to work  
15 with all of the interests and try to get the right combination.  
16 The short term we need to know very soon what can be put in  
17 place. And so, I believe, again not speaking for the industry, the  
18 oil industry, I believe it was their intention to figure out what  
19 they were prepared to do and what I would see Sotter and Butler  
20 doing initially is to work with that sub-group that AOGA would  
21 bring together and lay out what those things are and also be  
22 working with fishermen and other interests so we can  
23 determine whether that sufficiently strengthens the safety in the  
23 short run.

25 MR. HAVELOCK: Do you have a time line on when those

1 returns are gonna be in so you're gonna do your analyses. It sort  
2 of sounds like you might have a two level response. One for  
3 immediate things and one for later things. Do you have dates on  
4 each of those and if not what is your expectancy of when you're  
5 going to establish a date?

6 MR. KELSO: We started with some draft dates, but we  
7 want to work a bit more before we are comfortable with the  
8 dates. For example, in talking with Mayor Gilman about utilizing  
9 Jim Butler -- make Jim sound as if he's a little automotan here --  
10 but in figuring out how we're going to get this done, we  
11 originally had some very short times in which we were gonna get  
12 the first steps taken. We wanta be pressed. We want to get this  
13 done just as fast as we can, but we don't want to pick a date that  
14 isn't gonna work in light of how many people need to be  
15 consulted. The next two weeks are gonna be very difficult  
16 because of the changing Exxon status. I would say that much of  
17 that initial short term work we'd like to have done in  
18 September, but we're giving ourselves a bit of a cushion, saying  
19 the next two months would be a crucial time to have that done.  
20 So, a lot of that I would like to see happen sooner than  
21 September. Whether that's gonna be possible -- than the end of  
22 September. Whether that's possible in light of the need to  
23 consult, we don't know yet.

23 MR. HAVELOCK: At any rate, you're looking at something  
25 this fall?

1 MR. KELSO: Oh, yes.

2 MR. HAVELOCK: In light of the risk involved and the  
3 amount of traffic and the mixture of tankers and other traffic in  
4 small boats, do you have any study under consideration for risk  
5 analysis and cost benefit study of doing a vessel traffic and  
6 tracking system for Cook Inlet?

7 MR. KELSO: The -- we have before us now a proposal  
8 from the Commission that could be crafted to cover that scope of  
9 work. In particular I think the Commission has proposed a risk  
10 assessment and I don't remember whether there's vessel traffic  
11 control as part of that. I didn't think so, but certainly the scope  
12 of that work could be, or separately, could be expanded to cover.

13 MR. HAVELOCK: You're just responding to the  
14 Commission.

15 MR. KELSO: We do not have a separate study under way.

16 MR. HAVELOCK: No separate study.

17 MR. KELSO: No.

18 MR. HAVELOCK: Alright. Okay, thank you.

19 MR. PARKER: Okay, I -- one point, Commissioner, when  
20 you were dicussing the State Emergency Response Commission,  
21 oil is a hazardous -- is it defined as a hazardous material or  
22 hazardous substance in State regulations?

23 MR. KELSO: Hazardous substance.

23 MR. PARKER: Hazardous substance. And what's the  
25 relationship between hazardous substance and hazardous

1 chemical?

2 MR. KELSO: Since Lynn has spent most of the legislative  
3 session working on this, let me ask her to respond. It was a --  
4 this was a -- that's a good question and a fair one because State  
5 law, in many respects, is very good on this point and we need to  
6 make sure we have those distinctions in mind.

7 MS. KENT: I think the reason he passed the microphone  
8 to me is because there's so many different regulatory and  
9 statutory and state and federal definition of hazardous substance  
10 and hazardous material and hazardous waste. Hazardous  
11 substance, under State definition, is pretty much anything that  
12 could cause harm to human health or the environment. And it  
13 does include oil. Under the Federal Super Fund law, their  
14 hazardous substance does not include, or hazardous material  
15 does not include oil and hazardous waste is another federal  
16 definition which pertains to waste material that falls under a set  
17 of disposal, storage and disposal criteria under federal law. So  
18 I'm not sure what a hazardous chemical is, or where you may  
19 have seen that or refer to that.

20 MR. KELSO: I think I'm the one who mentioned  
21 hazardous chemical when I was describing the SERC.

22 MR. PARKER: I think hazardous chemicals occur  
23 somewhere in the federal regulations. I'm not exactly sure  
23 either. Anyway I think it does create a lot of confusion,  
25 especially to the public that doesn't work with them all the time

1 as to which is which and what kind of substance materials fall in  
2 which category. As we get into defining institutions for dealing  
3 with oil spills, why -- if other institutions already exist such as  
4 State Emergency Response Commission, and what have you, who  
5 are dealing with other materials, why I'd hate to get myself in a  
6 position where I was recommending a commission for each  
7 material, I guess, is where I'm coming from and so I think we  
8 can get back into this at a later date, but just wanted to bring it  
9 up to show you some of the problems I'm wrassling with right  
10 now in defining some of these things.

11 MS. KENT: I can appreciate that. That's a hard thing  
12 sometimes even for people who are involved in the program. I  
13 just would like to mention that the State's definition of  
14 hazardous substance is probably one of the broadest definitions  
15 there is and encompasses the most number of substances. And  
16 also under the new legislation that requires state and regional  
17 contingency plans, those plans will not address oil only, but also  
18 hazardous substances.

19 MR. KELSO: Mr. Chairman, I also don't want to give you  
20 the impression that the State Emergency Response Commission  
21 is, at this time, fully developed enough, necessarily to pick up  
22 the kinds of things we've been talking about. In it's wisdom,  
23 Congress created the requirement, but of course provided no  
23 funding and so that's hard enough for us, but it's really hard for  
25 local communities who are supposed to have these local

1 emergency planning districts and develop their own plans for  
2 responding to an emergency release. We've got a ways to go  
3 there. I think most other states do as well. It is possibly  
4 adaptable, though, for this, if we get it down the line far enough.

5 MS. WUNNICKE: This is a hypothetical question, I guess,  
6 Commissioner, but, and I understand where you are in terms of  
7 contingency planning for Cook Inlet, but if something like the  
8 Glacier Bay were to happen tomorrow, would you -- and let's say  
9 that it's declared a state emergency as was the case in the Exxon  
10 Valdez, could you issue the same type of emergency order for  
11 Cook Inlet as you were able to issue for Prince William Sound?  
12 This is something that has really concerned me from the  
13 beginning. I don't mean to put you on the spot on a hypothetical  
14 question, but would that be possible?

15 MR. KELSO: Would we have the authority to do that?

16 MS. WUNNICKE: Would you have the authority?

17 MR. KELSO: Yes.

18 MS. WUNNICKE: You would have.

19 MR. KELSO: I don't want to give you the impression that I  
20 have to wait for an emergency declaration or a disaster  
21 declaration either. I have that authority independent of that. It  
22 just makes it very clear when there is such a declaration.

23 MS. WUNNICKE: That it's a state emergency?

23 MR. KELSO: Uh, hum.

25 MS. WUNNICKE: With the same result? Because one of

1 the things I think we've all been very impressed by is how  
2 Alyeska and the shippers in Prince William Sound responded to  
3 that emergency order and put in place the very specifics that  
4 you required. Is it your opinion you'd have the same response in  
5 Cook Inlet.

6 MR. KELSO: If you'll permit me to enter into an area  
7 that's not directly within our expertise, so don't rely on it  
8 heavily. We would have the same legal effect and could stand by  
9 that and enforce it. At the same time, industry has told us, and I  
10 know there's an industry person here, so he should wave his  
11 hands if I.....

