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ALASKA OIL SPILL COMMISSION

NOVEMBER 13, 1989

ANCHORAGE, ALASKA

OIL SPILL COMMISSION MEMBERS

Walter B. Parker, Chairman

Esther C. Wunnicke, Vice-Chairman

Margaret J. Hayes

Michael J. Herz

John Sund

Timothy Wallis

Edward Wenk, Jr.

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1
2 CHAIRMAN PARKER: Would like to welcome those of
3 you who have made it to this very early session. The Oil
4 Spill Commission will be going for four days this week.
5 Monday, Tuesday, Wednesday and Thursday. All four days
6 in this room and the first two days we will be listening
7 to a wide range of people. The last two days we be in a
8 workshop situation working on our technical and institu-
9 tional recommendations. Technical on Wednesday and
10 Institutional on Thursday.

11 This morning we are at 10:00 going to hear from
12 Mr. Duca of the Petroleum Institute Response Organization.
13 11:00 Brian Dorsch of Chevron who is going to report on
14 the American Petroleum Institute efforts on the New World
15 of Oil Spill Response.

16 Noon to 1:00 we will have lunch and resume in the
17 afternoon with Loren Flagg from Kenai Peninsula Fishing
18 Association. 2:00 we will hear from Captain Elsenjohn of
19 the Masters Mates and Pilots. At 3:15 from Mano Frey of
20 AFLCIO Alaska. 4:15 from Commissioner Wenk and at 4:45 to
21 5:15 we will have public testimony which we will stretch
22 if there's a great number of the public to testify.
23 Public testimony will be limited to five minutes.

24 Well, I would like to introduce the Commissioners
25 and the staff. On my right, we have our Vice-Chairman,

1 Esther Wunnicke. On her right, Commissioner Mike Herz.
2 Far right, Commissioner Tim Wallis. On my left, Commis-
3 sioner Meg Hayes, next to her, Commissioner Ed Wenk, and
4 on the far left, Commissioner John Sund. Down the table
5 where it says "Counsel" we have our good counsel, John
6 Havelock, and next to him Dennis Dooley. Out in the
7 audience I see Steve behind the paperbag.

8 Well, there are no minutes to approve from the
9 last meeting as of yet, are there? No? Okay. Are there
10 any changes to the agenda for today? Or corrections?

11 MR. DORSCH: Mr. Chairman, Brian Dorsch, sir,
12 you mentioned that I was going to talk about oil spill
13 response, but I was going to talk about oil spill preven-
14 tion.

15 MR. PARKER: Oil spill prevention. Okay.

16 MR. DORSCH: Thank you.

17 MR. PARKER: Okay, Counsel, since there are no
18 corrections to the agenda would you like to go ahead with
19 a status report on where we are?

20 MR. HAVELOCK: Mr. Chairman, the Pete Fife (?) is
21 here. Why don't you stand up and identify yourself in
22 case some of the Commissioners don't know you as a member
23 of our investigative staff.

24 MR. PARKER: I see Sharon behind him.

25 MR. HAVELOCK: And, Sharon, would you stand up, too. I

1 think everybody knows Sharon from past meetings.

2 I wanted to allow a little bit of time at the
3 beginning of the meeting to see if any Commissioners had
4 issues that they wanted to sort out with respect to the
5 agenda. The agenda part that I am referring to in
6 particular is the last two days which are a workshop
7 session where it is the staff's expectation that you will
8 actually start taking some votes on preliminary findings
9 and preliminary recommendations. In terms of where we
10 are, you have the report that I gave you in mid-October of
11 where I thought we stood in the factual development of
12 various issues we now have hopefully, subject to some
13 contracting glitches, we have got a contract with Mr.
14 Phillips Born on the Fatigue factor and the -- let's see.
15 What's the other one? Fatigue and manning together and
16 then -- insurance, yeah. He's going to give us a paper on
17 the impact of.....

18 MS. HAYES: Insurance.

19 MR. HAVELOCK:insurance. So, we have those.

20 I don't think we are done with the mini contract. Indeed
21 it is my expectation that out of this week-end meeting I
22 may be rushing to put together a couple of more small
23 contracts to pull together literature on particular
24 subjects that we may have overlooked or which may need
25 further development.

1 We will have consultants here today and it is also
2 my expectation that the consultants are going to be around
3 the wall for your policy discussions on Wednesday and
4 Thursday and that appropriate times they will be invited
5 to join in. In fact, I would assume that the presentation
6 of the ECO Report will naturally flow into a discussion of
7 some of the technical fixes, if you will, which seem to me
8 hopefully an easier part of the decisional process which
9 may give you a higher comfort level in reaching decisions
10 before you get into some of the tougher issues about
11 institutional arrangements.

12 So, that's the way that I hope to go and I think
13 that with respect to staff presentations... Mr. Dooley has
14 been working on particularly on some of the technical
15 areas. The maritime transportation system and I would
16 hope he would be in a position to make the presentations
17 and observations by way of report when we start to draft
18 that part of the program and that Marilyn Hyman would be
19 directing some issues then in the response.

20 COMMISSIONER WENK: John, just in accord with
21 your earlier invitation for comment regarding the Wednes-
22 day/Thursday schedule, the workshop on Thursday deals with
23 Institution's Policy Review related to prevention. In the
24 morning, as you know, I am obliged to leave Wednesday
25 evening and yet that is a section or an area that perhaps

1 I could contribute most to. And, that indeed flows from
2 the paper that you were kind enough to schedule for later
3 today. I don't know whether it would embarrass the
4 scheduling at all to try to shift some of that to Thurs-
5 day... I'm sorry, from Thursday to Wednesday.

6 MR. HAVELOCK: Well, I had anticipated, Commis-
7 sioner, that in the discussions we would have an oppor-
8 tunity to get into those issues that you were most
9 concerned about and that's why it is set out in that way.
10 Preferably I would rather have it as a part of the
11 workshop activity. But, since you are leaving it seems
12 that we ought to accelerate that and do a preview.
13 There's uncomfortable trade off, to use a much used word,
14 in the sense that I think it is uncomfortable to have
15 witnesses who come in after you have done the workshop.
16 Because there is a "why are you listening to us after you
17 have already started deciding issues"? So, it felt more
18 comfortable putting the witnesses up at the front even
19 though I was uncomfortably aware that you would be leaving
20 and that Commissioner Herz would be leaving. But,
21 hopefully that discussion time there will give an oppor-
22 tunity to get some of your lead issues on the table and
23 some response.

24 MS. WUNNICKE: Mr. Chairman, with respect to
25 scheduling which may be a bit premature, but in light of

1 these four days of activity, what is anticipated in terms
2 of a next meeting? I know we have marked on the calendar
3 for early December. Is going to be necessary, does
4 Counsel feel, for us to have an additional work session
5 with the full Commission?

6 MR. HAVELOCK: How many days do we have set for
7 that?

8 MS. WUNNICKE: Three days I think.

9 MR. HAVELOCK: Three? I would guess that's
10 enough.

11 MS. WUNNICKE: That's not enough.

12 MR. HAVELOCK: You either add on to that or else
13 you schedule another session.

14 MS. WUNNICKE: Mr. Chairman, I raise it par-
15 ticularly for those members who have other commitments and
16 who have to travel so that they could plan as much as
17 possible in advance.

18 MR. PARKER: Do you think you would want to
19 schedule another session after the early December meeting?

20 MR. HAVELOCK: I think, well, you have to deal
21 with the holiday season problem. I suppose from the point
22 of view of the staff, I think we would rather have a later
23 session. Now that we are not thinking about a printing
24 job, we are thinking about a computer generator report, I
25 think we have a little bit more opportunity to make

1 changes near the end so that it might well be beneficial,
2 if the Commission, can put it together to do something a
3 little bit later. Have a second meeting.

4 MR. PARKER: John?

5 MR. SUND: Anything later than the 3rd, 4th
6 and 5th through the 4th, 5th and 6th will not include me.
7 I am leaving out of this country on the 9th.

8 MR. PARKER: You are going to somewhere north,
9 I assume?

10 MR. SUND: I'm heading for the sunshine, yes.
11 The sunshine I miss this year.

12 MR. SUND: But I do have those three days put
13 aside.

14 MR. PARKER: Uh-hum.

15 MR. HAVELOCK: When did you say you were leaving,
16 again, John.

17 MR. SUND: That Saturday which is probably
18 the 9th.

19 MR. HAVELOCK: Well, if we could add on another
20 day. Add on December 7th that would be helpful.

21 MR. PARKER: Where are you going to be?
22 Possibly we could schedule a workshop there?

23 MR. WENK: Can the budget handle that?

24 MR. HERZ: Wasn't that September 7th?

25 (Laughter)

1 MR. PARKER: Well.

2 MS. WUNNICKE: Does anyone else have any problems with
3 four days?

4 MR. HAVELOCK: If we add on another day is that
5 going to bother you?

6 MR. WENK: I am still involved in this video
7 production and Thursday is my rehearsal day. And, Friday
8 shooting. I could make it earlier if you want to do that.

9 MR. HAVELOCK: What's your disposition with
10 respect to starting Saturday, December 2 or Sunday,
11 December 3rd?

12 MR. HERZ: Could you go through what you
13 think is going to be accomplished at that later meeting?
14 Why we need four days and what...?

15 MR. HAVELOCK: Well, maybe this is an issue that
16 could be graveled with at the end of this meeting rather
17 than the beginning. But, what I am wondering...it really
18 depends on the progress you make on Wednesday and Thursday
19 of this week. If you seem to plow through it rapidly and
20 you cover a whole lot of issues and it seems to be of a
21 fairly set consensus, then I would gamble on the smaller
22 number of days. If you leave a whole lot of stuff on the
23 table that you are concerned about, it's not just that we
24 would have to address them, but also it tells me that
25 there is a pattern of debate that needs to be gone through

1 that would require more time. So,.....

2 MR. HERZ: What's your sense of where we are

3 going to be in the drafting process? Come that meeting?

4 Are we going to have had parts of a draft to review

5 or.....

6 MR. HAVELOCK: Yes.

7 MR. HERZ: or most of a draft to review,

8 you think?

9 MR. HAVELOCK: Most.

10 MR. SUND: Mr. Chairman, maybe we could do

11 this just to get off the subject here. This schedule for

12 Monday, Tuesday, Wednesday, why don't we leave it till

13 tomorrow or Wednesday to decide whether we want to add a

14 day. If we add a day, let's add Sunday. I have real

15 difficulty staying beyond Wednesday, because I get home.

16 I'm home for a day and a half and then I'm leaving for a

17 month. Staying an extra day on the backend is really not

18 an option for me. It's not an option for Commissioner

19 Wenk.

20 MR. PARKER: Uh-hum.

21 MR. SUND: So, if we are going to add a day,

22 it will have to be on the front end. On the Sunday and

23 Saturday side. Maybe we could put off whether we have to

24 do that or not until Thursday. Until these two guys

25 leave, then we'll decide. (Laughter)

1 MS. WUNNICKE: That's what I was trying to avoid,
2 Mr. Chairman.

3 MR. PARKER: Anything else, John?

4 MR. HAVELOCK: No. I don't think I do unless...
5 Marilyn, do you want to talk later after you get more
6 information about the Washington, D.C. thing?

7 MARILYN: Yeah, later.

8 MR. HAVELOCK: Yeah. There is obviously much
9 that's happened in Washington, but we don't have the
10 Congressional report. We should be getting information in
11 today, so we would have a report a little later on. Since
12 the legislative action took place on the end of the week.

13 MR. WENK: Do you are Marilyn have a copy of
14 the House Bill? I've seen the latest version of the
15 Senate. No copy of the House Bill.

16 MARILYN: I have several copies of the House
17 Bill, but what they did... They did similar things,
18 you know, in the House that they did in the Senate where
19 they have two days of amendments on the floor, which are
20 all on the Congressional record. So, even if you had the
21 Bill before you it really wouldn't tell you what.....

22 MR. WENK: Congressional records, the best
23 source... Yeah.

24 MARILYN: Right. And, what was already in
25 the Bill, which you have. But, I hope by tomorrow or

1 Wednesday I'll be able to get a full picture of what
2 actually occurred.

3 MR. WENK: Okay. Thanks.

4 MR. PARKER: Okay. Counsel, do you or the
5 staff have anything to add before we proceed?

6 MR. HAVELOCK: Yeah. Dennis has a possible
7 presentation which I'll let him describe for Thursday
8 morning. I guess it wouldn't be that long. It would be
9 here. Dennis, why don't you venture...

10 DENNIS DOOLEY: In the Secretary of the Navy's
11 Office they have been doing quite a bit of evaluations on
12 different technologies in terms of response to oil spills.
13 They were involved in the Exxon Valdez clean up and the
14 individual -- we thought we would have a demonstration on
15 Friday for those who might have been interested. The
16 weather sort of worked us out of it. The gentlemen from
17 the Navy is wanting to come us, he's already ticketed and
18 he could describe what the Navy's role was, how they
19 became involved and then, if you wish, he said they could
20 have sort of a desktop demonstration of some of the these
21 technologies here. I have watched them. They are very
22 dramatic and it may have some implications for some of
23 your considerations in terms of technical response. But,
24 it's one of those things that's being worked up last week
25 and essentially the first time that I have had a chance to

1 brief John about it was this morning. And, if the
2 Commission is desirous, I have talked to the man earlier
3 this morning in Washington and he feels very comfortable
4 that the whole thing could be handled. There's a little
5 video, some talking and then some sort of a desktop
6 presentation as well in some of these alternative tech-
7 nologies for oil spill clean up.

8 MR. HERZ: Could you give us an example of
9 what...

10 DENNIS DOOLEY: Well, coagulance for one, rather
11 than disbursants. And, how the Navy was or wasn't
12 involved in the Exxon Valdez incident. There's parts of
13 it that were successful in getting involved and other
14 parts in which generally they weren't able to get... It
15 would take -- we were thinking maybe first thing Thursday
16 morning. People would have a chance to wake up while
17 watching this stuff. It may have some implications on
18 your institutional/technical response section.

