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ALASKA OIL SPILL COMMISSION

DECEMBER 6, 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.

VOLUME III OF III

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1 You gotta be 100% clinket to use those kinds of
2 strategies.

3 Are we hungry? Do we want to go eat?

4 MS. WUNNICKE: Uh-hum.

5 MR. PARKER: Okay.

6 13:30 - we'll adjourn until, since we are now in
7 the ICS mode, we will adjourn until 14:30.

8 (Mr. Sund refers to a "great cartoon")

9 (Off the record)

10 LUNCH

11 (On the record)

12 MR. PARKER: Let's see. Under house rules,
13 does it take three votes to win or four?

14 MS. WUNNICKE: Ask the Parliamentarian over
15 there?

16 MR. WALLIS: Three.

17 MR. PARKER: Okay.

18 MR. WALLIS: Majority of those present.

19 MR. PARKER: We still haven't voted on.....

20 MS. WUNNICKE: Let's read this and see if we
21 need those three votes.

22 MR. PARKER: Uh?

23 MS. WUNNICKE: Just kidding.

24 MR. PARKER: We haven't voted on the Alaska-
25 nized spill. Do we want to vote or do we want to just

1 leave staff with the idea that with our comments we
2 have.....

3 MR. WALLIS: Did we want to change the wording
4 to the wording I recommended on.....

5 MR. PARKER: We did.

6 MR. WALLIS: We did? Okay.

7 MR. PARKER: Yeah. I was including that. I
8 saw them write that down over there.

9 MR. HAVELOCK: Protecting environment. That
10 line. Right? Is that what you put in?

11 MR. WALLIS: No, develop the ability to protect
12 it's resources in the event of a spill.

13 MS. WUNNICKE: Yes.

14 MR. HAVELOCK: (Inaudible - Plane flying over-
15 head)

16 MR. SUND: I think the -- you got to put some
17 qualifiers around that a little bit, because at the same
18 time we, as a Commission, are saying on these catostropic
19 spills, the Exxon size spills, -- yeah, Okay. You are
20 just going on the resource protection side.

21 MS. WUNNICKE: Uh-huh.

22 MR. SUND: Rather than the attempt to clean
23 up. Okay.

24 MR. PARKER: Okay. Anything more on three
25 before we go back to One?

1 MS. HAYES: Mr. Chairman, I would reiterate
2 for staff that we are careful about defining who in the
3 A,B,C,D,E,F,G,H,I's who that is and that when appropriate
4 we use the incident command team rather than either
5 Military Affairs or DEC and that may go some way of
6 allaying some of the fear about who's making decisions
7 where.

8 Mr. Chairman, I guess I need to go back rather
9 than continuing if we are finished with this one. Could
10 we go back to revisit DEC for a just moment?

11 MR. PARKER: That's Number Two above.

12 MS. HAYES: Yes, sir.

13 MR. PARKER: Yeah, I was -- did we do One?

14 Yeah, I guess we did.

15 MS. HAYES: Yeah, we sort of did that.

16 MR. PARKER: Okay.

17 MR. WALLIS: Did we decide what to call it?

18 Were we still.....

19 MR. PARKER: We're still waiting for.....

20 MR. HAVELOCK: More staff work.

21 MS. WUNNICKE: We could have a drawing.

22 MR. PARKER: Yeah. Okay. Let's take up Two.

23 MS. HAYES: I'd like -- Mike would like us to
24 make sure that the drill, the concept of drills is
25 involved with DEC's staging unannounced drills is included

1 in DEC's expanded role in this. And, I think after all
2 our testimony that we heard about, something about the
3 State simplifying and laying out clearly for entrepreneurs
4 and inventors about the process to be used for the testing
5 for different types of substances for oil spill clean up
6 and containment, including micro-encapsulating polymers as
7 well as coagulance and disbursants.

8 MR. HAVELOCK: What procedure are you talking
9 about?

10 MS. HAYES: Well, remember we heard numerous
11 people complaining that they didn't know how we went about
12 it with a Catch 22 between Coast Guard, EPA and DEC. And,
13 it sounds as though the Coast Guard solved it's problem,
14 the EPA solved it's problem and it's finally laid to rest
15 on DEC about a process to be followed.

16 It ought to be clear as to if the agency doesn't
17 have sufficient funds for doing a taxsicity study how the
18 entrepreneur would pay for it himself. If it's important
19 enough for him to do it himself he should be given some
20 direction about how to do that.