12 MS. WUNNICKE: Mr. Williams is here.

13 MR. KELSO: .....mis-state this, but at the session we had  
14 with the oil and gas industry, they indicated very clearly that  
15 they thought their capacity to handle the same requirements as  
16 are being complied with in Prince William Sound would be much  
17 more limited. That that would be a financial hardship for them  
18 and, of course, even in saying that I'm over generalizing because  
19 the different elements of the industry in Cook Inlet are very  
20 diverse. So, I'm not suggesting to you that the measure of safety  
21 ought to be what industry says it would be willing to do. I think  
22 the fishermen have said to us clearly, well wait a minute, that's  
23 not right. If there's a risk being imposed here that's  
23 unreasonable, the industry oughta pick that cost up, the cost of  
25 reducing that risk, as part of the cost of doing business. And I

1 understand that view point as well. All I'm suggesting to you is  
2 whereas in Prince William Sound there was, because of the  
3 volume of the TAPS trade and the companies involved, it was  
4 just a different situation economically. So, they were -- because  
5 it happened in the context of a major spill, there were also other  
6 factors that were an incentive to go ahead and comply, which  
7 they did, to their credit. I think it would be -- would not be as  
8 likely in Cook Inlet that there would be that willingness to  
9 embrace the order as quickly as occurred in Prince William  
10 Sound.

11 MS. WUNNICKE: Mr. Chairman, I wanta make clear, I'm  
12 not assuming that the orders would be the same. I mean that  
13 they would be orders appropriate to Cook Inlet and appropriate  
14 to the situation. Thank you for that very much. It's been  
15 troubling me for a long time.

16 MR. PARKER: Any other questions for the Commissioner?  
17 Okay. Thank you Commissioner.

18 MR. KELSO: Thank you.

19 MR. PARKER: Okay, I invited Mr. Matthews and Mr. King  
20 to come back for questions at 15 minutes ago and we'll proceed  
21 to public testimony immediately after that. I have three people  
22 defined so far. How many now? How many more do you have  
23 Peggy? Okay, we have five people for public testimonies.

23 MR. MATTHEWS: Good afternoon. Is this on?

25 MR. PARKER: I thank you for adjusting your schedules



1 and coming back for questions. Counsel, you referred to your  
2 notes. Are coming back from your notes? Are you ready?

3 MR. HAVELOCK: Actually, Mr. Chairman, I think I asked  
4 most of the questions that I'd reserved for them to others than  
5 came in between, so let me defer for the moment if they're  
6 other people who have questions.

7 MR. PARKER: Okay, Commissioners? Nobody's going  
8 back through their notes, but I think -- you know, you gave us a  
9 lot to chew on in your testimony and certainly with your very  
10 comprehensive proposals on tankers and on the tugs and  
11 response vessels and so forth, you've.....

12 MR. HAVELOCK: I have a few questions now.

13 MS. HAYES: I do too.

14 MR. PARKER: Okay, you can go first then. I'll break off  
15 my (inaudible - fade).

16 MS. HAYES: One of the questions I had was you  
17 mentioned that one of the priorities during the Glacier Bay  
18 incident was the offloading of the rest of the cargo and you were  
19 bringing the comparison between the Exxon Valdez and Glacier  
20 Bay. From your testimony or from your observations it appeared  
21 as the overriding interest was in saving the rest of the cargo. I  
22 was wondering, in Glacier Bay, who was responsible for making  
23 that directive to offload the cargo and to what kind of ship was it  
23 offloaded?

25 MR. MATTHEWS: I should refer you, first of all, to the

1 federal on-scene coordinators report. All that's in there. To the  
2 best of my recollection, there was a major discussion. The  
3 tanker had oil that belonged to Sohio in it, but the tanker owner  
4 was Trinidad. He was the responsible party, not Sohio. Neither  
5 belonged to CIRO. They were bound for the Kenai facility, which  
6 I believe is technically Tesoro, which is a member of CIRO. The  
7 discussion was should they try and lighter the vessel, like they  
8 did with the Exxon Valdez, offshore in the Inlet or bring the  
9 vessel to the dock facility and offload it there. I believe I'm  
10 correct, CIRO did not want it to come to the dock facility. The  
11 vessel owner basically told the Coast Guard, we're afraid the  
12 vessel will break up. We need to offload this oil as quickly as  
13 possible. Finally, Captain Rucell made the decision to bring it to  
14 the dock and offload it at the dock.

15 MS. HAYES: That decision was made when it was a  
16 federalized response?

17 MR. MATTHEWS: No, ma'am, it was -- that is just, I  
18 guess, his call that it was a safety measure and there was  
19 conflicting desires what to do with that oil. And he said, well  
20 we'll bring it in and offload it.

21 MS. HAYES: So, it was made in the five days from the  
22 spill?

23 MR. MATTHEWS: It was not federalized at that time, no.

23 MR. PARKER: Counsel?

25 MR. HAVELOCK: One of the things that the Commission

1 has discussed is the potential for a wide variety of types of risks  
2 in Cook Inlet. That is not just of an oil spill, but risks of  
3 collision and the like. And we were asking the Coast Guard  
4 some questions about their recording of incidents that may not  
5 have caused, not have been a casualty formally, but were close  
6 calls. As you know, in the airline industry, there's mandatory  
7 recording of vessels coming within, planes coming within  
8 certain distances of each other and the like. Do you have any  
9 information regarding the level of risk of collision in Cook  
10 Inlet?

11 MR. MATTHEWS: Well, I can certainly give you the  
12 information with respect to the drift fleet when it's fishing.  
13 It's.....

14 MR. HAVELOCK: Would you describe that.

15 MR. MATTHEWS: The risk is high if the fisherman is not  
16 cognizant at all times of his radar, if you don't have good visual  
17 contact. It's always been the fleets position that they did not  
18 want tanker lanes in Cook Inlet. They feel that simply gives the  
19 Captain of the vessel a right of way. He's just gonna steam up it.  
20 Our main fishing grounds are right in the middle of Cook Inlet  
21 and in the east and west ribs, just exactly where the tanker  
22 would want to have a lane in a free for all position. It's not  
23 uncommon for tankers to run into our gear. To a large extent,  
23 we make every effort to stay out of their way. It's an awesome  
25 looking machine coming down. I think both industry and the

1 fleet has managed to live with that. The risk there is high,  
2 though if you are not careful.

3 MR. HAVELOCK: What kind of information do you get on  
4 vessel traffic when you're out there other than what you get from  
5 reading your own radar?

6 MR. MATTHEWS: Essentially, none. There is always the  
7 opportunity for two way communication on Channel 16, which is  
8 standard channel, if the tanker sees you or you see the tanker  
9 and you see a problem. You can communicate directly that way.  
10 There's no tanker traffic log that's issued. You basically look  
11 around and see. That's the same also for your tourists vessels,  
12 what not that come in the Inlet.

13 MR. HAVELOCK: In your -- this is maybe tanker  
14 information, but I notice one of the recommendations is that the  
15 industry should maintain operations capable of radar controlled  
16 monitoring of traffic. Is that generated by you or is that one you  
17 shared with Commissioner Kelso, or where did that -- that's your  
18 recommendation number nine?

19 MR. MATTHEWS: That was generally from UCIDA. I have  
20 to be real frank here. The frustration in Cook Inlet, from the  
21 fishermen's perspective is we'd be very happy with what they  
22 had in Prince William Sound before the Prince William Sound  
23 spill. We have nothing here. And the simplest thing like  
23 constant communication and knowledge where the vessel's at, I  
25 mean, we'd strongly support.