19 MR. PARKER: When does he get in?

20 DENNIS DOOLEY: He gets in on Wednesday night.

21 MR. PARKER: Is he available Friday, also?

22 DENNIS DOOLEY: He will be going back home Friday
23 afternoon.

24 MR. PARKER: Okay. Well, we can either hear
25 from him Thursday morning if that's your desire, or if you

1 don't want to put the time in then, we would look at the
2 demonstration Friday morning. Those of us who are
3 interested. What's your desire?

4 MS. HAYES: Mr. Chairman, since we seem to be
5 rewarded for diligence and penalized for following rabbit
6 trails, I suggest that we do it Friday morning for the
7 people that are interested.

8 MR. PARKER: Any objection to that?
9 Okay. Why don't we plan it for Friday morning?

10 MR. DOOLEY: In order to make some arrange-
11 ments, can I get a sense of who or may not be interested?
12 Or is this too early to ask that?

13 MS. WUNNICKE: Mr. Chairman, how early Friday
14 morning?

15 DENNIS DOOLEY: Definitely not working on my
16 schedule.

17 MS. WUNNICKE: Oh, that's fine. I can always work
18 on Dennis' schedule.

19 MR. PARKER: Say 10:00?

20 MS. WUNNICKE: Seems reasonable. I'd be inter-
21 ested.

22 MS. HAYES: It will take about an hour?

23 DENNIS DOOLEY: About an hour.

24 MR. PARKER: Okay. Yeah. I have seen the
25 demonstration and they are impressive. The interesting

1 things about the Coagulance is that the Coast Guard seem
2 to know a little about them and the EPA list them as
3 disbursants for reasons known only to EPA. And, there's
4 an interesting story there somewhere and I'd sure like to
5 hear from the many on-scene coordinators who worked Exxon
6 Valdez and others, why Coagulance not considered. Or, if
7 they were considered, why they received little visibil-
8 ity. Because my perception they came up fairly late in
9 the game.

10 MR. HERZ: Mr. Chairman, on a broader level,
11 it seems to me that the whole procedure that is used to
12 introduce new technologies is one that we really have not
13 paid a lot of attention to. And we have had several
14 presentations from people who address to us at the end of
15 a session about their frustration in getting their
16 technique looked at. And, I am wondering whether if in
17 terms of these small add-on studies that you are talking
18 about, John, whether that might not be one of the things
19 that we ought to address. Because I think this is not a
20 static business. This response stuff. There is always a
21 new technology coming down the pipe and it seems to me
22 that we have had adequate demonstrations of the inade-
23 quacies of the bureaucracies in dealing with approving and
24 testing these techniques. We might want to address that
25 in a little more detail than just looking at a few

1 individuals.

2 MR. PARKER: Yeah. I think you are entirely
3 correct and this is one of the points we started out with
4 at one of our first meetings. We emphasize this and then
5 evicted away from it as we got into other things. But,
6 the amazing thing is that what is considered the state of
7 the art in some agencies and departments, simply doesn't
8 seem to get transferred very easily and I think finding
9 the reason why would be most instructive. Because the
10 Navy seems to have had a major program here which certain-
11 ly is not the way that the rest of the people involved
12 have reviewed disbursants. And, they've had this whole
13 counter-disbursant technology that simply just didn't
14 arise in the Exxon Valdez. So, finding the reason why
15 would be most instructive.

16 MR. HERZ: Even like the disbursant issue
17 aired a little bit better. For example, I was a little
18 disturbed by the manner in which the ECO report discusses
19 disbursants. Because it makes a whole bunch of assump-
20 tions that I don't think are warranted and I think that we
21 have to look at that whole issue, too. That's one of the
22 response technologies that's available and it's illustra-
23 tive that technology has been receiving very, very major
24 review from organizations like the National Academy of
25 Science and there still is not consensus. And there's a

1 great difference between the way the States look at that
2 technology and the way the Feds look at that technology
3 and how effective it is. So, that's apart of this overall
4 discussion where evaluation of technology is that I think
5 we should be spending some time looking at.

6 MR. PARKER: Yeah, I think that in the review
7 of the report we should get into that in some depth. The
8 whole interesting thing is that in talking to the various
9 states, the disbursant plan that was in place for Prince
10 William Sound was considered by many to be the state of
11 the art in being ready to go on disbursants. You know, we
12 had Zone 1, Zone 2, Zone 3. Everybody signed off on the
13 Contingency Plans. Everybody knew what they were supposed
14 to do and so forth. And, yet we have had, despite that
15 this tremendous debate on, you know, who kept the success-
16 ful response from occurring because they wouldn't allow
17 disbursants and so forth. So, if the one that many peers
18 consider to be the state of the art didn't work, well,
19 obviously we have a long way to go. John?

20 MR. HAVELOCK: Mr. Dooley suggested to me that we
21 might put the Navy presentation until the December
22 meeting, because you will have in front of you, in advance
23 to the meeting, some staff expedition with contractual
24 support regarding this set of issues. It may be a more
25 penetrating review rather than a show and tell if we did

1 it at that time.

2 MR. PARKER: Any feelings of the Commissioners
3 on that? On putting it off till December? No? If that's
4 not a problem for them, why, why don't we do that? And if
5 the Navy can't respond we'll go ahead with the present
6 plan on Friday morning.

7 MR. HERZ: Mr. Chairman, if in fact we are
8 going to have that kind of presentation it would seem
9 useful to similarly have a presentation by the people in
10 EPA and the Coast Guard who are responsible for setting up
11 whatever the evaluation procedure is that was used or was
12 not used -- it's not quite clear, with this incident.
13 So, we get an overview of what the process is supposed to
14 be and we might also schedule some people who felt the
15 process didn't work. I mean, if in fact we want to look
16 at this issue we need to look at it in a broader sense and
17 not just from the point of view from one agency.

18 MR. PARKER: NOAH is having a session to
19 approach some parts of that the week of the 27th. I think
20 it's 27th, 28th, and 29th. Is it not? Next week?

21 MR. WENK: John, I think earlier you raised
22 the question about the Commission giving guidelines to the
23 staff with regard to the work that they want to begin and
24 this issue on disbursements triggered a thought that fairly
25 early on I can imagine it being useful for the Commis-

1 sioners to exchange ideas with regard to the concept of
2 the report. With regard trying to sort out what the key
3 issues are on which we need to concentrate our scanty
4 remaining time to find out frankly, by an exchange of
5 views among Commissioners what we are looking forward to
6 in the report. I know Steve took a telephone poll, but
7 none of us know the results of that telephone poll and I
8 think that would be a starting point with regard to how we
9 do spend this remainder of our time.

10 Related to this, it seems to me the virtue of the
11 Commission deciding on how it is going to decide which of
12 this issues that are going to earn this kind of attention.
13 By that I mean the Commission will want, I think, to give
14 serious thought to it's own credibility with regard to the
15 kinds of recommendations that can make, not only with
16 self-confidence, but in the expectation of that confidence
17 being shared by the readers. And, I believe that is an
18 issue that we ought to examine to some degree fairly early
19 on so that we can begin to put some boundaries around the
20 total enormous scope and range of issues that we have in
21 front of us. Otherwise, if indeed there is a beginning to
22 write the report before that is done, two things might
23 happen. One is a waste of staff effort by going up rabbit
24 trails, that I heard eluded to earlier, but secondly, the
25 failure to identify what the really key issues are that

1 the Commission wants to make sure comes across in that
2 final report.

3 All I am suggesting is that we try to lay down
4 some guidelines for ourselves at a fairly early date.

5 MR. HAVELOCK: I assume that will be a product of
6 your work session. I'm assuming you will give it some
7 nays as wells as some yeas in terms of issues. Inciden-
8 tally -- (roaring sounds) I don't know where that's coming
9 from but... -- If you are wondering about the TV cameras
10 here from Frontline, unfortunately I didn't bring any
11 pancake make-up that most of you seem to be suited enough
12 that -- maybe poor ole Chairman Parker I should give a
13 little pancake to that forehead, but most of you are
14 alright and I hope it won't affect your deliberations.
15 You are under National scrutiny.

16 MR. WENK: Fortunate, some of us wore it.
17 Wore a costume today.

18 MS. WUNNICKE: Mr. Chairman, in response to
19 Commissioner Wenk's comments, I think that staff has given
20 us an opportunity on a number of occasions to help guide
21 the content of the report and the one most recent, I
22 think, was Counsel's memorandum saying, you know, 'does
23 this have everything in it that you want to see in the
24 report?' And, we were all asked to respond to that. I
25 think we were also asked earlier by Steve to give a

1 statement of what we thought the purpose of the report was
2 from each of us and I think we were also asked by Counsel
3 earlier to give him a written memorandum of what we saw
4 the content of the report to be. And, so I think we've
5 had some of that opportunity and I would like to hear the
6 feed back from staff when we are in the work session to
7 see how much of that has been adopted.

8 MR. WENK: Well, I certainly associate myself
9 with that viewpoint. I think all of us have made some
10 inputs, but there are two things that haven't happened.
11 The first you mentioned is the feedback from staff in
12 terms of what the synthesis might be. But, also, if
13 indeed there is a difference in viewpoint, there really
14 hasn't been very much time for us to talk to each other
15 about these things. And, I believe it's that kind of
16 exploration of each other's perspectives and background
17 experiences and so on that makes this so value in terms of
18 having seven people on the Commission and not just a
19 single person. Because each of other sees it a little
20 differently and I believe that's the whole basis for
21 having a Commission.

22 So, if we can get some feedback, maybe, Wednesday
23 morning.

24 DENNIS DOOLEY: Sure.

25 MR. PARKER: Returning to the question of

1 disbursants, I had no hoped that NOAH was going to have
2 that meeting in October that they were going to have next
3 week, but out of that particular three-day session
4 hopefully NOAH and all the other participates will have
5 beginnings of a consensus on what they learned from Exxon
6 Valdez. And with what Commissioner Herz and his col-
7 leagues... What was that? A two year effort on disbur-
8 sants?

9 MR. HERZ: Two and a half.

10 MR. PARKER: Two and a half year effort on
11 disbursants. The National Research Council-- using that
12 as a base with what's developed next week in that meeting,
13 I think, at the December meeting, we should be able to
14 have NOAH, EPA and the Navy come before us with some
15 reports, I would hope. On how they view the state of the
16 art and these things.

17 MR. HERZ: Mr. Chairman, are you planning on
18 attending that session? Is that here?

19 MR. PARKER: Yeah. It's here.

20 MR. HERZ: Is it only disbursants or will
21 they get into other.....

22 MR. PARKER: No. Dennis, you want to expand
23 on...

24 DENNIS DOOLEY: Essentially they are going to be
25 dealing with different technologies with regards to clean

1 up response and, I think that, -- I don't have the agenda
2 in front of me, but there is a third category that sort of
3 dealt with a range of things that when you read it, it
4 appeared to look like everything from beach cleanup to
5 chemical classifications. I think the question that led
6 me into this whole area is that we kept hearing the word
7 disbursants. And, no one was discussing out loud anything
8 else other than Exxon's proprietary disbursant. And, we
9 were all aware this summer, with everybody it seemed like,
10 everybody in the world had a solution.

11 But, when we started looking at some of these and
12 approached, we were advised the Navy had looked at some of
13 these other areas and the Navy said we approached the
14 Coast Guard and Exxon and they weren't interested in
15 trying... You could have easily gone to a Type A clean up
16 all the way through on beaches instead of doing any Type
17 B with some of these things. And, there's some allega-
18 tions that you would have increased the mechanical
19 recovery by up to 10 times as much and prevented booms
20 from allowing oil to entrain underneath them.

21 None of that discussion has been made available to
22 this Commission, but if that technology is here and the
23 concept of emerging technologies are addressed, this staff
24 person is concerned that we keep reaching for the Norway
25 model. My view is what we may be getting for the Alyeska

1 response is what Norway is casting off. You know, they
2 are selling us their old equipment and old techniques,
3 because they have advanced further. And, we don't see a
4 process -- we're on that cutting edge. And that was the
5 reason for trying to bring this discussion.

6 MR. SUND: Mr. Chairman.....

7 MR. PARKER: Yeah, go ahead.

8 MR. SUND: Just a comment here. I have just
9 a little bit of Commissioner Wenk's concerns about opening
10 up a whole new hearing process at the next meeting and I
11 would ask that if we are going to do this that the staff
12 would work at it fairly diligently, and maybe through this
13 next meeting this next week with NOAH to come up with what
14 are the key questions that have to be answered. And, I'm
15 just concerned, you know, about getting a whole raft of
16 people up here to testify in December on this issue. I
17 think time is passing by here. So, if we are going to
18 have something, I would rather have some tentative
19 conclusions presented by staff at that meeting of results
20 of information that they have found or that they feel
21 there is some key person that needs to come and testify to
22 put into the record some information that will substan-
23 tiate some conclusions that maybe we should arrive at.
24 But, opening up the December to half the day or three
25 quarters of the day of testimony from a wide range of

1 agencies on this issue I think is quite dangerous.

2 MR. PARKER: The.....

3 MR. SUND: Maybe you could appoint a sub-com-
4 mittee to meet and hear that testimony between now and
5 then.

6 MR. PARKER: That's a good idea. That same
7 thought was crossing my mind, that we may aim at a special
8 meeting on this with those Commissioners attending who can
9 make it in order to put something before us and schedule
10 that meeting after we get the results of the NOAH workshop
11 in. But, one reason for my emphasis on this, in discus-
12 sions with the Legislative leadership, this whole item of
13 research on disbursants and on other means of response is
14 very high on their priority list and something that I
15 think we can expect a great deal of questioning on next
16 spring as we present our report unless we satisfy all
17 their questions in the report.

18 So, my renewed interest in this is stimulated by
19 some basic drives.

20 MS. WUNNICKE: Mr. Chairman, it seems that at a
21 minimum, at least, we would want to address the procedures
22 by which some systematic research is done in terms of
23 disbursants and coagulance and all types of response
24 mechanisms. And, that at a minimum, that should be a part
25 of our report. Even if we are not in a position of

recommending particular items.

MR. HAVELOCK: Mr. Chairman, I think that would be the staff's view on what we would be aiming at.