21 MR. PARKER: Dennis?

22 MR. DOOLEY: I think there's room in there for
23 one of the positive findings. DEC is the first one to
24 establish a three-tiered protocol. We're testing some of
25 these processes. They are also getting around the fringes

1 of trying to find some method-- and it only relates to
2 beach cleaning-- now, some method of measuring ethicasy so
3 that a person knows what criteria is needed for a parti-
4 cular technique or tool would be used. And none of the
5 others have approached any of that. And, this is one of
6 the positive things that -- The sad part is it's only
7 concentrating on the mission at hand. It is not taking
8 the long term view on it.

9 MS. WUNNICKE: I guess most of the comments that
10 I have heard individually and I'm sure that we have heard
11 here collectively, they really fault DEC in not being able
12 to test their products.

13 MS. HAYES: Dennis, are you saying this is
14 something that has been corrected recently?

15 MR. DOOLEY: Well, the proposal, Mike may be
16 able to help me on this, but, DEC without review of it's
17 policy makers, the staff people involved met with EPA,
18 representatives from Alaska and Seattle, suggested some
19 sort of review process -- three-tiered review process for
20 a variety of techniques and/or materials to be used in
21 beach clean up. And, that was presented last week at the
22 workshop.

23 In all fairness, we need not receive a wide range
24 of applause. But, there's a general acknowledgement
25 consensus if they were the first ones to attempt to try

1 this. And, the first one in the barrel normally has some
2 problems.

3 Part of the problems is the low level technologies
4 are being put through the same kind of process and
5 procedure that the high level technologies and the
6 esoteric ones are. Although there's been assurances made
7 -- that wasn't the intent. But, it isn't clear and at
8 that time there wasn't a draft being passed around so
9 people could actually evaluate it as being presented
10 orally with a context -- this is the sense of what the
11 three tiered approach would do. And, it's suggesting that
12 they would --

13 The third tier was they actually allocate a part
14 of a beach for a vendor to finance testing with DEC, EPA
15 and those testings. But, at the same time the state has
16 made this (inaudible). We are not going to turn our
17 beaches into a test. You know.

18 But, it is a step forward in terms of something
19 for that technology review. The other side of it is that
20 the missing linkages and Exxon asked repeatedly at that
21 meeting and I asked Exxon directly -- 'okay, I come up
22 with a five gold stars on how to clean up the beach, what
23 assurances do I have that you are going to utilize these'?
24 He says, 'you have absolutely none'.

25 There isn't any -- as long as they are in charge

1 of that spill they can continue, if they wish, to say
2 'we'll solve this problem with resources inhouse'. And,
3 there isn't methodology to say 'no, we want you to use
4 this or that'.

5 MR. PARKER: Yeah, I think it's the key element
6 in breaking away from total privatization of decision
7 making on the spill. One of the areas is, you know,
8 proper means to deal with the spill, especially involving
9 disbursants, etc., should be a public decision.

10 MS. WUNNICKE: Uh-huh.

11 MR. PARKER: Because the private sector is not
12 geared to make that decision. It does not have the
13 biological -- toxilological and so forth information on
14 hand. I mean, you know, oil companies are not in the
15 medical business nor in the fish and game business.

16 MR. DOOLEY: Do you think that's a fair
17 characterization.....?

18 MR. HAMMOND: Yes, there is not a lot of
19 interest in the Federal government participating in the
20 R&D program. They don't want to get involved in it at
21 all.

22 MR. PARKER: The feds?

23 MR. HAMMOND: Like really dragging them, kicking
24 and screaming into the process. DEC's first role is to
25 just establish protocols for various chemicals -- primari-

1 ly chemicals, but also to techniques and procedures as
2 well. So, that everybody if you're an inventor and you've
3 got an idea, that you will know what you'll have to do to
4 get that on the approved list.

5 But, then that's right. There's no assurance that
6 they are going to use it.

7 MR. PARKER: I think.....

8 MS. WUNNICKE: But, to even have an opportunity
9 to test it.....

10 MR. HAMMOND: Yeah.

11 MS. WUNNICKE: Which is the one that comes up
12 most.

13 MR. PARKER: I think this is one area in the
14 report that we have to give those elements of the Congress
15 who are receptive to doing something about it, the
16 necessary ammunition to reestablish that that federal
17 presence... a federal presence. Because there is none
18 now.

19 So, that's why they don't want to be dragged,
20 because they have nothing to bring. They have no budgets,
21 no manpower to put into it.

22 MR. DOOLEY: One of the reasons the fertilizers
23 that were being used for bioremediation were considered
24 and approved by ETA was they already had some prior
25 research data on it's use and they wanted to extend their

1 research.

2 When they made that decision they excluded some
3 other products. It was -- it's sort of a Catch 22. You
4 look at the scientific team and the study and the results,
5 that's very impressive. But, that initial decision point
6 about how you.....