1 MR. HAVELOCK: We heard testimony today that since the  
2 Glacier Bay that there is now a tanker mooring area that tankers  
3 would go to if they can't go directly into the dock and that  
4 tankers are no longer picking their own spots on or off the 10  
5 fathom line. Has this solution been satisfactory from the point of  
6 view of the fleet, if indeed you verify it.

7 MR. MATTHEWS: Is the mooring facility? The Coast  
8 Guard is here. That's in Kachemak Bay, is that correct?

9 MR. BOB WILLIAMS: The only thing we're aware of  
10 where there is mooring (inaudible - fade).

11 MR. HAVELOCK: If I understand Mr. Williams to say that  
12 now if they come up, they move on to a designated anchorage  
13 area or go back to Kachemak Bay.

14 MR. BOB WILLIAMS: (Inaudible -fade)

15 MR. HAVELOCK: To the best of -- do you guys  
16 communicate with each other.

17 MR. BOB WILLIAMS: It's company policy (inaudible - fade)

18 MR. HAVELOCK: And you're aware of that company  
19 policy?

20 MR. MATTHEWS: I've been aware that some companies,  
21 first of all, were asking their tankers, I believe to stay in Homer  
22 or Kachemak Bay until it was clear there would be a place for  
23 them. Actually, I was not aware that there was an offshore  
23 designated spot. I'm not sure where it'd be. I'm sure I'll find  
25 out after this meeting. That's about as far as I could go on that.

1 MR. HAVELOCK: Since you weren't aware of what was  
2 going on, this may be an unfair question for you. But, do you  
3 think it would be appropriate to have a designated anchorage for  
4 all vessels coming up, rather than allowing each vessel to pick  
5 its own place?

6 MR. MATTHEWS: Off the top of my head, I can't see a  
7 problem with that. When we're out there fishing, though, an  
8 anchored vessel -- I mean, I really don't know how far offshore --  
9 Mr. Williams, how far offshore is your area?

10 MR. BOB WILLIAMS: (Inaudible - fade).....inter-state policy  
11 commanding that they will not proceed north of Burgess Square.  
12 That's in-route, causing them to have to anchor (inaudible -  
13 fade).

14 MR. MATTHEWS: That scenario sounds quite reasonable  
15 and given that their preference is to stay in Kachemak until that  
16 facility's available. 'Cause an anchored vessel on the fishing  
17 grounds, even for the set net fleet, I'm sure -- for us it's a  
18 nightmare. The currents are five knots, seven knots at times.  
19 When you're drifting along and there's nothing stationary around,  
20 you don't really realize that. But when you've got an anchored  
21 tanker or tug or anything to avoid, it's a major problem. So, in  
22 terms of being anchored on the fishing grounds, that would not  
23 be a preference.

23 MR. HAVELOCK: So at any rate, advance knowledge of  
25 where those vessels are would be helpful?

1 MR. MATTHEWS: Yes sir.

2 MR. HAVELOCK: You're -- one of the tanker recommen-  
3 dations is Mr. King's recommendations or recital was with  
4 respect to taking tankers around from Valdez that are coming up  
5 into Prince William Sound. This may not -- this is obviously not a  
6 question which you'd have direct knowledge, but how far off  
7 shore do those tankers go? As they come around the fjord areas  
8 are they a hundred miles out, are they two miles out or  
9 somewhere in between.

10 MR. KING: Well, I really don't know, Mr. Havelock. I  
11 know where I travel when I go out there. It's pretty treacherous  
12 territory.

13 MR. HAVELOCK: I have a recommendation, at any rate,  
14 that for a tug escort -- and I'm wondering whether at tug escort  
15 is relevant if the tankers are 25 miles offshore, for example?

16 MR. KING: Only if they're without power.

17 MR. MATTHEWS: Another item I would like to mention  
18 with respect to this transit from the Sound to Cook Inlet, the  
19 tankers companies prefer to use the inside passage, inside of  
20 Montague, inside the Sound. Now there have been vessels who  
21 have lost power in that area. The Glacier Bay, to the best of my  
22 knowledge, lost power further on, around Gore Point, coming  
23 into Cook Inlet, about three years, or two years before the  
23 accident for two hours. The fishing community highly prefers  
25 that they exit the Sound and come around. I really don't know

1       how close they run to shore. When they come through Kennedy  
2       Entrance and what not, they are very close to some major  
3       hazards.

4               MR. HAVELOCK: In your recommendation, with respect  
5       to response capabilities of the theme, you've mentioned sort of, a  
6       set of -- there's one, two, three, four, five standards of -- what do  
7       you mean by, at the scene. That is you -- when you made these  
8       recommendations did you have any indication in your mind of a  
9       time span which would be where you would expect this kind of  
10      equipment to be at the scene since without a time span it  
11      doesn't mean a whole lot.

12             MR. KING: Actually, I did make a recommendation in  
13      terms of the time that I thought was necessary for the response  
14      capabilities to arrive at the scene.

15             MR. HAVELOCK: Yes sir, I missed that. Where is the.....

16             MR. KING: It would be described in number three, page  
17      one where it describes two hours in terms of Kennedy Entrance  
18      and upper Cook Inlet.

19             MR. HAVELOCK: So the recommendations in number four  
20      of what should be there -- basically that capacity should be there  
21      in two hours of notice?

22             MR. KING: In the case of the Glacier Bay, sir, I could have  
23      been there in two hours.

23             MR. HAVELOCK: Alright. I have no further questions.

25             MR. PARKER: Okay. Thank you. Returning to the tanker



1 lanes, the tanker lanes for Prince William Sound, when we  
2 developed them on the simulator studies that were initially done  
3 by our then consultant, Virgil Keith, and under the agis of the  
4 State pipeline office -- why what we hoped to build in with those  
5 was that the tanker stayed in those particular lanes -- response  
6 times for tugs in case of power failure and so forth would all be  
7 handled. And that's -- the main reason for the tanker lanes is  
8 not to give the tankers kind of a free shot, but to ensure that  
9 they are staying in the safest possible place. It takes -- the idea  
10 was to take some of the Master's discretion about where he was  
11 going to take his tanker. So we designed the outbound lanes as  
12 close a shot down the middle of the channel as possible, so that  
13 those tankers loaded with crude would be in the safest possible  
14 spot at all times to recover in case of power failure and so forth.  
15 And, if it was decided that something similar would work in  
16 Cook Inlet, and if the traffic controls that -- you know, if there  
17 was a common frequency traffic control advisory so that you had  
18 plenty of warning that they were coming, would that be a  
19 particular problem. The intent wouldn't be that, you know, the  
20 fleet couldn't fish in those lanes. It'd just be a matter of keeping  
21 the tankers on those lanes as the safest possible place for them  
22 to be, if you followed me.

23 MR. KEITH: Mr. Chairman, I know -- just one addition  
23 onto that. We worked quite extensively with the Cordova  
25 fisherman and that's the reason for the dog leg. So we tried to

1 have the traffic lane so it was out of "the good fishing areas", for  
2 two things. For the safety of the fisherman as well as to keep  
3 the tankers out of the ecologically sensitive areas. So those lanes  
4 were done with those two purposes in mind: safety of the  
5 fisherman as well as to maximize safety for the tanker itself.

6 MR. MATTHEWS: And, frankly in Prince William Sound, I  
7 think it works.

8 MR. KEITH: I think, in terms of boat safety and the  
9 ecological concerns in Cook Inlet, the pilots would or some of  
10 the captains would have to speak for themselves. They've done  
11 a good job basically. I'm not quite sure how they choose which --  
12 how far off shore to run up. There's -- from the east rip to the  
13 west rip, there's probably a ten mile wide swath and all of it's  
14 perfectly safe in terms of navigation. No area's better than the  
15 other from that point of view. I'd really like the pilots to speak  
16 for themselves on that, though.