MR. PARKER: However, Counsel, getting back to Mr. Dooley's comments on the narrow focus, which was brought to this throughout the whole Exxon Valdez Response Development, I think we do have some duty to at least define what the scope of what possibilities is in this particular area. Because that somehow seemed to keep getting squelched for the last several months somewhere in the process. The fact that the Norwegians came here early in the spill response, sent a substantial delegation here and went home and nothing was heard. Not by us, not by most of the public as to what was possible from there. And now we have state people from fairly -- a fair number of people in State Government and from the private sector in Alaska heading for the North Sea and coming back with glowing reports on what the state of the art is there. I think we need to be able to have it in hand to describe that state of the art. We don't have to evaluate it. Nor do we have to get into detail. That is more properly the role possibly for a follow on report of the National Research Council or something. But, I think we have to stimulate something here or at least broaden the horizons of people in Alaska. At least on this particular issue.

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MR. HERZ: Mr. Chairman, I like what the Counsel is saying about this overview approach and how the process works.

MR. PARKER: Uh-hum.

MR. HERZ: Because it seems the more study you perform on any one of these techniques, the more the claims about how effective the procedure is seem to fall away. And one of the most striking numbers that I have seen is when the Coast Guard told GAO and GAO put in their testimony to Merchant Marine and Fisheries, which was that -- at U.S. and I think it was worldwide basis, that the average amount of oil recovered in spills is 10 to 15%. It comes back to what our emphasis has been all along. That, the money spent on prevention seems to be much more worthwhile than the money that is spent on responding and cleaning up. Because none of these techniques do anything that is really significant. The more carefully you look at them the more you find there are sets of conditions under which you may get a very high response rate, a very high recovery rate, but those optimal conditions never happen in the real world. They happen in the laboratory.

So, I think, looking and taking a broad view and looking at the process or processes that are used to evaluate competing techniques is the way we can get more

1 mileage out of our report than to try to present anything
2 about specific evaluations.

3 MR. PARKER: Yeah. You know, your point was
4 made in the real world a couple of weeks ago when a tanker
5 broke in two off the Norwegian Coast without the --
6 despite the ability of the Norwegian Response Organization
7 and all the money they've spent on it. Why, they in fact
8 lost the entire cargo. Littered the beaches of several
9 fjords. You know, there's no doubt about it that --
10 nothing that was said here was intended to lessen our
11 emphasis on prevention. But, at the same time, you know,
12 there are expectations out there on response, too, that
13 need to be satisfied to some degree. And, you know, it's
14 in the nature of having a lot of fishermen living in your
15 state, you know. They are -- the fishing community, you
16 know, not going to be satisfied and keep the pressure off
17 with a response -- without a response organization they
18 consider to be the state of the art.

19 MS. WUNNICKE: Mr. Chairman, I suppose it would
20 be why pilots and small planes have parachoots.

21 MR. PARKER: Pilots in small planes don't wear
22 parachoots.

23 MS. WUNNICKE: It's inevitable, right?

24 MR. PARKER: The only people who wear paracho-
25 ots anymore are the people in \$150 million jets that go

1 boom out of the top, you know. And, sky divers.
2 MS. WUNNICKE: And, sky divers.
3 MR. PARKER: Anything else, Counsel?
4 MR. HAVELOCK: I would ask that -- Mr. Duca and
5 Mr. Dorsch both here?
6 MR. PARKER: Mr. Duca is back there, yeah.
7 MR. HAVELOCK: Have you gentlemen talked about
8 the order of your presentation? I know we have you -- Mr.
9 Duca is listed first on the agenda. It crosses my mind
10 that we might be better off having the API discussion
11 first.
12 I guess I would ask that you call the first
13 witness, Mr. Chairman.
14 MR. PARKER: Mr. Duca. Mr. Duca is Vice
15 President for Readiness and External Affairs of the
16 Petroleum Industry Response Organization. Welcome.
17 MR. DUCA: You have my statement. I don't
18 know whether you would like me to summarize that or
19 whether you would just like me to read it or whether you
20 would like to commence with questions. Your call.
21 MR. PARKER: I think why don't you just
22 summarize it for us and then we will get into the ques-
23 tions.
24 MR. DUCA: Alright, sir. I think it is important
25 to note that PIRO is a private sector initiative. It is

1 a result of the Petroleum Institute's Task Force Report,
2 which among it's findings, said that the national lacked
3 the capability of dealing with the catastrophic spill.
4 Catastrophic spill being defined as a 30,000 ton spill in
5 the offshore environment. That occurred in June. Early
6 in July the industry began gathering approximately 50 or
7 60 experts to look at the requirements for such an
8 organization. The actual cost. They had some estimates
9 and they had a systems architecture laid out in the API
10 report and since July they have been about defining it in
11 much more precise terms exactly what the organization
12 should look like. PIRO is not... The API report gave
13 PIRO three main tasks. They center on readiness, response
14 and R&D. The systems' architecture called for five
15 regional centers, a headquarters and 15 sites for pre-pos-
16 ition materials to aide and respond quickly to the site of
17 a spill anywhere in the U.S.

18 Important to you and your Commission, one of the
19 assumptions, at that time, was that the beefed up response
20 capability in Valdez would be available in Alaska. That
21 has, at this point, come into some doubt. There are some
22 questions that we have been made aware of discussions
23 between the oil producers and the state as to the state of
24 readiness in Valdez and throughout the state. So, that
25 planning premise is still being evaluated.

1 The readiness portion of the program will be a
2 robust, inspector general-type program. We expect to have
3 the capability to hold drills on a frequent basis with not
4 only our own personnel, but those we have subcontracted to
5 us in the response mode. A response, of course, is at the
6 heart of PIRO. We intend, through our pre-position sites
7 and regional centers, to be able to handle out of one
8 center the 30,000 ton spill. If additional resources are
9 required our headquarters would call upon adjacent
10 regional centers to support the efforts of the initial
11 regional center.

12 I think it is important to point out to you that
13 we will not be in competition with existing co-ops or
14 private contractors. PIRO is going to be designed to be
15 at the high end. High being defined in terms of volume.
16 Spills of quote "national significance" unquote. as you
17 know, the vast majority of spills, 95% plus or minus, are
18 of a nature that are well handled by the existing spill
19 response infrastructure. We don't see us being involved
20 in that at all. On those occasions where a spill cannot
21 be handled by local resources we would then be part of the
22 response mechanism. Importantly, we think that the Coast
23 Guard has an indispensable role to play. We are talking
24 about an operational environment where things quickly
25 change, weather worsens, material failures, etc. They

1 have to be acted upon in real time. Responsibility needs
2 to be riveted to one individual, one agency. We think
3 that agency for this type of spill is the Coast Guard and
4 we want them to be a key player in the management of the
5 spills.

6 The other major responsibility of PIRO will be to
7 oversee a robust R&D Program. The original estimate of
8 resources to be provided by the industry for research and
9 development is \$30 to \$35 million dollars over a five year
10 period. We think that is terribly important. I overheard
11 part of the discussion here this morning and it is not a
12 well-kept secret that the tools available to responders
13 today are inadequate to their tasks. Not only are the
14 tools inadequate, but our understanding of the underlying
15 physics and the underlying living processes that are
16 involved is not what it should be.

17 PIRO will be involved in a rather substantial
18 research and development program so that we can improve
19 both our knowledge and our tools and do a better job in
20 the future.

21 I think that kind of summarizes what is in the
22 statement, Mr. Chairman.

23 Importantly, one other thing in terms of readi-
24 ness, we see the pre-approved planned process. It is
25 terribly important for us and for all those with an

1 interest in this business. Getting decisions up front,
2 understanding who is in charge, having decisions made in
3 a timely fashion is a no-cost alternative that can
4 substantially improve the effectiveness of spill response.
5 So, the Contingency Plan approval process with the input
6 from all concerned parties, local businessmen, spill
7 response industry, state and local governments, environ-
8 mental groups. All those with an interest need to be a
9 part of that process. But, once agreed upon we need to
10 roll up our sleeves and get busy with executing the plan
11 that has been agreed to.

12 MR. PARKER: Okay. Thank you. Yeah, your
13 point on pre-approval, I think everyone has taken to
14 heart. Pre-approval did exist at Valdez, especially for
15 disbursants. They thought it all -- and it was all worked
16 out. In PIRO's examination of the response to Valdez,
17 have you come to any insights on what the problem was?
18 What was pre-approved that didn't work out?

19 MR. DUCAS: Mr. Chairman, we have not. And,
20 I think as a generic statement for you and the Commis-
21 sioners to understand, we have not received all of the...

22 And, as you know, much of the analysis of what went on in
23 Valdez is yet to be completed. We are looking at the
24 information as it becomes available. But, we have not
25 come to any conclusions on what particular things or what

1 particular agencies or what particular processes failed.
2 It seems like a whole raft of them did not work as
3 designed.

4 MR. PARKER: But, you will be getting into
5 that, you think? That kind of analysis? The ONTSB has
6 said they are going to end theirs 24 hours after the
7 spill. Their analysis. So, we are hoping that somebody
8 besides themselves will also be getting into this kind of
9 analysis. Because.....

10 MR. DUCAS: I think the analysis that we will
11 do with this type of information will be as a kind of a
12 ground truth. We had a plan, what was effective, what
13 wasn't effective, where can improvements be made so that
14 as the plans are developed in the future or resubmitted on
15 their -- in terms of their planning cycle, we can further
16 improve them.

17 MR. PARKER: Okay. John?

18 MR. SUND: Yeah, thank you, Mr. Chairman. I
19 have had this one report here, API Institute on Task Force
20 Oil Spills. This is what sets up PIRO?

21 MR. DUCAS: Yes, sir.

22 MR. SUND: This is the June 14, '89 report.
23 I was interested in, you know, looking through the budget
24 category in here. It's broken down in several areas, but
25 one of them is called 'Preventing Loss Away From The

1 Ship'. Which is a category and the appendix or the
2 exhibits it details that out. Two things strike me and I
3 would like your reaction. One, is that out of \$9.3
4 million budget, that category has a \$150,000.00 in it
5 which I thought was somewhat inadequate or misbalanced.
6 And I take the point of view that once the oil hits the
7 water in a major spill we have no technology to clean it
8 up anyway. So, it seems to me preventing the loss away
9 from the ship ought to be a very high priority item.

10 And, secondly, within the categories there, they
11 talk about mechanical booms or chemical treatment from the
12 ship or gelation or chemical hurdlers, self seal or
13 plugging tanks. There are no mention of having a double
14 hull in terms of preventing the oil to escape from the
15 ship. And I was just wondering if PIRO is going to do
16 some work on double hulls. This Commission has had
17 testimony that if the Exxon Valdez had a double hull it
18 would have prevented 50% of the oil from escaping from the
19 ship. Is PIRO going to get into that issue or are they
20 just going to let that one slide?

21 MR. DUCAS: We won't -- I believe that the
22 research program that you've seen outlined there has been
23 further refined. By that I don't mean that the categories
24 have changed substantially or that the dollar amounts have
25 changed substantially. They have not. They are essen-

1 tially what you have called out.

2 That having been said, it is our understanding
3 that the matter of double hulls is going to be addressed
4 by Federal Legislation. Specifically since there has been
5 considerable amounts of controversy. Scientific opinions
6 on both sides of the issue have been presented. Some pro,
7 some con. I believe the API study you referred to eludes
8 to is that before a decision or position is taken we ought
9 to have an independent agency, and I believe it is the
10 National Science Foundation. Look at the issue and report
11 back. And I think that is in the legislation. Pending
12 legislation.

13 MR. SUND: Yeah, there's no controversy in
14 this Commissioner's mind about double hulls. I don't have
15 a problem with them at all. Other people seem to have
16 problems with them. But, you know, about 70% of the ships
17 in this world are double hulled. They happen to be all
18 cargo carriers. They get a hole in them and don't leak
19 anything out -- major single hull vessels or tankers which
20 I think is a major problem. But, I was just seeing if API
21 -- if you are going to work in chemical treatments.

22 I guess the theory is to try to keep the oil
23 around the ship or something where you can gather it up,
24 which I think the double hull would help, but let me just
25 step into that question there. All the testimony that we

1 have had before this Commission say that the oil was
2 deliberately let go away from the ship because it would
3 cause a hazard to the ship and the cargo to keep it
4 contained. And, so therefore they let it go. Are you
5 working on the issue there of whether you keep it around
6 the ship or let it go?

7 MR. DUCAS: That will be part of the ongoing
8 analysis that we do in terms of the optimum way to handle
9 a spill. I'm loathed to give you a direct answer because
10 all you have is a budget program before you. I think it
11 is fair to say, though, that when the API study was
12 written the issue of double bottoms is not included in the
13 R&D program because the assumption was that it was going
14 to be handled in a separate form. And, in an independent
15 form. It would seem to me imprudent for API to come out
16 either pro or con on the issue of double bottoms before an
17 independent agency had an opportunity to make its assess-
18 ment and to make it's recommendation.

19 MR. SUND: I just, Mr. Chairman, I am not
20 going to beat this thing in the ground, but it just seems
21 that a lot of these other issues that PIRO is going to be
22 looking at are controversial issues to disbursants and
23 other items here. I don't see how you could distinguish
24 mechanical means of ship's design from chemical means of
25 containing oil. I would advocate that PIRO would be the

1 ideal body of one of many to look at the effect of double
2 bottoms. It ought to be on your agenda and in your
3 budget. A lot higher category than it is now.

4 MR. DUCAS: I thank you for that input. I
5 think one of the things I would offer is that there is not
6 going to be a magic bullet that we come up with to a
7 single answer, as it were, to contain and mitigate a
8 catastrophic oil spill. There is going to have to be
9 progress on a broad front. There is going to have to be
10 progress in some areas and areas where we never thought
11 there was any hope of finding a better mouse trap. We
12 might have a breakthrough. And, indeed that's what R&D is
13 all about. Going out and getting very bright people,
14 asking very silly questions sometimes, but to come up with
15 new ideas and new technology so that we can indeed make
16 progress on a broad front. I don't think there is going
17 to be a single answer. If we put double bottoms in,
18 heaven knows something would happen and we would have both
19 holes punctured or some type of catastrophe. And, if we
20 put all our eggs in the double bottom basket, where would
21 we be when we really had to get out there and clean up
22 some oil that's on the water?