7 MS. WUNNICKE: Mr. Chairman, can I just give him
8 a for instance? One of the people that came before us,
9 and I mentioned this the other day, were the people that
10 had finished products 'Sandsorb'. They never were given
11 permission to test it. For whatever reason. They blamed
12 DEC. Whether that's right or wrong.

13 The Norwegian spill they took that same product
14 and tested it on the Norwegian beaches. Now, having done
15 that, is there any procedure by which that testing
16 information can be made available so that next time around
17 you know it's been tested at latitudes on beaches that are
18 similar to....

19 MR. DOOLEY: We require them all to go through
20 the EPA toxicology test now and then they do not give any
21 contact from that report. And everything whether it is
22 made of an inanimant animal vegetable that's non-toxic, or
23 whether it's very toxic, all goes through the steps.
24 There isn't a filtering process.

25 MR. PARKER: So,.....

1 MR. DOOLEY: The Canadians have tested some of
2 these products in cold water regimes, thick papers, U.S.
3 Coast Guard got involved in the studies and so forth.

4 MR. PARKER: I think, you know, that generally
5 speaking, EPA since they have the responsibility and have
6 the zero dollars, need to be taken to task in the same way
7 FDA was over -- you know, where they were relying totally
8 upon industry research and accepted it with no checking
9 system of their own to amount to a hill of beans.

10 MS. WUNNICKE: Well, at least the DEC protocols
11 are a beginning step towards a system.

12 MR. DOOLEY: They certainly are. They aren't
13 the answer, but they have certainly advanced the thought
14 process on how to deal with it. A wide range of reviews.

15 MR. PARKER: So, what does this result includ-
16 ing in here -- under DEC?

17 MS. HAYES: Well, perhaps we should continue
18 of word of encouragement noting the fact that some steps
19 have been taken that they aren't home yet.

20 MR. PARKER: Where did we leave you on the
21 advisory committee? What is your understanding of the
22 advisory committee? Say nothing or.....

23 MR. HAVELOCK: Say nothing.

24 MR. PARKER: Okay. I think that's wise.

25 MS. HAYES: Given what Mike's advice was, I

1 wouldn't feel it inappropriate to say that given the
2 citizen's advisory committee that we just talked about,
3 that we maybe use this one as a sacrificial lamb for that.
4 The existing advisory committee, it sounds as though it
5 has been constituted, doesn't seem to be what DEC may
6 need. And,.....

7 MR. SUND: Totally unrelated issues.

8 MR. PARKER: Uh-huh.

9 MR. SUND: One's advisory commission to the
10 DEC. The one we had we tried to stick it in the Gover-
11 nor's office. I don't see where recommending it being
12 deleted accomplishes any objection that we -- or any
13 finding that we have or any recommendation that we have.

14 MR. PARKER: Yeah.

15 MS. WUNNICKE: I agree because as John mentioned
16 there are all those other chickens.

17 MR. PARKER: Yeah. I see....

18 MS. WUNNICKE: Let's just leave it alone.

19 MR. PARKER: Let them solve their own advisory
20 committee problems. Hopefully nobody will bring it up.

21 Okay. Anything else under Paragraph Two, A,B,C?
22 Let's proceed to Four, the Research Institute which we
23 kind of talked about yesterday. And, the Institute
24 should be represented on the SPPAC.

25 MS. WUNNICKE: Scratch that.

1 MR. PARKER: Yeah.

2 MR. HAVELOCK: You don't want it represented on

3 your -- well, yeah you don't, you just have citizen's

4 committee, don't you?

5 MS. WUNNICKE: They're aliens.

6 MS. HAYES: Mr. Chairman, that brings up a

7 question. It wasn't clear to me from our earlier dis-

8 cussion whether the motion as John had made it, or whoever

9 made it, was voting members would be citizens. And, that

10 I would assume that there would be other members that were

11 ex-officio that were members for purposes of discussion

12 and in attendance and providing information and things

13 like that. Is -- should we mention our understanding of

14 that? And, if so, then SPP-- that researchers institute

15 would be one of the logical people for that? If we still

16 have such a thing.

17 MR. PARKER: Uh-huh.

18 MR. HAVALOCK: Sort of like a board of advisors.

19 MS. WUNNICKE: Advisor, with the voting members

20 as private citizens. I think that's the way of having it,

21 hopefully.

22 MS. HAYES: Their other duties as assigned.

23 MR. DOOLEY: What, the institute's duties?

24 MS. HAYES: No, the members -- the ex-officio

25 members, advisory members to the citizens group.