17 MR. PARKER: I just wanted to bring up those points  
18 'cause I think we'll probably be getting into these discussions  
19 later on as we start fine tuning things. But, as Commissioner  
20 Kelso pointed out, there is a request in for more nav aides to the  
21 -- for the federal and state governments, to both. And one of the  
22 ways of doing it, of course, is electronically you can, with  
23 monitoring navigation aides and assuming we take up the LORAN  
23 problems that were identified earlier today, you can keep the  
25 ships just as close on center line as you keep an aircraft, if that's

1 decided to be the most desirable way of proceeding. 'Cause,  
2 obviously in Prince William Sound, if they'd stuck to the tanker  
3 lanes, they wouldn't have hit Bligh Reef and that's what the  
4 tanker lanes were established for. And the same idea would  
5 pertain in Cook Inlet and I don't know anything more than you  
6 do at the moment whether it would really work in Cook Inlet,  
7 but it's one of the things that will probably be considered  
8 somewhere along the line.

9 (Tape Changed)

10 (Tape Number 89-09-07-04B)

11 MR. MATTHEWS: It should be considered and we will  
12 certainly re-visit the question and one thing that I think would  
13 be obvious is that you would have a minimum distance from  
14 shore within which you don't go. It's sort of like the Bligh Reef  
15 problem. Rich would like to say something also.

16 MR. KING: I'd like to say that in the case of the Valdez  
17 not only was the ship outside of the tanker lanes, but he was  
18 inside of the red channel marker. In this situation, if we work  
19 to that end to have a tanker lane -- from June 26 to August 15 is  
20 the primary time that the drift fleet would have a conflict with  
21 that lane. For the rest of the year, I don't really see a whole lot  
22 of problem with having a tanker lane.

23 MR. PARKER: Okay. Any other questions for Mr.  
23 Matthews or Mr. King? Okay. Thank you very much for coming  
25 back gentlemen?

1 MR. MATTHEWS: Could I make one more remark, Mr.  
2 Chairman. It's to do with, I hope, clearing up some confusion  
3 with respect to Alyeska versus CIRO. Alyeska, as the  
4 Commissioner said, was a true response entity that had legal  
5 responsibility to the State. They were monitored by the State.  
6 CIRO, we found out to our dismay, is nothing but a warehouse  
7 whose members may use the warehouse if they so choose. They  
8 don't even have to use it. If you're a non-member, there is no  
9 access. And the problem there is, Exxon is not a member of  
10 CIRO. Sohio, during 1987, was not a member of CIRO. There  
11 are hundred and some probably tankers required to have their  
12 own plans and I don't know that they belong to CIRO, so this  
13 multiplicity of over-lapping contingency plans is a problem they  
14 don't have in Prince William Sound and it's our major problem.

15 MR. PARKER: Okay, well thank you for making that point.

16 MR. MATTHEWS: Thank you.

17 MR. PARKER: It's a good one to end on. Okay, we'll begin  
18 our public testimony. Cheryl Sutton is first.

19 MS. SUTTON: Mr. Chairman and members of the  
20 Commission. I guess one of the advantages to going late in the  
21 day is that everybody says everything for you in advance. I  
22 addressed the Commission briefly in Homer during the summer,  
23 during our fishing season. I am a set netter. I fish in Ninilchik  
23 and also represent the Kenai Peninsula Fishermen's Association  
25 with some 500 members fishing Cook Inlet. I don't want to

1 reiterate all the things that have been said already today. UCIDA  
2 said many of the things that I wanted to say. I apologize to you. I  
3 had intended to have a written report to submit to you today,  
4 and I have been the Lone Ranger at the office and did not have  
5 time to complete it. But I will submit it to you within the week.  
6 But I just wanted to come before you today to say a couple of  
7 things that I can say now, that I couldn't say in the middle of the  
8 season because things were still happening. We heard earlier, I  
9 think it was Mayor Williams who alluded to no oil being on the  
10 beaches in Cook Inlet. I think he may have been speaking  
11 specifically to the City of Kenai area. We did have oil on the  
12 beach in Clam Gulch. We did have loss of fishing time in the set  
13 net fishery this summer because of oil, the presence of oil south  
14 of the Kasilof River. And I was one of those fortunate set netters  
15 south of the Kasilof River who was shut down because of oil. I  
16 fully expect to see more oil on my beach. My home is right on  
17 the beach in Ninilchik. It's my only home, our only property.  
18 And I have been watching that beach, looking. I haven't seen  
19 anything, but I fully expect, with the amount of oil that's in the  
20 Inlet, we will see it and I'll be looking for it next spring when we  
21 get back on the beach. How the Exxon Valdez affected Cook  
22 Inlet was something we never could have anticipated and  
23 although we were intimately involved because, like Theo who is  
23 president of UFA, our organization is a member group of UFA  
25 and I personally spent a lot of time in Juneau lobbying on oil

1 legislation and working with other people from Cordova and  
2 other areas of the state. And, my perspective at first was a little  
3 bit different because we were somewhat removed physically, but  
4 when the oil began to leave the Sound and enter Cook Inlet, my  
5 perspective changed. And then having to deal with it all  
6 summer, it changed even more. It's a real difficult situation to  
7 deal with. The one point that I want to make today is how  
8 important it is that we do everything possible in the area of  
9 prevention because we have heard people repeatedly say -- and I  
10 attended some of your meetings last week in Anchorage, and I  
11 was shocked actually by some of the testimony I heard,  
12 particularly from Alyeska regarding expectations of the public.  
13 And, they couldn't understand where the public had ever  
14 perceived that they were capable of cleaning up an oil spill. And  
15 that was because industry told us that for so many years, that we  
16 perceived that in the public. But, I think it's real important to  
17 do everything we can to prevent it because once it happens, it's  
18 almost impossible, as we have seen on two occasions - '87 and  
19 '89, to pick that oil up in the water. And the second phase of  
20 that is we need to be prepared in every measure, but we also  
21 need to have a mechanism for full response immediately. And  
22 there are simple things that can be done and I think you've  
23 heard over and over again today and other days, that there needs  
23 to be some order of who's in charge and I feel real  
25 uncomfortable with what was talked about earlier on full federal

1 charge of a spill. I feel real comfortable with local knowledge  
2 and people in-state who can participate in a very big way having  
3 a -- playing a very big part in response. And I would just really  
4 encourage you in those areas to do everything you can in  
5 prevention and then for immediate response. I will not be  
6 available, unfortunately, as the author of the report I'm  
7 submitting for the next several weeks, because I'm going on  
8 vacation. And I would like to just have -- if you have any  
9 questions that you would like to ask of our organization today, I'd  
10 be happy to answer them.

11 MR. PARKER: Okay. Thank you Cheryl. Commissioners?  
12 Counsel?

13 MR. HAVELOCK: I'd just -- Ms. Sutton, would -- if you  
14 were given resources, are there things that you would do this  
15 winter with respect to your beach.

16 MS. SUTTON: I would say yes. We fortunately did not see  
17 any oil on our beach. We participated in the set gill net test  
18 fishery prior to the opening of our season also on my site in  
19 Ninilchik and never had any oil come in there. But, I'm sure  
20 with winter conditions things are gonna be different. And, if  
21 indeed oil moved in on that beach or any other beach north of  
22 there or south of there -- I've lived down there in the winter  
23 time. I know that you can work out there and do it quite easily if  
23 resources were available to deal with that. Yes, indeed.