23 MR. SUND: Thank you, Mr. Chairman.

24 MR. PARKER: Commissioner Herz?

25 MR. HERZ: There was a hearing in California last

1 week that Edwin Castello, your Chief, spoke at. He made
2 a similar presentation and the assembly committee, the
3 California State Assembly Committee that heard him
4 expressed some synopsis about this move on behalf of the
5 industry. Questions were raised about the fact that
6 industries had a reopportunity to present this sort of
7 initiative in the past, but it didn't. Further it was
8 pointed out that the industry has been very much involved
9 or it's lobbyist have, in fighting and preventing some of
10 the pieces of legislation that would in fact have strengt-
11 hened preventative measures. Tug escorts in California.
12 Some of the other pieces that have been proposed in
13 various places, both State and Federally, and it has been
14 suggested that perhaps one of the principle reasons that
15 the industry is coming forth now is to prevent strong
16 legislation from coming in to require this. I think in
17 general people were very pleased that the industry had, in
18 fact, stepped forward and is, in fact, pledging as much
19 money as they are pledging. But, expressed at that
20 hearing were the same sentiments that Commissioner Sund
21 just expressed. And that is, once the oil is out in the
22 water the track record is pretty poor. And, we may be
23 able to improve the containment and recovery figures by a
24 few percent, but that we are not going to come up, as you
25 said, with any magic bullet that is going to make us go

1 from 10 to 15% to 50 or 60 or 80% containment and re-
2 covery.

3 So, the real question is whether the PIRO program
4 is window dressing with a huge budget allocated to the
5 visible things, which are equipment and mechanical devices
6 and the flip side being where the energy and emphasis
7 really need to be placed according to a lot of people and
8 according to, I think, most of the people on this Commis-
9 sion on prevention is being slighted. And, this really
10 was striking from the figures that Commissioner Sund cited
11 that \$150,000.00 seems to be one of the major figures of
12 the prevention budget. Whereas the hardware budget is
13 immense. I was wondering if you could comment on this?

14 MR. DUCAS: Well, that's quite a lot to comment
15 on, sir. Some of my comments will be a repeat of what I
16 said to Mr. Sund.

17 In saying that there is going to be no magic
18 bullet, that subsumes a principle that there should be
19 action along a broad front. The assumption of the API
20 report was that the issue of double bottoms was indeed
21 going to be handled in another form. It was not slighted.

22 It was a recognition that an independent, nation-
23 ally recognized organization, would handle that question.
24 Would investigate and come up with the answer. As for the
25 item of window dressing. I don't see it. I am not a

1 member of the oil industry and indeed PIRO is not -- while
2 a creature of big oil, as it were, is going to be an
3 independent not-for-profit corporation. We are not going
4 to make money. We are going to be a public service
5 organization. Cynics may not like to hear that, but the
6 plain ball fact of the matter is, the industry has pledged
7 \$250 million to this effort over five years, that the
8 corporation being formed is a not-for-profit corporation.
9 It is going to have an independent board of directors.

10 And, it strikes me that one of the conclusions
11 that one could draw from this is that very, very capable
12 businessmen have come to the conclusion that it is good
13 business to see what Alaska has suffered in terms of the
14 Valdez experience, and industry has suffered with it by
15 the way, is not repeated someplace else.

16 From my vantage point inside of PIRO I see none of
17 the window dressing. We have 50 of the brightest and
18 hardest working people in the oil industry going about the
19 nation asking all kinds of questions in terms of what's
20 needed, what's not needed, if systems architecture and
21 equipment and communications and computer programs and
22 getting all the inputs in terms of this rather large
23 requirements analysis that we are doing. And, for the
24 purpose of coming up with the optimum system. I hope that
25 doesn't sound self-serving, because it is not meant to be.

1 Admiral Costella brings to the head of the organization 36
2 years as a Coast Guard Officer and public service. We're
3 here and he was in California and I am here today, not
4 only to tell you about PIRO, but to hear from you and to
5 try to build consensus. And, to design programs and
6 policies that will make something like Valdez a thing of
7 the past.

8 MR. PARKER: Thank you.

9 MR. HERZ: How many of those 50 staff people
10 are former Coast Guard people?

11 MR. DUCAS: Virtually none. They were all
12 taken directly -- we have these 50 staff people, number 50
13 is a plus or minus number, I think it is more than that,
14 but they are taken from the ranks of industry. We have
15 eight sub-committees. People who are experts in the
16 operation field, people who are experts in the communica-
17 tion field, people who are expert in staffing and procure-
18 ment are working in these areas. And, we have, as a
19 matter of fact, a rather large and very, very, expert
20 community working in the R&D sub-committee.

21 I had the opportunity of reviewing the draft
22 report. It's about that thick. Where they have gone out
23 to 35 or 40 separate individuals in government and
24 industry and in the scientific community and have asked
25 them to comment on the program that is essentially the API

1 program. And, we have gotten some, I think, very, very
2 citeful feedback on the program and what should and
3 shouldn't be in it.

4 MR. PARKER: Commissioner Wenk:

5 MR. WENK: First, a brief word of what I
6 think will be amplification of something you eluded to
7 earlier and then a couple of questions.

8 The issue of double bottoms does continue to come
9 up for, I think, understandable reasons. And, you
10 referred, and so have other witnesses to a major study
11 currently underway by a marine board within the National
12 Research Council. It turns out that I am a member of the
13 board so I speak with a little firsthand knowledge. I
14 think, Mr. Chairman, it would be worthwhile for this
15 Commission to get a written status report from the Marine
16 Board as to that study. Because it has been referred to
17 by all of the Coast Guard representatives because it was
18 initially requested by the Coast Guard and is being funded
19 by the Coast Guard. On the task group are representatives
20 of the oil industry, oil shipping industry, but also
21 people are specialist in tankers structural design and so
22 on. I believe it's, I have to tell you one other thing,
23 every member of that board is required to file an elaborate
24 conflict of interest statement before they are
25 permitted to serve. I don't know of anymore vigorous

1 efforts to sanitize a study than a kind of revelations
2 that go on in those statements. So, in any event I think
3 that's the study, sir, that I believe you eluded to and I
4 believe it is in the Commission's interest to get more
5 details.

6 MR. PARKER: In light of that, Commissioner,
7 the board met Monday and Tuesday of last week. The
8 sub-committee, the board. And, Mr. Dooley attended that
9 and I think will brief us Wednesday morning on that.

10 MR. WENK: I have two questions that go to
11 points you have mentioned. The fact that PIRO is incor-
12 porated as a not-for-profit organization and it has an
13 independent Board of Directors. Could you tell us in what
14 state it is incorporated? Could you also tell us who is
15 currently on the Board of Directors?

16 MR. DUCAS: PIRO Implementation, Inc. is
17 incorporated in Delaware. The Board of Directors is de
18 facto a steering committee. PIRO Implementation, Inc. is
19 the transition corporation that is going to be receiving
20 the requirements analysis and working up the implementa-
21 tion plan. Alright? That group, the board of directors
22 of that group is headed by the Senior Vice-President of
23 Texaco, Elton Yates. And it is made up of a group of
24 seven members of an original 20 oil companies that put up
25 one million dollars to fund the effort. The requirements

1 analysis efforts. Once the requirements analysis effort
2 is finished, the report of the steering committee will be
3 given to the membership and a vote on PIRO, yes or no in
4 terms of configuration and responsibilities and all of the
5 issues that surround an enterprise such as this, will be
6 taken and at that time a permanent corporation, PIRO, will
7 come into being. And that organization will be the
8 not-for-profit corporation with the independent board.

9 MR. WENK: To make sure I understand correct-
10 ly. Earlier you had said that PIRO is a not-for-profit
11 and not a subsidiary, so to speak, of big oil. But, then
12 you mentioned that this current board of directors is
13 chaired by a highly visible representative of the industry
14 and that the other members represent the industry. Could
15 you help us understand what the difference is then between
16 the current organization which indeed does seem to partake
17 of big oil representation versus it's successor?

18 MR. DUCAS: It is exactly as you said. The
19 first organization is PIRO Implementation, Inc. That is
20 a temporary vehicle by which the industry is funding and
21 supporting the effort of the sub-committees in terms of
22 generating the systems requirements for the permanent
23 organization. Hopefully, the end of January when the
24 decision is made the PIRO Implementation, Inc., the
25 present corporation, with membership and participation by

1 big oil, your words not mine, that will die. PIRO
2 Implementation will die. PIRO the permanent corporation
3 will then continue and that will be with an independent
4 board of directors and on a not-for-profit basis.
5 Actually, right now, since we are not -- we are losing
6 money right now. We are just the cost right now.

7 MR. WENK: I would simply, Mr. Chairman, like
8 to underscore your term 'independent'. Later today you
9 will hear a presentation from this Commissioner urging
10 that corporate boards or directors that do business in
11 states other than the state in which they are incorporated
12 have on their boards representatives of the states in
13 which they do business and to which residents there are
14 risks. So, I would simply like to add an exclamation
15 point to your use of the term independent. Thank you,
16 very much.

17 MR. PARKER: Any other Commissioners?

18 MS. WUNNICKE: Mr. Chairman, just... In your
19 requirement analysis phase, at this time, and in your
20 remarks you say that you hope to have an initial opera-
21 tional capability in 1990 and a full system operational by
22 1991. Do you have or could you show us anymore specific
23 timeline in terms of the future? In terms of when this
24 system would be operational?

25 MR. DUCAS: I wish I could. We have a series

1 of variables and unknowns that have to be integrated into
2 a master chart on what to do, when to do it and how to
3 allocate funds. So, the answer to your question is,
4 unfortunately I don't have that. It is one of the
5 outcomes of the systems analysis. The process we are in
6 right now is, by the end of November, beginning of
7 December, the sub-committees will have reported. The
8 steering committee will then take their reports and from
9 that report go to that broader membership of the 20
10 companies with it's report and recommendations.

11 From, let's say, the beginning of December until a
12 decision is made we are going to be working at integrating
13 the seven reports into a single implementation plan. Our
14 best estimate is that, I would say it's reasonable to say
15 late in 1990 we will have an initial capability and late
16 in 1991 we can be up and running on a nation wide basis.

17 MS. WUNNICKE: One further question, Mr. Chair-
18 man. When the American Petroleum Institute report came
19 out there was a lot of concern expressed in Alaska. One
20 with respect to the service of Alaska from the Northwest,
21 proposed Northwest, response area. And, the assumption
22 that the Alyeska plan or response would take care of all
23 of Alaska. Yet, in the report, I think there was some
24 provision for staging area in Cook Inlet. What oppor-
25 tunities are there for that kind of information and

1 concern to be addressed by your sub-committees? Or by the
2 investigators?

3 MR. DUCAS: One of the reasons that I am here
4 is to gather that particular input. We certainly would
5 like to have the facts and figures and capabilities -- and
6 our sub-committees are doing some of that. I must say.
7 We have a bit of a chicken and egg situation with respect
8 to Alaska. Because we know that the Alyeska response
9 capability is under discussion right now with the State.
10 There are negotiations that are ongoing and with others in
11 terms of the Cook Inlet capability. It's capabilities --
12 there are whole series of other issues that bear on what
13 a cooperative or a spill response area should have in
14 terms of its coverage and that is a function of -- well,
15 is there going to be, let's say, a traffic separation
16 scheme. Are there going to be other preventative measures
17 that would be part and parcel of a particular area's
18 safety net. As eluded in my statement, we understand that
19 that dialogue is going on right now within the state of
20 Alaska. The residue or the decisions that you make there
21 will be the chief input into a final decision with respect
22 to, okay, we know what the Alaska configuration is going
23 to be, now what do we need to reasonably take care of the
24 needs of the state?

25 MS. WUNNICKE: Thank you.

1 MR. PARKER: Any other Commissioners? John?
2 MR. SUND: I want to kind of follow up the reports'
3 recommendation that the Coast Guard be the lead agency in
4 managing spill recovery particularly in waters which are
5 offshore which the statement is in general industry,
6 cooperatives and contractors do not have any logistical
7 means or equipment to effectively respond to offshore
8 spills of any size.

9 I was back in Washington a couple of weeks ago and
10 met with a couple of Admirals in the Coast Guard and some
11 of their committee people and, I guess, the real question
12 I have is I don't think the Coast Guard has the capability
13 to do it now. They don't think they have the capability
14 to do it now. API is depending upon them to do it. Where
15 is the funding for the Coast Guard portion coming from to
16 do the job that you are expecting them to do?

17 MR. DUCAS: The answer would have to be, of
18 course, from Coast Guard appropriations. The how and the
19 who struck johns on how that is accomplished is, of
20 course, yet to be played out in the Federal budget
21 process. We see the role of the Coast Guard in terms of
22 PIRO interface as being the onscene commander. Being the
23 decision maker. Being the single entity judging what to
24 do in real time. As the conditions change, as the oil
25 moves, as it weathers somebody has got to be in charge of

1 that operational scenario. And, that's really the role we
2 see them playing. Indeed, the legislation before the
3 Congress right now, at least one bill, requires that the
4 tanker oil facility make its plan on the basis of no
5 Federal resources being involved in the response. In
6 other words, it has to have within it's Contingency Plan
7 all of the resources required to fight that spill.

8 MR. SUND: Well, the reason I bring it up is
9 I think if you want someone to be in command of the spill,
10 you want them to do know what they are doing. And, I
11 think to be ready to know what to do in a catastrophic
12 spill you have to have some ability to train. You have
13 some ability to do some contingency training, some
14 response training and that takes time and money. And, if
15 there is one thing the Coast Guard will repeatedly tell
16 you is that they do not have any time and money and from
17 walking around the hill the other day I didn't see a
18 Congress that was very willing to give them much money.
19 Particularly in this area. They can give them a lot of
20 responsibility. But, I don't see any funding coming.
21 And, I think that's a real critical problem here that you
22 can have all the equipment in the world and all the plans,
23 but if you don't have a Commander and Chief ready to give
24 the right commands you have got a real failure. I mean a
25 system design failure on your hands. And it seems, you

1 know, we are into this -- Commissioner Wenk's concept of
2 systems, if the weak link is the Commander, then who is
3 going to give the orders? I would say it's designed to
4 fail before it even gets off the ground.

5 So, I come back to the question. Let's assume the
6 Coast Guard is adequately funded or inadequately funded
7 now. There's nothing on the table to give them anymore
8 money now or even if all the attention of this entire
9 nation focused on the Congress. Where does that fit into
10 the plan?