25 MR. PARKER: Okay. Thank you. Tim Robertson. How

1 are things in Seldovia?

2 MR. ROBERTSON: Well, there's a halibut fishery about to  
3 start so things are quite busy for us in Seldova. I appreciate this  
4 opportunity to talk with you. I didn't find out about this meeting  
5 until late last night so I don't have any written comments for  
6 you, but there were some things that I wanted to bring to you  
7 from the Seldovia standpoint and from the City standpoint on  
8 Mayor of Seldovia. We've discussed some of these things. As you  
9 probably know, Seldovia's a first class city located on the very  
10 end of the Kenai Peninsula. Our biggest industry is commercial  
11 fishing with tourism behind that. We're very concerned about  
12 tanker traffic in Cook Inlet and as we sadly found out this past  
13 spring, we need to be concerned about tanker traffic in Prince  
14 William Sound also. We really have lost our faith in the industry  
15 to regulate itself with regards to movement of oil and hazardous  
16 substances through our waters. And we've lost a lot of our faith  
17 in government agency as watchdogs in our interests, based on  
18 the experience of the 1987 and 1989. With regard to Cook Inlet  
19 tanker traffic, we feel that the industry's contingency plans are  
20 inadequate and not even in compliance with today's standards.  
21 With specifically what regards they're not in compliance, I'm not  
22 sure that there -- that all of the shippers have the financial  
23 responsibility that they need to have or have shown proof of that.  
23 I certainly don't think that the CIRO warehouse has the  
25 equipment that is necessary to respond to any major spill in



1 Cook Inlet. And I'm most concerned about their management  
2 and training as it's presently laid out as to what the response  
3 would be in Cook Inlet. We feel that all of the contingency plans  
4 need to be reviewed and the standards upgraded. With regards  
5 to some of the specific issues that were talked about here today,  
6 we're very much in favor of some kind of on-the-water towing  
7 and oil spill response capacity within Cook Inlet. We don't  
8 necessarily think that it has to be an escort vehicle, but we think  
9 that somewhere, possibly three different places: maybe in  
10 Anchorage, maybe at Drift River, maybe in the lower Inlet,  
11 possibly based out of Seldovia, there should be some on-the-  
12 water response capacity. I was very pleased, and won't elaborate  
13 very much on Mayor Gilman's comments about the ICS system.  
14 We also in Seldovia embrace the ICS idea. We'd like to see some  
15 combination of government, the citizens and the industry in the  
16 area, and when I talk about industry, I'm not just talking about  
17 oil industry, I'm talking about the tourism industry and the  
18 fishing industry, work on this problem together. I'd like to see a  
19 ground up ICS system with everyone in it trained, whether  
20 you're the Vice-President of Sohio or a local deck hand on a  
21 boat, you have been trained and you don't participate in the  
22 system unless you have that card that says you know how the  
23 system works. That would be our vehicle for managing and  
23 training for future oil spills. There's a lot of questions about a  
25 vessel traffic control system in Cook Inlet and we'd like to see

1 that issue pursued with a lot further looking into how that would  
2 work. We're not necessarily locked in on a specific positive  
3 control kind of system. In Seldovia most of the people live and  
4 work off of the water and we're very much a believer in mariners  
5 as being the most responsible people. We would rather see that  
6 responsibility kept in the mariners' hands instead of someone  
7 sitting in a room looking at a radar screen. But we do think that  
8 one thing that could be looked at is not only monitoring vessel  
9 movement, but also looking at the vessel types and the safety  
10 records and histories and financial responsibilities and  
11 compliance histories of all vessels moving through the area. And  
12 we do see this as a need. We're very much in favor of local  
13 community involvement and oversight in the oil and other  
14 hazardous substance shipping in Cook Inlet and in the Gulf of  
15 Alaska. We think that this working together between the  
16 government and the citizens and the industry is the only way to  
17 make sure that things improve in the future. I'd like to take this  
18 opportunity to invite all of you to Seldovia and visit with us and  
19 our fishermen after the halibut season there. We would welcome  
20 you and there are a lot of people besides me who have very valid  
21 input that I think you should hear. Thank you.

22 MR. PARKER: Okay. Thank you Tim. On the -- we're  
23 planning a workshop on vessel traffic system, the University is,  
23 the end of September in Anchorage and if you have an interest in  
25 pursuing that you might want to keep track of that and put that

1 on your calendar. Any questions for Mr. Robertson? Meg?

2 MS. HAYES: You said that you thought that the ICS system  
3 should be -- everyone that works in the system should be trained  
4 in the ICS system. Is that right?

5 MR. ROBERTSON: Well, I think there needs to be set up  
6 ahead of time of how we're gonna respond to any kind of major,  
7 hazardous substance coming into the environment. And that  
8 part of that, a major part of that, oughta be an Incident  
9 Command System, specifically tailored for hazardous substance  
10 response. It was an idea that was brought about and has been  
11 used in fire fighting and it needs to be tailored to hazardous  
12 substance response and once that's done, I think that that  
13 system can bridge boundaries between different agencies and  
14 different people within the industry. And that can be the vehicle  
15 by which responses are taken care of. And there's training  
16 specifically within the ICS system from everybody from the  
17 Incident Commander right on down to the lowest guy who's  
18 handling deck lines or whatever on a boat.

19 MS. HAYES: I just wanted to clarify whether you were also  
20 implying that the people responsible for the spill should be  
21 responsible for cleaning it up.

22 MR. ROBERTSON: Well, we don't feel that, at all. It  
23 seems to be within the law, as best I can tell, that that's the way  
23 that it is and is going to remain. Possibly the U.S. Coast Guard  
25 would have an earlier, more active role in managing a spill, but

1 they're not, as far as I can tell, embracing the ICS system. I'm  
2 not sure exactly how they would come in and manage a large  
3 spill. I would be very interested to hear that. They have  
4 refrained from doing so, so far, so it's unclear how they would  
5 carry that out. If an Incident Command System was in place, the  
6 Coast Guard could step in and become the Incident Commander  
7 or Alyeska could be the Incident Commander or ARCO could be  
8 the Incident Commander. It wouldn't matter as long as those  
9 titles went away the minute you became the Incident  
10 Commander. It doesn't matter who you used to be. When you're  
11 the Incident Commander working in the ICS system, you're  
12 whole purpose is to mitigate the damage of the event that you're  
13 working on. So it doesn't matter what your history is as long as  
14 you understand the ICS system and work within that.

15 MS. HAYES: Is that the system that was used in Seldovia  
16 in your response?

17 MR. ROBERTSON: We say that system come in in Homer  
18 in the middle of the response and were very impressed with it.  
19 Unfortunately, those guys showed up with great intentions and  
20 no authority. And so they left town very frustrated after about 20  
21 days of not being able to do anything that they had trained to do.  
22 In Seldovia, it started out as a volunteer effort and that volunteer  
23 effort was eventually endorsed, I guess, by Exxon by coming a  
23 vego (ph) effort. Everyone essentially, eventually fit into the  
25 system that way.

1 MR. PARKER: Anyone else? Okay, one more point. You  
2 know, on the freedom of mariners, if you put to sea with a cargo,  
3 which if you loose it just create substantial hazard for the  
4 environments, then I think you have to respect a different set of  
5 rules than if you're putting to sea in your pleasure craft or in your  
6 small fishing boat, and so forth. So, it's the same thing if you put  
7 to sea in a large cruise ship with 1500 passengers, you have to  
8 expect greater restrictions than if you're going to sea in a small  
9 boat. That, I think is a concept that we're looking at -- is  
10 thinking about any restrictions that may be applied on vessel  
11 traffic systems or any other aspects of the system.