11 MR. DUCAS: I don't have the answer to that
12 specifically, because the answer lies in the federal
13 appropriation process. There has been some discussion
14 that the money required for the additional strike teams,
15 which one version of the bill, I think it's the senator,
16 I'm not sure now. One's the senator and house version.
17 One has eight strike teams, one has seven. With the funds
18 for that to come from the fund that is going to be
19 established coming from the tax on a per barrel oil
20 produced.

21 The setting of national priorities is done in
22 Washington. It is done there, but only at the direction
23 of the people who put the people in Washington there. I
24 don't know what else to tell you except that I fully agree
25 that without a capable onscene commander, the system will

1 not act as it should. I wouldn't say that it is doomed
2 for failure. I'm a little bit more optimistic than that.
3 But, certainly we want a capable onscene commander there.
4 And, in truth, the Coast Guard does have some resources.
5 They have two strike teams now and there has been no
6 discussion that I have heard of where the strike team
7 forces are being considered for elimination.

8 MR. SUND: Mr. Chairman, just to follow up.
9 I don't want to say this is totally your fault. This is
10 our problem and it's a problem of this nation to get this
11 resolved, but I am just looking to see how far the
12 industry is willing to go to support the whole system.
13 But, you know, perhaps, maybe I can put my concerns on the
14 table now.

15 In meeting with the Coast Guard last week or two
16 weeks ago, I asked the question of-- the hypothesis was
17 that the current transportation system of oil, particular-
18 ly in the west coast is inadequate, or at least not as
19 safe as we could make it. And there was an agreement.
20 And the next question was, what are the three or four
21 highest recommendations you could make from the Coast
22 Guard of how to improve that system. And the answer was
23 quite shocking to myself. The answer was 'well, we have
24 some ideas but we are not going to tell anybody because
25 Congress might make us do them and they won't give us any

1 money to fund projects.

2 Okay. Now, let's put that on the table. That's
3 the highest level in the Coast Guard you can get. These
4 are a couple of Admirals sitting in Washington DC along
5 with their staff. I found out a very difficult answer to
6 deal with in the Commission is that the Commission is
7 asked to come up with recommendations on how to improve
8 the system and yet the one entity that you look for to
9 command the response, that we look forward to implement
10 regulations to make it safer, says that we are so inade-
11 quately funded we're not even going to take part in the
12 discussion.

13 I think -- I guess I'd ask PIRO to go back and
14 revise your budget to fund the Commander. If you are
15 going to fund the troops, let's fund the Commander, too.
16 I agree with your frustration, I'm just as frustrated.
17 But, anyway.....

18 MR. PARKER: Commissioner Wenk?

19 MR. SUND: Thank you, Mr. Chairman.

20 MR. WENK: I would just like to underscore
21 Commissioner Sund. Neither of us knew we were going to be
22 in Washington for the same purpose and it was just two
23 days later I visited the Coast Guard with a proposal that
24 the Commission has in front of it. I wanted to test it on
25 them in terms of the flaws in the current oil transporta-

1 tion system. West Coast, but also the entire Coast line.

2 Two things occurred to me in getting the same
3 response that Commissioner Sund did. First is, that we
4 asked representatives in the Coast Guard earlier whether
5 or not they had a line item in their budget for this sort
6 of action. Line items in budgets are symbols of priorit-
7 es. The answer was no. And that strikes me as a result
8 of some distorted priorities within the system that needs
9 some serious attention.

10 The second point is this. It has been very clear
11 from evidence provided to this Commission, previously,
12 that the oil industry does have listeners in Washington
13 DC. In fact, the oil industry's track record in getting
14 it's way is pretty good. My question which I feel you may
15 not feel you want to answer, is whether or not PIRO would
16 get behind enhanced funding for the Coast Guard in order
17 that they do the kind of job that you lay out for them.
18 Some how or other because of this collision of interests
19 under Capitol Dome, what the oil industry has to say is
20 going to be pretty important. I would suggest is that to
21 make this more than a public relations initiative. And,
22 I know it is more than a public relations initiative in
23 your mind and in that of the oil industry. It seems to me
24 that they will have to follow through with more than
25 simply creating their own response capability.

1 MR. DUCAS: Mr. Wenk, I think the way I'd like
2 to answer that is that if and when asked about the
3 adequacy of the response system, total response system, I
4 think PIRO, at an appropriate time and appropriate form,
5 would be the kind of organization that would get up on
6 it's hind legs and tell the truth. We are not going to be
7 a for-profit organization. We do not have a bottom line,
8 red and black ink, to worry about. Now, that doesn't mean
9 we are not going to be cost conscience and we are not
10 going to try to be effective and efficient. My boss comes
11 from a long, long and distinguished career as a public
12 servant. He didn't squander the public's money when he
13 was working for them directly and I can tell you he is not
14 doing that now. I would find it equally as frustrating in
15 the circumstances that you described. I think that what
16 might be part of that discussion which may not have been
17 exclusively said, is that all federal agencies are
18 proscribed from discussing matters of a future budget
19 before the President submits that budget to the Congress.
20 It's just a standard rule in the way that we have to do
21 business. So, I can envision that kind of a statement
22 being made by those very knowledgeable officials that you,
23 Mr. Sund, eluded to in that context.

24 MR. PARKER: Thank you. I have a couple of
25 questions and points. In your last two recommendations

1 that you list on Page One that were made by the API Task
2 Force which you are considering. Special alarms systems
3 for automatic pilots and mandatory participation and
4 vessel traffic services. Some would make the point that
5 it was the automatic pilot that put the Exxon Valdez on
6 the rocks. At least the automatic pilot was driving up to
7 the last minute according to MTSB testimony, but this
8 whole business of vessel traffic systems or vessel
9 monitoring systems is of high concern to us. It seems to
10 me personally, to be the area in which we can make the
11 quickest and strongest contribution to prevention by
12 insuring that tankers stay where they are suppose to stay.
13 Indeed, if the Exxon Valdez had followed the regulations
14 worked out for the Port of Valdez in 1977 and all their
15 tankers had done so, there would have obviously been no
16 accident. We wouldn't have spent the last six months
17 doing what we have been doing.

18 So, is PIRO going to give special attention to
19 these particular areas of prevention? Is that going to be
20 a part of your effort, also? Are you working on vessel
21 monitoring systems?

22 MR. DUCAS: Mr. Parker, I don't believe that
23 we will be directly involved in those. In my statement I
24 listed those in terms of the overall findings of the API
25 report. I would respond to you, however, that in terms of

1 vessel traffic services, here is a perfect example where
2 a cost benefit analysis come. The likelihood for the
3 accident in Prince William Sound is very, very, very
4 small. In fact, if one had to predict where a major spill
5 would occur, it would not have been in Prince William
6 Sound.

7 MR. PARKER: No, it would be Cook Inlet.

8 MR. DUCAS: Well, it would be some other
9 place. That's my point. And vessel traffic services,
10 either expanded or started, simply on the basis of cost
11 benefit analysis is kind of missing the point after we've
12 had the experience of Valdez. That's my personal opinion.
13 It just can't be worked out that way.

14 MR. PARKER: We fought that out in '77 with the
15 Coast Guard and the industry and, you know, were told
16 then, you know, for a port like Valdez, which is obviously
17 a very safe port to operate in and out of, you've got, you
18 know, one of the best approaches and one of the best
19 harbors on earth for all the major oil terminals. It
20 probably is the safest. But, we wanted that extra
21 assurance so we established the tanker lanes and the means
22 to survey them and -- in twelve years, and I think, you
23 know, the reason I brought it up with you is to re-enforce
24 any tendencies which PIRO might have to at least involve
25 itself in the discussions on prevention and to -- I

1 realize these are the API recommendations and we will get
2 into them with Mr. Dorsch, but I would hope that your
3 organization would be able to pay some attention to this
4 sort of thing.

5 Another point, what we are facing is you have got
6 your efforts which I include Alyeska and Cook Inlet's
7 response organizations efforts and so forth. The industry
8 efforts. Generally, we've got a substantial state
9 industry, alot of which was passed in the last legisla-
10 tion. And we have the Congressional effort which is still
11 to come out of conference committee and after, but --
12 which is pretty clear since the Senate and House are
13 relatively close in so many areas, what the general shape
14 of that will be. You know, melding those three together,
15 that triad together, into the most effective response is
16 dependent upon someone coordinating those particular
17 efforts very strongly at every level. The immediate local
18 level. When I say local, I mean very local. Right at,
19 you know, the harbor, the terminal and so forth. The
20 regional level and the national level. And, it is the big
21 call. A lot of us, you know, in the references to federal
22 in Washington, which is a strong part of the federal
23 legislation have the doubts which both of my colleagues
24 have addressed as to the capability to do any better in
25 carrying out these responsibilities. There's a large

1 public out there which has to be convinced that a strongly
2 centralized command system will in fact work any better
3 than the last system worked. And that's what we are
4 wrestling with in coordinating those. So, I -- staff, do
5 you have any -- Counsel? Oh, Tim?

6 MR. WALLIS: One question.

7 MR. PARKER: Okay.

8 MR. WALLIS: Your response organization.
9 What's the role of the spiller?

10 MR. DUCAS: The role of the spiller is to
11 first come up with a plan of action. He is fully respon-
12 sible for the spill. We act as -- if we are written into
13 his plan, it will be on a contractual basis. Where we
14 could bring our equipment and our people and our expertise
15 if -- depending upon what he wants from us, he will -- we
16 will get into a contract with him and he is responsible
17 for the clean up of his mess, as it were.

18 MR. WALLIS: So, you are basically technical
19 advisors and you have equipment at hand to lease?

20 MR. DUCAS: Yes.

21 MR. WALLIS: And, basically that's it.

22 MR. DUCAS: Yes. And it depends. If the --
23 another words a range of services is a function of his own
24 inhouse capability and the local area. Again, we would be
25 -- if there is an inhouse capability to deal with the

1 spill, PIRO won't come to the dance. We don't need to be
2 involved. As I say, stated, and I'm sure you know, 95% of
3 the spills that occur are handled in a very find manner.
4 The outcomes are things that never get on the, you know,
5 never make the news, because they are handled properly.

6 MR. WALLIS: So, is my assessment right that
7 you are technical advisors and equipment leasing company.

8 MR. DUCAS: We could be managers, also,
9 depending upon the contractual arrangements that are made.
10 We could function as a manager of the spill, also.
11 Importantly, we still look for that single offshore
12 federal presence to be the decision maker in the area.

13 MR. WALLIS: Thank you.

14 MR. HERTZ: Amplifying on that, that descrip-
15 tion makes it sound as if the model is really the existing
16 coops around the country that you are a national scale
17 coop. And, I guess, the set of questions that I asked at
18 the beginning really reflect that. Because, thinking back
19 on your answers, almost your entire emphasis is on the
20 response side and there's a big concern of not only this
21 Commission but lots of entities around the country is
22 spending the size budgets that you have to spend on the
23 prevention side and not on the response side. There still
24 is concern that despite PIRO's large presence in terms of
25 the mechanics, attending the things like, the problems

1 with manning and other kinds of -- drug and alcohol
2 policies and other prevention mechanisms are secondary to
3 this mechanical presence.

4 MR. DUCAS: I think that's a fair charac-
5 terization. Our name is Petroleum Industry Response
6 Organization. There are others, industry itself, govern-
7 ment regulatory agencies who are dealing with the P that
8 you are focusing on and that is preparedness. And I
9 agree. I think the preparation or the prevention of
10 spills is an absolutely dispensable part of this national
11 effort to see if we can deal with the oil spill.

12 Once the spill happens prevention is out the window.
13 There has to be something -- our position is, and I think
14 the studies' position was, 'okay, Valdez wasn't supposed
15 to happen, but it did'. Now, what if it happens again.
16 Where are we going to be? We don't want to be where we
17 were in March of 1989. So, the PIRO effort has been set
18 into motion to take care with that spectrum of activity.
19 Not denigrating or in anyway, I think, any type of a
20 slight to the prevention side of the house at all. Not
21 a zero sum game.

22 MR. PARKER: Counsel?

23 MR. HAVELOCK: I believe you indicated that your
24 response was geared around responding to a maximum 30,000
25 ton spill. Is that correct?

1 MR. DUCAS: From each region. If we had a
2 spill of larger dimension other regions would be called to
3 assist. So, if a spill was larger than 30,000 tons, the
4 full response capability of a single region would handle
5 -- is geared to handle up to 30,000 tons and we would call
6 in additional resources, to deal with whatever we couldn't
7 handle out of a single region.

8 MR. HAVELOCK: Do you have a plan on the spill in
9 excess of 30,000 tons? You say you call in those resour-
10 ces. I'm just wondering do you have a scenario where you
11 lose the tanker, for example, and do you have the capabil-
12 ity of responding to losing a tanker?

13 MR. DUCAS: The scenario is as I have
14 described it. We -- do we have plan on the shelf now to
15 execute, no we do not. It's one of the things we will be
16 doing in this build up phase is to take the resources and
17 put them into a response operational plan. The general
18 scenario we do know, we would first get out there with
19 disbursants, with light boom to contain it, and then move
20 in higher orders of equipment to the scene as quickly as
21 possible. That's a general way of describing it.

22 MR. HAVELOCK: Well, I guess I don't understand
23 if the Exxon Valdez, the whole vessel would have been
24 lost, if this happens again two years from now, is there
25 going to be a capability to respond to a spill of that

1 magnitude?

2 MR. DUCAS: The first -- the way I would try
3 to answer that, Counsel, would be the first 30,000 tons
4 given Alyeska the capability of the equivalent of a
5 regional center, would be handled by Alyeska. We would be
6 gearing up to move the resources in the national system,
7 north, as quickly as possible. And, if you take Alyeska
8 with the other 150,000 tons that we would be capable of
9 that would be 180,000 tons of product, theoretically that
10 we would deal with at some time.

11 MR. HAVELOCK: That theoretical model is based,
12 is it not, on essentially ideal conditions, with respect
13 to weather, etc.?

14 MR. DUCAS: No, that really was not a factor
15 in terms of sizing the configuration of the regional
16 center. What the study did was looked at the worse case
17 that we have experienced and that was, of course, the
18 30,000 ton loss. And, said that it wanted to be able to
19 handle that experience from a single center. I think it
20 was more on that basis that the sizing the regional center
21 took place.