12 MR. ROBERTSON: I understand that. I guess what I am  
13 advocating is a redundancy of mariners, instead of someone  
14 sitting in a white room under flourescent lights looking at a  
15 radar scope, putting a pin on a board. You're not going to get the  
16 quality of person who understands the environment as you are  
17 with another Master mariner out on that same bridge or on a  
18 bridge of an escort vessel looking out for the potential dangers  
19 and prevention of dangers.

20 MR. PARKER: Now we're cooking on the same burner. I  
21 think, you know, there's a lot that can be done to increase  
22 redundancy just on the bridge. There's no doubt about that.

23 MR. ROBERTSON: Absolutely. I concur.

23 MR. PARKER: Thank you very much. Joe Nord.

25 MR. NORD: My name is Joe Nord. I'm with Allied

1 Processing, a small processor of salmon on the Cook Inlet north  
2 of Kenai, five miles This letter I've laid in your hands is one that  
3 I drafted right after the oil spill after we got into the problem --  
4 seen the problems that were happening, and in talking with  
5 some of the fisherman that came in, was how to respond to it It  
6 takes some immediate response from the people that are on the  
7 grounds where the accident happens To wait for the Captain of  
8 the boat or the head of a company or someone in a Board room  
9 or a corporation to have a meeting and study the problem and  
10 decide what to do lets things get out of hand before its done  
11 It's like on a major traffic artery, say, in Southern California If  
12 you had an oil tanker that turned over, they'd call the fire  
13 department, the police department and they'd come clean it up  
14 and draft the truck off You know, they wouldn't call the oil  
15 company You know, if a milk tanker turned over, they wouldn't  
16 call the creamery to come pick up the milk I think we have the  
17 same thing here You're asking the culprit to guard the hen  
18 house I feel that there needs to be a response center  
19 somewhere in Alaska that has the capability, military type  
20 capability to deliver booms and whatever equipment and craft  
21 and personnel to the site immediately upon notification of the  
22 accident, that stays on duty 24-hours-a-day, 24 months a year,  
23 just like the fire department I mean, that could also lead into  
23 the things you're talking about is response to chemicals or any  
25 other thing that would come down And people that don't have a

1 political motivation or don't have an economic motivation -- let  
2 there be a tax on the movement of oil or the oil companies or  
3 whatever to support this type of a thing. But to let them decide,  
4 well how much money we're gonna spend and control it  
5 themselves I think is totally unreasonable. I feel that nothing  
6 was learned from the 1987 oil spill, from Glacier Bay. We were  
7 highly impacted by that in several ways and the bottom line was  
8 that due to the oil spill and due to the unlikely harvest that  
9 followed behind the oil spill because of restrictions involved on  
10 the drift fishermen, the oil and harvest happened at once and  
11 our's being on the Salmantof beach and the last beach that  
12 produces, we hire our crew last so we wound up with what was  
13 left in the bucket and there's wasn't anything left in the bucket.  
14 We didn't have a very good crew and our per unit cost for  
15 processing fish were at least ten cents a pound over and above  
16 just for labor and that's the only control a processor has is the  
17 control of his labor costs. Besides that, due to the fact there was  
18 a shortage of help and of good help and that we tried to protect  
19 ourselves, we took our best people and isolated all the fish that  
20 came in and inspected in and set up a laboratory where we took  
21 samples of each catch that came in and checked them under  
22 flourescent light and kept samples. We've still got 800 pounds  
23 of fish in the freezer that we took as sample fish from each catch  
23 that came in. We separate each catch as they come down the  
25 line so that if there was oil on one catch it wouldn't contiminate

1 another catch. We just wore ourselves out trying to protect  
2 ourselves and in the long run what we did -- we lost 200,000  
3 pounds of fish which would have amounted to \$400,000. And  
4 nobody has stepped up yet to help us pay for that among other  
5 losses that were incurred. And I feel very personally responsible  
6 for that happening, because I was trying to compensate for the  
7 problem that I seen as protecting the product we were  
8 producing from going out into the market place with oil on it  
9 and having someone come back later on and say, hey we bought  
10 an oily fish. This year, we didn't do any of that. I told DEC and I  
11 told FDA they were welcome to come in the plant. They could  
12 come any time they wanted to. They could look at all the fish, as  
13 long as they didn't impede production, that we weren't going to  
14 look for oil. And of course, we did keep an eye out for it, but -- I  
15 mean that was our position this year. This year we had the best  
16 operation of a plant that we've ever had since we've been in  
17 business. We had a good crew. They worked good. Everything  
18 worked fine. We prepared ourselves ahead of time to have  
19 plenty of employees. We recruited people from outside. We  
20 brought over half of our crew from Denver and Portland to work  
21 for us. I'm an advocate of local hire. I'm also an advocate of  
22 hiring Americans. And I think we're all Americans and I don't  
23 believe it makes any difference where they come from. But, we  
23 subsidized their travel pay and we had a good crew and  
25 everything worked great this year. And we were really thankful



1 for that. We didn't get any drift fish, but that's just how it  
2 happens. But, going back to this, I think that if we would look at  
3 that and put a bounty on the oil, say of \$10 a gallon, you've got a  
4 thousand boats out there that'll go out and dip up oil. You know,  
5 that's the way they built the Great Wall. They built it with  
6 coolies. They didn't build it with buearacrats and politicians  
7 deciding who was gonna do what and when they was gonna do it.  
8 You know, just put it on the open market and let 'em go get it.  
9 Now, this might sound a little radical and it might sound a little  
10 bit old west, but I think it would get the job done. And I think  
11 that it bears looking at. But, also, someone needs to be in charge  
12 and say, go. You know, you can't wait for a committee to happen.  
13 Some of these things I think should just be automatic. It should  
14 be a law that if it's spilled, if it's contraband on the high seas that  
15 somebody can go pick it up and the person that lost it is  
16 responsible to pay for its recovery. And this is what the bounty  
17 system would do. Now, we have fire departments here and we  
18 pay taxes to support the fire departments and the better the fire  
19 department, the better the response is to it, the better the  
20 protection we have and we're compensated for that by lower  
21 insurance rates. The oil companies would be compensated  
22 maybe by lower insurance rates if they had some response  
23 system. Of course, their insurance rates probably aren't too high.  
23 They haven't paid off too much yet anyway. We're blessed by the  
25 fact that this happened to Exxon. It's got some deep pockets

1 that come out and spent money. The people with Glacier Bay  
2 haven't spent a dime hardly towards compensation for damages  
3 that took place in 1989, 87, I'm sorry. There are people here  
4 that would respond to this. And fisherman are trained, by the  
5 very nature of their being, that they respond to conditions. If  
6 there's no fish where they put their nets out or they put their  
7 lines down, they move 'em. It was like you were saying, the  
8 mariners can respond to things that they're sitting on the bridge  
9 and watching, but at the same time, when you're talking about  
10 traffic control -- maybe you need somebody like air traffic  
11 control to monitor where all these vessels are because you can  
12 only see so far, so I think we'll need a little concerted effort  
13 there. But, I thank you for your time, for letting me speak to  
14 you. And I think you have -- are doing a good job. You're asking  
15 very important and viable questions just in the few minutes I've  
16 watched you here. Thank you.