22 MR. HAVELOCK: So, your numbers on the capability
23 of a percentage recovery -- I guess I'm not sure where
24 they would come from then? If you don't have some sort of
25 a base assumption as to normative clean up situation, I

1 don't know how you get numbers based on whether you have
2 a adequate response.

3 MR. DUCAS: Well, the scenario deals with
4 the total amount of product in the water. That's the
5 given as it were. As you know during the first portions
6 of a spill, a significant fraction of the lost oil is
7 going to be dissipated through evaporation. We would hope
8 that another significant fraction of the oil would be con-
9 trolled or mitigated through the use of disbursants which
10 would leave the remaining half, pick a number around
11 there, percent to be dealt with in a clean up mode. So,
12 that's the general scenario.

13 MR. HAVELOCK: Did you have a target for how much
14 of that you would like to pick up?

15 MR. DUCAS: No. Not in terms of a number. We
16 want to pick up as much -- as the best technology and the
17 best operating procedures will allow us to do. Given the
18 variables of sea and weather conditions.

19 MR. HAVELOCK: Given them I think you would
20 agree, would you not, under adverse weather conditions,
21 under adverse conditions, when it's in the water the
22 damage is done. There's not a whole lot that can be done.
23 Is that a fair summary?

24 MR. DUCAS: I think that's a fair charac-
25 terization.

1 MR. HAVELOCK: Now it doesn't solve that lack of
2 capability related to the absence of the mature clean up
3 industry with respect to adequacy research and development
4 for example?

5 MR. DUCAS: I would characterize it a little
6 differently. Put it into perspective that the clean up
7 industry does 95% of its job in outstanding fashion.
8 There is a fraction of the spill experience that it is not
9 capable of dealing with and Valdez demonstrated that.
10 And, the initiative of the Task Force report is an attempt
11 to deal with that fraction of the spill experience that we
12 don't have the capability. That your oil spill industry
13 does not have the capability of dealing with. And that's
14 what we are about.

15 MR. HAVELOCK: Well, what are the Valdez ex-
16 periences that the capabilities of the various response
17 systems were not known and were being tested as new in
18 some cases?

19 MR. DUCAS: The Valdez experience has pointed up
20 any number of economic, political systems, failures at all
21 levels. And, the business of PIRO is to identify those
22 and to learn from them without finger pointing and to take
23 that information and that knowledge and to move on to
24 provide a systems architecture that improves the response
25 capability of the nation to these catastrophic spills.

1 MR. HAVELOCK: Part of the -- one of the in-
2 gredients is a low level of involvement in research and
3 development. How did PIRO arrive at what some people
4 might think is a relatively low magnitude as investment in
5 research and development for developing better response
6 techniques?

7 MR. DUCAS: I wouldn't know how to answer that
8 because you are talking about a value judgement that some,
9 you know, someone is making. I really would need more
10 specifics. I would only say that a \$30 to \$35 million
11 investment over five years is a very, very substantial
12 infusion of funds into an area of research and development
13 technology that has essentially been moribund for a number
14 of years. One federal agency who's not important who had
15 a substantial interest in response research and develop-
16 ment, budget went from around \$2 million in the early
17 1980's down to zero. In the middle to late '80s. So, the
18 infusion of the average \$6 million a year in research and
19 development is not a mere bag of shells.

20 MR. DORSCH: I am Brian Dorsch and I do not
21 belong to the API and I do not belong with PIRO. I belong
22 to Chevron Shipping Company. I am the operations coor-
23 dinator for Chevron Shipping. My area includes Alaska,
24 Western Canada, Oregon and Washington. My headquarters
25 are out of Seattle. I am a Merchant Marine Officer myself

1 although I gave up going to sea after I had a family.

2 Chevron Shipping operates 41 tankers throughout
3 the world. Seven of which are U.S. Flag and five of which
4 happen to be double hulled, double bottom ship tankers.
5 So, that perhaps gives me some unique expertise on double
6 hulls and I will be able to answer your questions. I
7 believe your questions to the previous speaker should have
8 gone to me.

9 And, I am here to talk about prevention, reiterate
10 what the previous speaker said. He was from PIRO. The R
11 is PIRO stands for response. I am here to talk about
12 prevention which I heard many of you already say should
13 have a higher priority and I agree entirely, than response.

14 And, I have my own feelings on prevention, but I
15 am here to talk about what the API recommends and I agree
16 entirely with them. In their June 14th Task Force Report.
17 I met with Mr. Dooley here before at a previous meeting
18 and discussed a lot of these issues. He can attest to the
19 fact that I am not a particularly good public speaker, but
20 I can discuss things fairly well with you, so I would like
21 to discuss in depth each of the 10 points that API
22 recommends. In turn, I would like to bring up each one
23 and stop and discuss it in turn.

24 I would also like to read a few of the excerpts
25 from the API report, if you haven't read it before.

1 "Specifically regarding prevention, having reviewed the
2 work already done by API's committee on Marine Transporta-
3 tion in the area of prevention, the Task Force recommends
4 several changes that it believes will make tanker opera-
5 tion more pollution resistant. These changes fall into
6 three broad categories. Operations external to the
7 vessel, personnel operating the vessel, and design
8 equipment. Some of the recommended changes are new
9 initiatives while others are improvements of existing
10 safeguards. The Task Force has also identified areas of
11 potential pollution prevention activity which are not
12 clear cu and require further study by an independent body
13 in order to assure the changes will actually improve
14 tanker safety and will result in vessels which are more
15 pollution resistant."

16 Now, I would specifically like to address in turn
17 each of the recommendations. There are ten in all. This
18 may go longer than the time allotted, but that depends
19 upon your questions, I suppose.

20 The first is, of course, vessel traffic systems.
21 I'll read the recommendation: "Mandatory participation
22 in U.S. Coast Guard Advisory in vessel traffic systems is
23 recommended. Also, expansion of Federal Vessel Traffic
24 Systems into an additional port and harbor areas may be
25 justified by traffic density or in navigational hazards."

1 The key points there, I think are, one, that it
2 should be mandatory rather than voluntary as it is now.
3 Two, that they call for expansion and improvements -- I
4 know in Puget Sound where I am headquartered, there is
5 plans to expand it into the Tacoma area and there's also
6 plans to improve the existing equipment. We believe it
7 should be Federally operated and funded through general
8 revenues or user fees. There has been some debate that
9 the oil industry themselves should sponsor and finance the
10 vessel traffic control systems. I believe that's Coast
11 Guard function, myself.

12 Another key point, it is and should remain
13 advisory in nature. This is not a vessel traffic control
14 system, but a vessel traffic system. No one can take away
15 the Master's responsibility for the safe navigation of his
16 vessel. The Coast Guard monitoring, the radar monitor can
17 advise the Master of a ship, if he is standing into danger
18 or if he's in or out of the traffic lanes, but they can
19 only advise. Once you take -- put the control in the
20 hands of the vessel traffic system then you have taken
21 away the Master's responsibility in that regard.

22 We also support the high quality of operators.
23 There has been some criticism that vessel traffic systems
24 are monitored by Coast Guard inexperienced vessel Coast
25 Guard personnel that changed their duties every two years.

1 My understanding is that that is not necessarily the case.
2 Many of the people that manage vessel traffic systems are
3 civils, contracted by the Coast Guard, but to maintain
4 those vessel traffic systems on a full time basis.

5 API provided me an update two days ago on this
6 particular item and said that API has actively supported
7 provisions in the House and Senate Oil Bills, HR1465 and
8 Senate 686 respectively to expand and enhance the present
9 VTS system in the United States. API has opposed attempts
10 to have VTS paid for solely by the oil industry and
11 believes that such systems should be provided by the
12 Federal Government through general revenues or through a
13 user fee application to all of those who benefit from such
14 systems.

15 Is there any particular questions on the vessel
16 traffic system at this point?

17 MR. PARKER: Mike?

18 MR. HERZ: One specific question. It is my
19 understanding that something like 80 to 90% of maritime
20 accidents are operated in error, human error. And, how do
21 you justify that with API recommendations that the VTS
22 system be advisory in that you can't take control away
23 from the Master?

24 MR. DORSCH: I don't think that -- let's see.
25 I don't believe -- you cannot legally take away respon-

1 sibility of a safe navigation of a vessel away from the
2 Master. That's a fact of law. The human err, yes. I
3 don't believe that that is necessarily the case in the
4 vessel traffic systems. Those are human errors that
5 occur, I believe, that you would find if you looked at
6 those statistics, that 99% of them occur out of the vessel
7 traffic systems. Vessel traffic system is designed to
8 preclude those human errors. It's a freeway system in
9 restricted waters, let's say. Instead of letting people
10 drive helter skelter where they want to and where human
11 error is, a possibility of this freeway system or lane
12 system keeps people separated to their own traffic lanes
13 to reduce that error. But, you cannot require the Master
14 to turn right at a specific spot if in his judgement on
15 the spot that he should not do so.

16 MR. HERZ: My understanding that under
17 review, I think by Coast Guard and other places as well,
18 are traffic systems based -- in which traffic lanes can be
19 established anyplace and if the vessel deviates from those
20 predetermined lanes or predetermined tracks, then some
21 sort of whistles and bells would be sounded someplace. It
22 could be on the vessel itself or it could be in some
23 Master system. And the model is somewhat after FAA and
24 air traffic control. And the only reason I am raising
25 this is that it seems to me that, you know, that there is

1 a 500 to 1,000 year old tradition of the Master is Master
2 and what I wanted to raise is the possibility that we may
3 be in an era where some of these devices could go very far
4 towards preventing accidents and to make a statement that
5 the control can't be taken away from the Master seems to
6 fly in opposition to making any kind of change that might
7 reduce accidents.

8 MR. DORSCH: I see what you are saying. I
9 think it's a little naive approach there. The vessel
10 traffic system does alert a Master when he is deviating
11 from the lanes. The Coast Guard will get on the radio to
12 the Master on VHF and tell them Captain "you are deviating
13 from the lane, would you please get back in"? No, Master
14 in his right mind is going to reject that word unless he
15 feels that there are other concerns. Supposing he has
16 wind surfers directly ahead of him that do not show up in
17 the Coast Guard radar. He has a reason to deviate from
18 that lane. I don't believe that anybody can realistically
19 say that the Coast Guard Petty Officer monitoring the
20 radar screen fifty miles away from that vessel, twenty-
21 five miles or whatever, has a better feel for the local
22 that the Master is on.

23 MR. HERZ: If the radar for the Valdez area
24 had it's -- whatever the original radar system was that
25 had had full coverage and the picture could have been

1 visible to an operator, then in fact the Exxon Valdez was
2 approaching Bligh Reef, you don't think that that watch
3 standard should have instructed the Master -- well, it was
4 not the Master who was in control of the vessel, but the
5 Mate who was in control of the vessel, to change course?

6 MR. DORSCH: Well, I believe he should have,
7 yes.

8 MR. HERZ: Well, I'm just raising the point
9 that it seems to me that some of these systems might
10 require changes in the traditional role and autonomy of
11 the Master and I think that that door should not be closed
12 to that.

13 MR. DORSCH: The other point on there is that
14 when you are generally in vessel traffic systems, general-
15 ly you do have the pilot on board. The pilots are very
16 knowledgeable of those waters.

17 MR. HERZ: And, in this case.....

18 MR. DORSCH: It's not just the Masters.

19 MR. HERZ:in this case there was no
20 pilot at that point?

21 MR. DORSCH: Right. Correct.

22 MR. HERZ: I'm just trying to raise the point
23 that the door should not be closed to changes in the
24 autonomy of the Master.

25 MR. DORSCH: I believe even the FFA will tell

1 you that aircraft controllers are not controllers, but
2 they are advisory in nature. I don't, speaking as
3 seafarer, I don't think that the control of the vessel,
4 the responsibility of that vessel should be taken away
5 from the Master.

6 When you take away control you also take away
7 responsibility.

8 MR. PARKER: We mustn't make too many analogies
9 between air traffic control and marine systems. The big
10 difference is the marine system has to, by it's nature,
11 operate in a single plane. But, air traffic controllers,
12 if you are under radar direction you are under absolute
13 control and -- but, you do always have the right to
14 deviate for uncontrolled traffic. And, that's the big
15 problem once you have been addressing -- in the dialogue
16 with Commissioner Herz's, that the problem with the vessel
17 traffic system, do you see any particular problems with an
18 expansion of speed controls of tightening up on visibility
19 requirements and so forth. In your concept of the vessel
20 traffic systems.

21 MR. DORSCH: Speed controls are appropriate as
22 long as you don't take away the maneuverability of the
23 vessel. Reducing speeds to say, below 6 knots on a tanker
24 or virtually any ship it is going to reduce your ability
25 to steer properly. Yes, there should be speed control, I

1 suppose. It should not exceed a safe speed in certain
2 areas and I suppose that could be designated.

3 As far as visibility, all ships now are required
4 to have two radars. Radars are marvelous devices for
5 seeing through fog, seeing through the night. Perhaps,
6 well, I'd say that I would not support visibility restric-
7 tions, no.

8 MR. PARKER: How about wind restrictions?

9 MR. DORSCH: Wind restrictions. Yes, as the
10 Prince William Sound, the system that works there now,
11 they do shut down the fort when wind gets excessively high.
12 There was a period this last week when the winds were up
13 to 110 knots. The Coast Guard did shut down the forts.
14 Yes, that is appropriate in certain circumstances and
15 certain geographical areas.

16 MR. PARKER: Anything else on vessel traffic.

17 MR. DORSCH: I would like to move on to the
18 pilotage recommendation here.

19 The recommendation by API is the higher of
20 qualifications and improved administration standards
21 should be established of all state pilots in U.S. waters.
22 Federal legislation is required to accomplish this.
23 Currently, there is a disciplinary system enforced by the
24 U.S. Coast Guard to ensure that the Federal pilots are
25 competent. There is no equivalent uniform system or

1 standards for state pilots.

2 I believe that statement is self-explanatory. A
3 couple of other key points that I would like to bring up
4 is one that the pilots role aboard the ship, again, is
5 advisory. There's only one location in the world that I
6 know of where the pilot is actually in command of the
7 vessel and that's in the Panama Canal. The pilot is the
8 servant of the vessel.

9 Chevron supports simulator training for pilots.
10 We don't believe that pilots by virtue of his license is
11 necessarily competent and can handle all types and sizes
12 of vessels. We believe that simulator schools such as the
13 one in New York are appropriate training devices for
14 pilots to upgrade their training and perhaps keep current.

15 MR. PARKER: Does Chevron require that of the
16 pilots to undergo.....

17 MR. DORSCH: We do not require it of the pilots
18 we hire. We have no choice generally as to which pilots
19 we are going to get. Supposing we are approaching the
20 Prince William Sound or Puget Sound or Cook Inlet, we have
21 to take who we get. When we arrive.

22 MR. PARKER: Does API have any recommendations
23 to the States in upgrading their licensing requirements?
24 Any specific recommendations?

25 MR. DORSCH: Again, I don't work for API and

1 I can't address that apart from what they have already
2 addressed in their passport report.

3 MR. SUND: Mr. Chairman? I guess my question
4 would go to what do you feel about Alaska State pilots?
5 I've seen this comment several times and my reaction is
6 basically I fear federal pre-emption coming down the road
7 again where the State wants to do something and the
8 State... Federal government steps in and pre-empts the
9 area.

10 MR. DORSCH: I would rather not get into a
11 debate of the States' right or a Federal preemption. We
12 support, Chevron supports, and API supports Federal
13 regulatory bodies. The Coast Guard in favor of the State.

14 MR. SUND: Yeah, I agree.

15 MR. DORSCH: I believe.....

16 MR. SUND: I guess my question would go, you
17 are in charge of the shipping of a major.....

18 The issue being that is Alaska better or lessor
19 qualified than other State pilots?

20 MR. DORSCH: I could not answer that.

21 MR. SUND: I mean you deal with Alaska
22 pilots, Washington pilots, Oregon pilots, California
23 pilots. You know, this statement comes up that... and API
24 is making a recommendation that not all State pilots are
25 adequately trained. So, my next question is, they must

1 have done a survey of all State pilot licensing require-
2 mentss and must have done some analysis in order to come
3 to that conclusion. It's a statement, but you know,
4 there's no facts behind it. So, I am trying to get a feel
5 of where's the report that was done here by API and
6 where's the ranking of State pilots on a list of -- are
7 they qualified or not qualified. And, nobody has been
8 able to dish is up to me. I've been waiting for this
9 opportunity.

10 MR. DORSCH: It's a legitimate question, but I
11 don't have an answer for it.

12 MR. SUND: Could you find an answer for me?
13 Or.....

14 MR. DORSCH: I can ask API to find that answer,
15 yes.

16 MR. SUND: I mean, you must know who in API
17 wrote this part of the report and it's a concern of this
18 Commission, or this Commissioner, anyway that if Alaska
19 pilots are ranking at the bottom of the list we want to
20 recommend to our legislative body better licensing
21 procedures. But, we -- the State does have control over
22 licensing of it's state pilots. And I would like to see,
23 I like the idea you don't know which pilot you are going
24 to get when you come in, because I think that gives a
25 degree of third party separation and you don't get into

1 company owned pilots who are under company jurisdiction or
2 company pressures to do certain things. These are
3 independent contractors and can maintain a little bit of
4 distance between what they think is safe and what the
5 company might want to have happen.

6 MR. DORSCH: You can still maintain that arm
7 lengths approach with Coast Guard jurisdiction over a
8 pilotage, however. Again, I repeat the.....

9 MR. SUND: Well, the Coast Guard is jurisdic-
10 tion over everybody on that ship.

11 MR. DORSCH: On the ship, but not the pilot.

12 MR. SUND: They have Coast Guard jurisdiction
13 on the Federal pilot.

14 MR. DORSCH: On the federal pilot, but not the
15 State pilot.

16 MR. SUND: And, then we are going to get in -
17 - are the State pilots qualified or not. That's my
18 question.

19 MR. DORSCH: I believe the Coast Guard in the
20 professional capacity should have jurisdiction over the
21 State pilots. Disciplinary jurisdiction over the State
22 pilots.

23 We had an instant on the Columbia River not too
24 long ago.....

25 MR. SUND: Well, they have jurisdiction over

1 that. If a ship goes on the rocks the pilots on the
2 table.

3 MR. DORSCH: Well, as I was saying, we had an
4 instant here recently on the Columbia River where the
5 Federal pilot was on one ship and the State pilot was on
6 another ship. There was a collision between the two. The
7 State is investigating the one ship and the Coast Guard is
8 investigating on the other ship. There's no match up
9 there. Why isn't there one regulatory body investigating
10 the actions of both pilots. You can have two different
11 report findings.

12 MR. PARKER: Correct me if I am wrong. But,
13 I'm not aware of any State pilots who don't have a federal
14 license. There are a lot of federal pilots who don't have
15 a state license. So, it's not an either/or problem, it's
16 a problem of whether the Federal pilots is equivalent in
17 expertise to the pilots who has both the Federal and the
18 State license.

19 MR. SUND: Yeah, that was my understanding,
20 too. The real difference is the federal pilot is usually
21 hired by the company or works for the company. And, the
22 State pilot is an independent contractor. But, I think
23 all of the State pilots, well, maybe not all of them. All
24 of them I know in this State have federal licenses, but I
25 could be wrong.

1 MR. PARKER: I am not aware of any other State
2 where the same situation....

3 MR. SUND: I'll ask the association down in
4 Southeast, anyway. It's pretty easy. There's only two or
5 three associations in the State. So,.....

6 MR. DORSCH: Let me read one final update by
7 the API. The Coast Guard data indicates that between 1983
8 and 1987 State pilots were directly involved in over 200
9 tanker accidents resulting in approximately \$20 million
10 dollars in damages in the United States. API is actively
11 pursuing Legislation to place all pilots under U.S. Coast
12 Guard jurisdiction for disciplinary problems. This
13 legislation does not seek to infringe on any aspect of
14 State regulation of pilots except for discipline.
15 National Transportation Safety Port has called for such an
16 approach in two major accident investigations.

17 MR. SUND: A lot of those are Mississippi
18 River accidents, I think. Because I read the background.
19 Thank you, Mr. Chairman.

20 MR. PARKER: Okay.

21 MR. DORSCH: The third recommendation is
22 regarding.....

23 MR. HAVELOCK: Before you do that, can you give
24 us any information on what you might have on disciplinary
25 action? We have been unable to find any record such as

1 you cited. What kind of disciplinary actions is the Coast
2 Guard taking on their permitting -- for what type of
3 accidents? They give the map to you and you give to us?

4 MR. DORSCH: Not to me, no. Can you direct
5 that question directly to the Coast Guard?

6 MR. HAVELOCK: Well, we have. And the answers,
7 they don't have it for us. I'm just wondering if you have
8 it or whether you are, again, shooting in the dark with
9 respect to evaluation of the State pilots.

10 MR. DORSCH: I don't have that data myself, at
11 all. No. The API perhaps does. I can ask them. Again,
12 I am not a member of API. I'm asked by them to report on
13 their task force report, but I can asked them.

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

15 MR. PARKER: Okay.

16 MR. DORSCH: Okay. The third issue again, as
17 I said, was Assistance or Escort Inland Waters. Recommen-
18 dations is where extraordinary navigational hazards are
19 deemed to exist by the U.S. Coast Guard, vessels should be
20 required to have 1) tug assistance; 2) twin screws or 3)
21 bow thrusters or 4) other suitable equipment enabling
22 enhanced independent maneuvering. With the exception of
23 Puget Sound and Prince William Sound there is not current
24 provisions or requirement for tug escorts in U.S. waters.
25 Tugs are well suited for handling vessels that expeds.

1 Tugs are not well suited for handling vessel of speed in
2 excess of three knots in neither the assist or escort
3 mode. In general tug assistance, twin screws or bow
4 thrusters will not be able to prevent a vessel from
5 grounding at normal operating speed, but might be helpful
6 at slow speed and tight maneuvering situations.

7 Key points there. I think I mentioned tugs are
8 not effective for vessels proceeding at faster than three
9 knots. You note in the remarks there that tug assistance
10 is required. Prince William Sound and Puget Sound for one
11 reason only. And, that is because both of those bodies of
12 water are essentially fjords where a vessel cannot
13 necessarily anchor safely. So, we generally rely on an
14 anchor for a vessel should a loss of power occur. That is
15 not appropriate for either Prince William Sound or Puget
16 Sound, because those are both deep waters where you can't
17 anchor safely.

18 Cook Inlet, San Francisco Bay, other bays around
19 the United States are all fairly shallow and provide good
20 holding ground for anchors. The vessel losses power,
21 drops it's anchor. It has two anchors. Some ships have
22 three anchors. Rather than escort tugs we support
23 strategically located tugs. Such as what is being, I
24 believe, currently proposed for Cook Inlet, rather than
25 the tug escorting vessel which may be difficult for a tug

1 to do on ice or at the speed that it's anchors (inaudible)
2 Tugs should be strategically located such that they are
3 readily available for call up and to proceed to the
4 assistance of ships.

5 Twin screw ships or ships with accellary pulpusion
6 power should not require tug assistance. There is another
7 update by the API that says API has actively supported
8 efforts to place provisions in the House and Senate Oil
9 Spill Bills respectively to require the Coast Guard to
10 study if and where this type of tug escort requirement is
11 necessary.

12 MR. PARKER: How many of your tankers have twin
13 screws?

14 MR. DORSCH: None. There was an article in the
15 Seattle Times this weekend that said 75% of the merchant
16 ships in the world have twin screws. I don't know where
17 that statistic came from because I have never been on a
18 merchant ship that has had twin screws. Freighter, cargo
19 ships, of any kind. Twin screws are not common practice
20 on merchant ships of any kind. Maybe twin screws for
21 other reasons.

22 MR. PARKER: Passenger liners have twin screws..

23 MR. DORSCH: Passenger liners sometimes do,
24 yes. There's only three passenger liners left in the
25 United States.

1 MR. PARKER: Right. Any questions on that?
2 Okay.

3 MR. DORSCH: Move along to the next, regarding
4 drug and alcohol use. Recommendation is short. Drug and
5 alcohol testing of marine personnel and rehabilitation of
6 drug and alcohol dependent personnel should be supported.
7 U.S. Coast Guard authorities should be expanded to allow
8 for drug and alcohol testing as a part of officers through
9 licensing procedures, including Coast Guard participation
10 in the National Driver Registry Program. In order to help
11 identify drinking problems. The present Coast Guard
12 regulations prohibiting operations of vessel while
13 intoxicated should be expanded to include shoreside
14 personnel on board a vessel during cargo operations.

15 The present law came into affect, I believe it was
16 August 1st for drug testing, requires drug testing prior
17 to employment. 50% of your employees must be randomly
18 tested throughout the year and it must be post-instant
19 incident testing for drugs and alcohol.

20 My own company has a random testing program as
21 required by law. In the last month we have identified two
22 individuals who were under the -- not under the influence
23 of drugs, but showed drug residues in their systems. In
24 (inaudible) when their process does not call for rehabili-
25 tation in my cases they call for termination, which in

1 both cases is what occurred.

2 Chevron, you might digress from API itself, I
3 speak for my own company, I have installed breathilizers
4 aboard the U.S. vessels for the Master to use as a tool.
5 If he has suspicions that anyone is under the influence it
6 is very difficult to prove, he has a breathilizer on board
7 in his hands and it gives him a tool to verify whether a
8 person is actually under the influence.

9 MR. SUND: Mr. Chairman, question. You did
10 it on your U.S. tankers. Why don't you do it on all of
11 your tankers?

12 MR. DORSCH: That is being considered at this
13 time. We believe -- we decided to put it on U.S. tankers
14 and we are going to put it our Foreign Flag ships as well.

15 MR. SUND: Why is company policy not to
16 rehabilitate people who are found with drug -- on these
17 tests?

18 MR. DORSCH: They can be rehabilitated, but
19 after the fact. The first concern is to get them off that
20 ship. They will not be re-employed. We will rehabilitate
21 them, but we will not re-employ them. The company -- the
22 policy is slightly different than what it is for shoreside
23 people. Shoreside people who are found to be drug or
24 alcohol abusers are put into a program to -- a rehabilita-
25 tion program and they are put on suspension during that

1 rehabilitation program then they go back to the job.
2 That's their chance. The second time there is no chance.

3 MR. SUND: While on board your ship is it a
4 one-time? Can they get re-employed on shoreside of your
5 company?

6 MR. DORSCH: I am not aware of any case where
7 that has happened. I couldn't say for sure. If an
8 employee sought rehabilitation on his own and he is
9 enrolled in a program and test positive, we will not
10 terminate him or discipline him at that particular time.
11 He is enrolled in the program. It is recognized that he
12 has a problem. If he is caught on the ship and under the
13 influence we have, I guess, -- federal term, have a zero
14 tolerance policy. I had to terminate an individual off
15 of an individual off of a vessel two weeks ago.

16 We additionally have instituted a policy of
17 checking with the state driver's licensing bureaus. What
18 would you call them? Who issues your driver's license?

19 MS. WUNNICKE: Department of Motor Vehicles.

20 MR. DORSCH: Department of Motor Vehicles. We
21 have a policy of checking with their registry every six
22 months to determine if there's a drug and conviction on a
23 person's records. That's Chevron. I can't speak for
24 other companies.

25 Other questions on that point?

1 MR. HAVELOCK: With respect to the drug testing,
2 as you know, the literature indicates there are some
3 issues with respect to the accuracy of such tests. Do you
4 have any policy of allowing retesting or whatever of a
5 person who has protested that the test is inaccurate?

6 MR. DORSCH: Yes. The test has been proven, I
7 believe, to be accurate. Samples are taken and sent back
8 to Durham, North Carolina to Compu-Chem, I believe that's
9 what it's called. Tests have been proven to be accurate,
10 however, there is a grievance procedure. A person, the
11 individual that I had to terminate, I told him that he had
12 the right to seek his own medical advice -- not advice,
13 but testing. He is intending to get his own blood test
14 and if his doctor indicates that his tests was probably in
15 error then we will consider that.

16 MR. PARKER: Okay.

17 MR. DORSCH: The next subject is regarding crew
18 compliment. Recommendation here is rather short.
19 Continue U.S. Coast Guard role in setting manning stan-
20 dards for U.S. Flag vessels should be supported.