17 MR. PARKER: Okay. Thank you Mr. Nord. Any questions  
18 of Mr. Nord? Okay. Thank you. John Stephen.

19 MR. STEPHEN: Mr. Chairman, members of the  
20 Commission. I'm thankful for this opportunity to speak to this  
21 matter. I don't have a letter to give to you. Like some of the  
22 others, I've just heard about this over the radio. But I'd like to  
23 speak to you from the standpoint of an environmentalist. Many  
23 years ago, in fact about 25 years ago, when the oil started flowing  
25 down here in this area, there was a lot of environmental

1 concerns at that time about what was going to happen. Everyone  
2 was assured, and there was all kinds of meetings and things to  
3 assure the people that there wasn't going to be any spills. There  
4 wasn't going to be any problems. If by any chance there was any  
5 problems, they would be cleaned up immediately, no problem.  
6 Well, history has proven differently and we're faced again, once  
7 again, with this idea of clean up. Now, just the fact that we're  
8 talking about this clean up says that we're kind of looking  
9 forward to the time when it's going to happen again. I say that  
10 there's a zero tolerance to this oil spill business and that we  
11 need to be addressing that zero tolerance with ideas on how  
12 that's going to function. Now, we should not be allowing oil  
13 vessels into our inland waters at all. Now, I realize there's  
14 smaller vessels that do have oil on it and in those cases, then we  
15 do need to have a response team. But as far as the big vessels,  
16 we should be either extending pipelines down to safe areas  
17 where these ships do not have to come in to our inland waters  
18 or shipping this oil across the country in pipelines, or refining  
19 the oil right here so that it doesn't have to be shipped. But I  
20 think there is a zero tolerance as far as shipping this oil around,  
21 putting our waters in jeopardy as far as any kind of an oil  
22 response having to be having to happen. Do we want a black  
23 wave of oil coming up the Kenai River or the Kasilof River like  
23 we see on television that happened in Prince William Sound?  
25 We don't want it to happen again in Prince William Sound or any

1 place else in Alaska. We must have a zero tolerance to this  
2 situation. And if we have to shut down the oil production, that's  
3 fine with me, but that's a very radical point, of course. But we  
4 must have a zero tolerance as far as these spills are concerned.  
5 And so, talking about a clean up in the future I don't think is  
6 where we should be at. We've got to avoid the clean up, avoid  
7 the spill before it happens. Thank you.

8 MR. PARKER: Thank you. Well, prevention is our first  
9 priority and has been from the first. Zero tolerance is a policy in  
10 which we operate many where human life is involved. Why,  
11 when we designed the national air system -- going in it was  
12 decided that the system would be designed so that no one would  
13 ever be killed. That was the original design premise and we  
14 didn't go on the basis that we would ever have an accident. We  
15 obviously have accidents, but the system design original premise  
16 was that there would be no accidents and I think that in  
17 prevention we'll proceed along the same general course. Any  
18 questions? Okay. Thank you Mr. Stephen.

19 MR. STEPHEN: I wanted to mention one other thing. I  
20 have a very small business that's involved in tourism. And I did  
21 have some impact on that. I have canoe rentals here on the  
22 Kenai Peninsula and canoe trips and we did have -- I lost about  
23 \$2,000 worth of business because of the advertisement of the oil  
23 spill. People didn't want to send their children up here to go on  
25 a canoe trip because they were afraid of the oil spill. So I just

1 wanted to mention that the tourist industry does get impacted  
2 as well as some of the other areas.

3 MR. PARKER: Okay. Thank you.

4 MR. HAVELOCK: Mr. Chairman.

5 MR. PARKER: Yes.

6 MR. HAVELOCK: With regard to that, did you put in a  
7 claim?

8 MR. STEPHENS: No, I have not put in a claim. In fact,  
9 I've not heard that there was a possibility of putting in a claim.

10 MR. HAVELOCK: Okay.

11 MR. PARKER: Okay. Thank you. I have one maybe here.  
12 Does anyone else care to testify?

13 MR. ZIMMERMAN: Mr. Chairman, members of the -- is  
14 this on?

15 MR. PARKER: Yes, I can hear you.

16 MR. ZIMMERMAN: I appreciate the chance to talk to you.

17 MR. PARKER: Give us your name, please.

18 MR. ZIMMERMAN: I'm Paul Zimmerman. I'm an  
19 operation supervisor for Kenyour (ph) Packing Company. It's a  
20 processing plant. We have a facility here and also in Homer. I  
21 know the focus of your meeting is supposed to be the '87 spill.  
22 In 1987, the call went out for any vessels that could assist in the  
23 clean up. When the spill happened, we sent a landing craft out.  
23 We originally were supposed to go to work for some lawyer with  
25 Trinity, or Trinidad. Said that "Sure, no problem, we'll get you a

1 contract. Can you get out on this tide?" We said, "We'll get the  
2 boat out there. You get us a contract." I went to the Coast Guard  
3 office where they were supposed to have this command center.  
4 Command center is a misnomer. Every day, who was in charge,  
5 what information was being given out, changed. We ended up --  
6 each day that I went in there to try to get a contract for this  
7 vessel that was working, we were given somebody else to talk to.  
8 We ended up -- I believe we ended up having to try to sue  
9 Unitech to try to get paid. To this point we have not gotten paid  
10 fully for the use of that vessel. It ended up that one of the most  
11 effective ways to pick up the oil in '87 was to blow holes in the  
12 bottom of a back hoe and pick it up. You've probably heard this.  
13 If you look at that spill compared to the Exxon spill, you see a lot  
14 of the same kinds of things happening. The experts said oil  
15 won't sink. They had crude oil sinking below the booms, coming  
16 up in another place. They've got these little eight inch booms  
17 that are supposed to stop crude. They might stop a five gallon  
18 leak in a calm lake. They need the big booms that are developed  
19 for big water. When -- any time you talk about this subject, it's so  
20 emotional that we have not -- it took us almost too years to figure  
21 out all the impacts the '87 spill had on our business. Exxon  
22 came in immediately with this response that "No problem, we'll  
23 pay." Exxon has no comprehension of what it is to try to pay for  
23 the damages that have occurred. First of all, we would much  
25 rather be moving fish. People would much rather be working,

1 than trying to figure out where we're loosing money and then  
2 trying to document it to someone else's satisfaction that doesn't  
3 understand our industry. Everybody that's filing a claim is  
4 working under the premise that they are not entitled to that  
5 claim until they prove that they're worthy of it. Now, at the  
6 same time, when the '87 spill happened, we learned in '87 that  
7 to not -- we learned from '87 to not to expect too much from the  
8 '89 spill. When the '89 spill happened, I would imagine that a  
9 least a quarter of everyone's day was spent discussing what was  
10 gonna happen next. That time is not going to be compensated.  
11 The time that it takes us to fill out our claims -- I suspect that  
12 it's going to be two or three months before we're even ready to  
13 submit a claim and I don't see that time being compensated.  
14 The industry talks about liability for fisherman. And there are  
15 bills that will immediately compensate fishermen for spills.  
16 There are other people in the community that need immediate  
17 compensation: the tourism industry, the processors and even  
18 the small fuel providers that they aren't selling any fuel to those  
19 boats cause those boats aren't fishing. So when we talk about  
20 liability legislation, it has to be a lot more comprehensive than  
21 just covering the fishermen. The fishermen certainly need to be  
22 compensated, but this concept has to extend to the full  
23 economic impact of a spill. The idea of preventing a tanker  
23 spill, running a pipeline whenever possible, re-design of the  
25 ships -- I believe an idea that you may have heard about was to

1 put cellular structures inside the boats so that only certain cells  
2 would rupture. You wouldn't have such a huge vessel that can  
3 break. All of this needs to be looked at. I'm sure it will be. After  
4 this spill, since it was of such a large magnitude, it finally got  
5 some interest. We've had spills in Cook Inlet for years: small  
6 spills off the platforms, small spills from the loading and  
7 unloading of tankers, cracks in tankers. There's almost -- I  
8 wouldn't be able to tell you the frequency, but there is oil out in  
9 the Inlet that's reported recovered and nothing's ever been able  
10 to be done about it because nobody knows where that oil came  
11 from. Something that we might look at is putting an nert  
12 chemical marker in each supply so that when there is a spill, it  
13 can be very easily traced. I'm not technical enough to tell you  
14 how to do that, but I'm sure it can be done. I really don't know  
15 what else to add at this point. I'm sure you'll hear from me again  
16 in a written report.

17 MR. PARKER: Okay. Well thank you very much. Tracing  
18 the phantom spills when they're crude -- I think the technology  
19 certainly permits that now. Tracing them when they're refined  
20 products is something else and I think that one of the things  
21 we're going to see in the next couple of years that a lot of the  
22 spills that people were ignoring just because they were used to  
23 them, the small operational spills, are probably going to be  
23 reported much more vigorously for the next couple of years, so  
25 people should be prepared that that is going to happen. Any



1 questions for Mr. Zimmerman. Okay. Well thank you very much.  
2 Anyone else? Okay. Come back.

3 MR. KING: You know me already. A couple weeks ago, at  
4 a teleconference, I called you up and asked you to think about  
5 monitoring the business of the Coast Guard signing off beaches  
6 as treated. I think it was you, Margaret, that asked me if I had a  
7 specific example, although I was listening to it on the radio. So  
8 after that time, I did get involved a little bit with the volunteers  
9 out of Homer and I made a trip out to Fort Dick. I spent a lot of  
10 time at the OSCO office down in Homer, the Oil Spill  
11 Coordinator's Office. The way I read this situation is that early  
12 on in the spill, when Exxon took off on a treatment on a  
13 particular beach that was really foul, or had gross contamination  
14 on it, as soon as they were able to remove that gross  
15 contamination or the lion's share of the gross contamination,  
16 they applied for a permit, or a de-mobilization certificate or  
17 something. The way I think that that process has sort of  
18 mutated now is that now that when Exxon asks for a de-  
19 mobilization permit, it's not only the public's perception that the  
20 beach is clean, but it's Exxon's walkin' orders, in a sense. And I  
21 believe that the Coast Guard is probably.....

22 (Tape Changed)

23 (Tape Number 89-09-07-5A)

23 MR. KING: .....the primary function in terms of signing  
25 those beaches off. So I went and looked at some beaches that

1 were signed off, in terms of treatment. I went to Port Dick and  
2 the specific beach I look at, that was signed off, was the Mars  
3 Cove beach, where the volunteers are workin' at. And alls I can  
4 say is that it's gross. It's grossly contaminated and you darn sure  
5 wouldn't want your children walking barefoot on it. It's  
6 something that I think over the long run is gonna take a lot of  
7 years to be rehabed. I think it's gonna -- and I think what those  
8 people are doing out there, are trying mechanically to clean  
9 those beaches. They need an act of God to help them and  
10 they've got terrible living conditions. But I look at them as like  
11 pioneers in terms of rehab. Maybe some day they'll be living in  
12 bubble. But they'll be rehabbing those beaches. And that's what  
13 it's gonna take. Sooner or later, and it might be 10 or 15 years,  
14 those beaches are gonna recede and they're gonna take off. But  
15 in the interim, if some sort of citizens committee or maybe this  
16 Board -- I know you guys are loaded with stuff to do. But if the  
17 Coast Guard gives Exxon and the industry free ride on this deal,  
18 if they let 'em walk, then we, the taxpayer, are gonna be the  
19 people that are gonna subsidize that rehab, because I'm just not  
20 gonna put up with it not being taken care of. And that's to the  
21 extent of where I'm willing to get in my boat and go out there  
22 and do the job myself, if that's what it takes to get the damn job  
23 done. And so, I'm not sure exactly what forum should be created  
23 to try to monitor that. I do feel like if you have any suggestions,  
25 I'd like to hear 'em, because I'm willing to help. I'm willing to

1 work toward that end and I have some specific beaches that I  
2 think, today, are gonna need some rehab work and they're  
3 primarily from the Chugach Passage out to Port Dick and the  
4 Barren Islands. I haven't been around on the other side of the  
5 outer district since early on in the clean up. I was there in April  
6 -- April and early June -- April, May and early June I was out of  
7 Seward and out to Nuka Bay and the Pie Islands and Chiswell  
8 Islands. I spent a lot of time out there looking around. But most  
9 recently, the only thing I have looked at is from Homer out to  
10 Port Dick. So, that's really all I have to say about that issue. I  
11 know you guys are loaded and you don't have a lot of time to do  
12 more stuff, but if you have any more thoughts about it, I'd sure  
13 like to hear about 'em.

14 MS. WUNNICKE: I wish we did.

15 MR. PARKER: There's no particular -- our area, and some  
16 are being de-staffed just to keep our nose out of clean up, but we  
17 keep hearing a lot about it from people like yourself and so feel  
18 impelled to pass along what we hear from those who do regard  
19 themselves as involved in clean up. And, you know, our  
20 recommendations have consistently been that every means  
21 possible should be utilized to ensure that the communities are  
22 provided the means to continue light clean up over the winter  
23 and heavy clean up is not something probably that can be done at  
23 the community level. But it could be studied. But it's obvious to  
25 us, from hearing from the community throughout the whole arc

1 of the oil spill, that a lot can be accomplished with light cleanup  
2 continuing over the winter, whether it's beach or whether it's  
3 scooping tar balls in the rips or whether it's chasing after small  
4 spills that are here. So, I hope that we can continue to get the  
5 attention of those running the clean up and we'll continue to  
6 convey our particular views on that, just as I've expressed them  
7 to you.

8 MR. KING: Sure. I'm havin' a real hard time with the  
9 Coast Guard. It appears to me like these guys are rolling over.  
10 The few Coast Guard people that I have met in the field are  
11 green. I mean, they reminded me of summer hires. They were  
12 kids right out of school and I can't help feeling that the powers  
13 that be are up there telling them to get those guys out of here  
14 and get this signed off so we can get this paper work, this paper  
15 chase done and get on with our business of running government.

16 MR. PARKER: If you live in Houston or live in Alameda,  
17 why that's a very rational attitude to have to get out of here and  
18 get away from these long hours and all of these messy beaches  
19 and everything. Yeah, it's very understandable attitude from that  
20 perspective. Not from ours.

21 MR. KING: Thanks for your time.

22 MR. PARKER: You bet. Alright Joe.

23 MR. NORD: On that letter, you had a newsclipping out of  
23 yesterday's Clarion about the appointment of a retired general,  
25 or Coast Guard general to take over the oil spill response teams

1 in the Lower 48. And he made -- the statement's that  
2 contributed to him said that we don't have the technology to  
3 control an oil spill like the Exxon Valdez. Now, we don't need  
4 that kind of negative speaking or negative thinking in the people  
5 that's going to run ours. And protect us from that kind of  
6 thinking, because there's nothing that can't be done. And  
7 there's nothing that can't be cleaned up. And there's no spill  
8 that can't be controlled. And to stand there and say, "Well,  
9 there's no way it can be done", that's already saying, "Well it's not  
10 going to happen", to me. I don't know. Thank you.

11 MR. PARKER: Thank you. Well, I want to thank the  
12 people of Kenai and the other communities, Soldotna and the  
13 other communities who came to talk to us today and those who  
14 came to listen. And we've learned a great deal here today which  
15 we'll hopefully put to good use. Any last words from the other  
16 Commissioners. The Oil Spill Commission is adjourned.  
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