21 Key points here are that the flag states of
22 individual -- for tankers, set the minimum safe manning
23 requirements for each ship. Depending on vessel type,
24 vessel trade, vessel engineering plant and cargo opera-
25 tions and the degree of automation of the vessel. In no

1 cases are there less than two men on the bridge of a ship
2 at any time. On restricted waters there is usually also
3 the Master, the pilot and the look-out. A total of five
4 sets of eyes on the bridge of a ship in restricted waters.

5 Reductions in the past few years have been
6 primarily in the engine department due to increased
7 automation engines. Switch from the steam engines to
8 diesel engines have allowed for great reduction in
9 manpower in the engine. There has been accompanying
10 reduction in steward departments. If you have reduction
11 in crew elsewhere you don't need as many in steward
12 department to feed them.

13 Due to increased technology and paint coatings
14 there has been a decrease in the deck crews for main-
15 tenance purposes. Another words painting. And, radio
16 officers on Coast wide ships are allowed by Coast Guard to
17 be eliminated on some ships on Coast wide trades. Ships
18 are generally within VHF range of radio stations. But,
19 also significantly satellite communications systems on
20 most merchants ships now allow ships to communicate
21 effectively anywhere in the world without a radio officer.
22 In effect, any officer now can communicate quite well and
23 adequately without a radio officer.

24 Those are the significant reduction in crew
25 compliments that.....

1 MR. HERZ: The hearing in California last week, we
2 heard testimony from radio operators union representatives
3 who said that not only radio operators are essential for
4 operating, but they are also essential for repair. He
5 made a big case that this was compromising safety by
6 reducing radio men. Obviously he was also fighting for
7 his job, so. But, I'm concerned because you say that --
8 I'm assuming that this is PIRO now, continuing this U.S.
9 Coast Guard role in setting manning standards.....

10 MR. DORSCH: API. It's not PIRO.

11 MR. HERZ: But, the question is the degree to
12 which API is influencing those policies. Another words,
13 they support them, but if in fact their position where
14 they heavily influence them, then it's the value of that
15 recommendation is -- it's somewhat in question. And, a
16 related issue in California several of the oil companies
17 have pushed for reducing manning on oil barges and
18 gasoline barges. Once again, the effected parties, the
19 Union, I think it Inland Boatman's Union were very
20 concerned that this reduction in manning would compromise
21 safety. But, again, it's an employment issue and these
22 people are fighting for their jobs. But, the question is,
23 the degree which the industry is attempting to influence
24 the policies that they say that they will support. I
25 think it's no secret a very large proportion of the people

1 of the industry -- revolved door people who have come out
2 of the Coast Guard and there's a very close relationship,
3 I wonder if you could comment on all that?

4 MR. DORSCH: I can't comment on it, except I
5 cannot accept the fact that there's API influence upon the
6 Coast Guard. The Coast Guard is a very professional group
7 who I respect.

8 MR. HERZ: I didn't say influence upon the
9 Coast Guard. I said influence on the policies that are
10 carried out by the Coast Guard. And,.....

11 MR. DORSCH: I'm missing the fine point there.

12 MR. HERZ: I think it also is no secret that
13 the oil industry has one of the more affective lobbies in
14 Congress, so to suggest that they may play a role in
15 influencing policies is not just supposition.

16 MR. DORSCH: I can't address that in detail,
17 except that I reject there is an influence on the oil
18 industry upon the Coast Guard or their decisions.

19 As regarding the oil barges, oil barges never have
20 been manned. They are not manned now. They never have
21 been manned. Barges are towed from place to place. Once
22 they get into port then a man is placed on board that ship
23 to pump it off or load it. There is no attempt to reduce
24 that, to my knowledge. I operate a barge in Puget Sound.
25 I do, in this particular case, have a man on board that

1 ship. It was designed many years ago and we have accom-
2 modations on board for a man and I have him on board that
3 barge. But, in generally, there is no manning of oil
4 barges that you are referring to.

5 MR. HERZ: My understanding of testimony that
6 I heard, I've heard now several hearings in California,
7 particular in Bay area, that there are a number of
8 companies that move rather large barges. In fact, they
9 used to have two men and in union negotiations -- in-
10 dividual companies have been pushing to cut that reduc-
11 tion in half to one.

12 MR. DORSCH: Those men must be awfully cold on
13 those barges. Because, there's no accommodations what-
14 soever on oil barges or anything.

15 MR. HERZ: Well, this is in San Francisco
16 Bay. Short haul.

17 MR. SUND: Mr. Chairman, is Mike done? I
18 guess on the whole manning thing, I find no relationship
19 between minimum manning requirements in the Coast Guard
20 and what is necessary to run a ship. And, I think that
21 distinction needs to be made well aware. They've put
22 out minimum manning requirement -- to get a boat from one
23 port to another port. They don't care about who cooks the
24 meals, they don't care about who fixes it. Who pumps the
25 oil -- I mean, it's loading and unloading of cargo is not

1 a requirement. Exxon Valdez minimum manning requirement
2 was 14 or 15, I think, and they had 20 on board, so they
3 had 20% more than they needed. But, I don't see where
4 there's any relationship between that and what is neces-
5 sary to safely operate the vessel in a working environ-
6 ment. And, one of the issues that has come up is the
7 time fatigue issue.

8 MR. DORSCH: Perhaps the Coast Guard themselves
9 should address that better than I can. Sailing on ships,
10 I've sailed on ships with as few as 15 people and as many
11 as forty people. I worked as a deckhand and I also worked
12 as an officer. I put in long hours but I never took over
13 a watch fatigued. I also had adequate sleep before hand.
14 When you are import loading ships or discharging a ship
15 there isn't a significant amount of people involved in
16 loading that ship. There are generally two people. Most
17 automated tankers now -- the entire cargo control opera-
18 tion is controlled from what we call PCC (Port Control
19 Center). The system is computerized. All the monitors
20 and the valves are controlled from one location. It's
21 similar to a technician in a power plant. He has man
22 roving out on deck, checking gauges to make sure that the
23 gauges are working properly as well. The system is not so
24 complicated that you need a vast amount of people. People
25 work rotating watch system. Basically four hours on and

1 eight hours off. There is requirements when you are
2 coming in and out of port that you have to call out the
3 rest of the crew to help you tie up this ship. That's
4 where your requirements are. Tying up a ship. But,
5 during cargo operations, themselves, generally the Chief
6 Officers in charge of the loading or discharging operation
7 and that can be a long slow process for him. And that is
8 fatiguing. In such a case then, it is the Master's
9 responsibility if he observes the Chief Mate to be
10 fatigued to get the other two mates or three mates on
11 board the ships to split up his watch. Instead of going
12 four on and eight off, they go six and six perhaps. Six
13 and six is typically the watch policy on the Mississippi
14 River.

15 MR. SUND: My recollection of the record here
16 is that the Chief was tied and was in bed on the Exxon
17 Valdez because of various reasons. I assume he was in
18 charge of loading the ship and we didn't have adequate
19 manning on the bridge. But, one of the recommendations
20 that we are thinking about is requiring two licensed
21 officers on the bridge from Hitchenbrook Entrance all the
22 way in. What's your reaction to that?

23 MR. DORSCH: That is the case as it is now.
24 You do have two licensed officer -- if I was Master of a
25 ship I would be on the bridge during that entire course of

1 time along with my deck officer.

2 MR. SUND: I haven't met a Master that
3 wouldn't have been.

4 MR. DORSCH: Correct. A prudent Master would
5 have been on the bridge in such a situation. With his
6 deck officer. But in addition you have a third licensed
7 officer on that bridge and that's the pilot.

8 MR. SUND: In our case we can't get the pilot
9 to Hitchenbrook and get him off safely.

10 MR. DORSCH: That's a real difficult problem
11 right now. That's -- the weather does not permit -- the
12 State of Alaska requires probably Juneau from Hitchenbrook
13 yet there's no way of getting a pilot out there. It's a
14 real problem. That has to be addressed. I don't think
15 the State has adequately addressed that at this time. You
16 can't require something that can't be complied with
17 because of the weather constraints.

18 MR. PARKER: On your Chevron tankers, who is
19 licensed to maintain the radio equipment including the
20 setup point?

21 MR. DORSCH: The radio equipment is maintained
22 when you get in port by licensed technicians. To say that
23 radio officers can handle repairs, that perhaps was the
24 case in the days when most of the radio equipment and
25 radars consisted of vacuum tubes which could be put in,

1 pulled out fairly easily. Radio operators now, the
2 equipment is so sophisticated and during in nature, that
3 you require shoreside technicians for those repairs. You
4 do have back up systems. Each ship is required to have
5 two radars. Not just the one. Radio systems have many
6 backup systems. VHF systems, UHF systems, your regular
7 shortwave radio system, satellite communication systems.
8 And, the reliability is very high and the back up of that
9 equipment is high. To say that radio operators can --
10 should be retained on board those ships for repair
11 purposes, I think is like saying it's rather self-serving
12 of radio officers union.

13 MR. PARKER: Certainly since Solid State came
14 in communication failure is not as prevalent as it once
15 was. Have you any cases of total communication failure
16 in the fleet, that you can remember?

17 MR. DORSCH: I been working in operations for
18 Chevron for fifteen years and we had a policy where the
19 ships had to report in every three days. If you didn't
20 hear from them, then you pushed the panic button and you
21 wondered if it was still afloat. Never had an actual
22 communication failure, no. None that where the ship could
23 not communicate in one form or another. Even with the
24 radio system as well, you can still communicate by VHF to
25 nearby traffic and relay a message to whoever he needs to.

1 And Coast wise traffic you can always rely on the marine
2 operators, too. Call them up on VHF and you can make a
3 phone call. You can pick up a phone in this room and have
4 any ship in the world within five minutes on the phone.
5 Crystal clear communications.

6 MR. PARKER: Okay. I guess we'd better get
7 along.

8 MR. DORSCH: Okay. The next issue.....

9 MR. HAVELOCK: I would like to ask one or two
10 questions, if I may, Mr. Chairman?

11 MR. PARKER: Okay.

12 MR. HAVELOCK: How does the Coast Guard go about
13 setting the crewing level?

14 MR. DORSCH: I cannot speak for the Coast
15 Guard. I would not -- I don't want to speculate.

16 MR. HAVELOCK: Have you ever been on a vessel
17 where the crew level was set?

18 MR. DORSCH: Yes.

19 MR. HAVELOCK: Do they come on board and inspect?

20 MR. DORSCH: No, that is done beforehand. The
21 level is set in connection with the company. They don't
22 actually -- well, I don't know. I don't know what the
23 process involved is in how they set it up. But, they
24 reviewed the trade vessels, the type of vessel, what kind
25 of cargo operations, what degree of automation and how

1 they make that determination I could only speculate and I
2 don't think it's appropriate for me to do so.

3 MR. HAVELOCK: You're not aware that it involves
4 the hearing process with any input from other parties, are
5 you?

6 MR. DORSCH: I'm not aware of it, no. I
7 suppose that is part of the process. But, again, that's
8 only speculation on my part.

9 MR. HAVELOCK: Well, alright, I guess... Did you
10 notice there was some counts of substantial escape of the
11 volatile fumes at Valdez recently. Perhaps you saw a
12 report that -- would inhaling fumes have an impact on the
13 crews capability to operate the vessel safely.

14 MR. DORSCH: I'm not sure I know what you are
15 getting at. In the case of an oil spill?

16 MR. HAVELOCK: No, I am talking about.....

17 MR. DORSCH: Everyday?

18 MR. HAVELOCK: Everyday loading operation at
19 Valdez involved?

20 MR. DORSCH: The ships now are ships over
21 40,000 tons and I believe down to 20,000 tons, deadweight
22 tons, are required to inert gas systems. The inert gas
23 system is a blanket of gas taking from the stack of the
24 ship, passed through a water scrubber and into the tank to
25 displace the oxygen in that tank. It also cuts down on

1 your fumes. The vessels does vent excess pressure or gas
2 in the tank through a masked advent system. That is
3 generally located at least 50 feet above the main deck.
4 So, I have never been on a ship where there was any
5 influence as to fumes. And as to the toxic quality of
6 fumes, yes, there is some on selective products. Mexican
7 Crude Oil, for example, is high in H₂S, which is very
8 toxic, toxic gas.

9 Benzene is a property in gasoline that has adds
10 some concern to the industry. Cancerous causes. I don't
11 know of any of these, however, that would cause, I think
12 the influence of germ flying, that is perhaps reduction in
13 judgement on the part of the individuals -- I'm not aware
14 of that at all. Nor, again, am I aware of situations
15 where they are exposed to that kind of fumes. Because of
16 the inert gas blankets on the ships.

17 MR. HAVELOCK: Are you aware of any scientific
18 work done on that? Study of the impact of inhalation of
19 benzene, etc., on the efficiency of crews?

20 MR. DORSCH: I am not aware, no.

21 MR. HAVELOCK: Thank you.

22 MR. DORSCH: Next recommendation is regarding
23 licensing, certification and training of marine personal.
24 The recommendation is that the International Convention
25 on Standards of Training and Certification of Watchkeepers

1 (STCW), should be ratified by the United States. In
2 addition, improvements are needed in U.S. Coast Guard
3 training requirements for cargo handling and bridge
4 management.

5 The International Convention, well STCW, prescribes
6 the minimum standards of training and qualifications
7 under which flag states, licensed officers and certified
8 unlicensed personnel, the STCW has not been ratified by
9 the United States. By the United States Senate and
10 ratification of the STCW would enable the Coast Guard to
11 better control and enforce the standards of visiting
12 foreign flag vessels.

13 MR. PARKER: Is that the '78 Convention?

14 MR. DORSCH: I believe that was '78 or '73.
15 I'm not sure which.

16 MR. PARKER: '78 was the last one on training
17 certification of watchkeepers, I believe.

18 MR. DORSCH: API supports that. Canadians are
19 very critical of the U.S. for not ratifying that STCW.

20 MR. PARKER: Why hadn't we ratified it?

21 MR. DORSCH: Pardon me?

22 MR. PARKER: Why, in your perception, haven't
23 we ratified it?

24 MR. DORSCH: I asked that question just this
25 last week. It doesn't make any sense to me why we had not