1 MS. WUNNICKE: To the council. Sounds good to
2 me.

3 MR. DOOLEY: With regard to the researchers
4 does that person you suggesting there should be an ex-
5 officio support to the council? Then, is this council
6 going to finance that institutes participation?

7 MR. PARKER: Anything more on the Research
8 Institute? What did we agree yesterday? Want to recomm-
9 end the university?

10 MS. WUNNICKE: We were talking about centers and
11 I don't know that that ever got closure.

12 MR. PARKER: Well, how does the Research
13 Institute here get from the center in yesterday's paper?

14 MS. WUNNICKE: And, the university?

15 MR. PARKER: What's your understanding of where
16 we left it yesterday? In the university?

17 MS. WUNNICKE: In the air, right.

18 MR. HAVELOCK: My recollection is that you left
19 it up in the air after debating it some point.

20 MR. PARKER: That's my recollection, too.
21 Okay.

22 MS. HAYES: I think we said that the state
23 should become involved with research or something that
24 without stipulating the University of Alaska or any other
25 group. Wasn't that right, John?

1 MR. SUND: No, I remember surrendering.

2 MS. HAYES: I remember you surrendering, but I'm

3 not sure we accepted it.

4 MR. PARKER: You want to resolve that right

5 now?

6 MR. SUND: No, I surrendered to stay in the

7 University of Alaska under great reluctance with the

8 comment that I will get them again at another given time.

9 So.

10 MR. PARKER: Is that alright with you, Tim?

11 MR. WALLIS: No, but that's the way it went.

12 MR. PARKER: Any objections to the University

13 as a home.

14 MS. HAYES: No.

15 MR. SUND: I object, but.....

16 MR. PARKER: I thought you were going to get

17 even with them at a later time?

18 MR. SUND: I know, but I have to throw one

19 more barb here.

20 MR. PARKER: Well, when it comes to university

21 barbing I've got 40 years of them started up here. So, I

22 can go back to President's who have been dead for 25

23 years.

24 So, there we go. Anyway, compensation system.

25 MS. HAYES: I would just like to make sure

1 that we have some mention of the compensation system. I
2 guess our finding ought to be that in the last oil spill
3 it appeared that the state government was more concerned
4 about the welfare of fish and critters than of the people
5 resource involved in with it. That's certainly something
6 we have heard plenty of times from our public meetings and
7 things.

8 And the action to be taken on that would be some
9 kind of emergency, either release of emergency funds for
10 mental health, child care and that whole array of public
11 safety. A whole array of public people services that the
12 municipalities were at a lost at. Because in some cases,
13 unincorporated areas.

14 MR. WALLIS: May I offer a suggestion here.
15 That what you are attempting to define is the word
16 victims.

17 MS. WUNNICKE: But, the last sentence largely
18 covers that. This system should include.....

19 MR. SUND: I think we are just recommending
20 that a compensation system should be established. I don't
21 think we need to get into what or how or whatever it is.

22 MS. HAYES: That may be true, but I want to
23 make it strong. That we are bringing to the attention of
24 the legislature that that hadn't been done before. That
25 those people services were not adequately dealt with on

1 the last spill. For all they might have thought they
2 would.

3 An example of that is how much grief the health
4 and social services took about having that psychiatrist
5 whose experience was in catastrophic grief, or whatever it
6 was and how that was repeated to us over and over again
7 about how important that was. I want to ship that
8 emphasis so that we realize that in addition to fish and
9 wildlife it has been injured by it's people and that it's
10 the people of the state that require these services as
11 well as the wildlife and the natural resources.

12 MR. PARKER: When Fish and Game hired a whole
13 psychiatric team to deal with the sea otters, well, nobody
14 beefed about that.

15 MS. WUNNICKE: I guess the point being that even
16 though there were no human deaths there were human casual-
17 ties, in addition to resource and environmental casual-
18 ties. I would agree with that. That should be a very
19 strong finding.

20 MR. PARKER: Tim?

21 MR. WALLIS: Well, I guess the definition of a
22 spill victim is one, but I guess what I am not understand-
23 ing is what is compensation? What are we talking about?

24 MR. PARKER: Money, I believe.

25 MR. WALLIS: Well, I know. Money, but for

1 what? For lost of revenue or....? For impact to hire
2 these people? Are we talking about compensation.....

3 MR. PARKER: No, we are just talking about a
4 system for more rapid compensation. We are not defining
5 what should be compensated.

6 MR. WALLIS: Well, you know, realizing we are
7 talking about money. Compensation means one thing. And,
8 impact dollars means another. And I want to know what we
9 are talking about when we say we are going to compensate
10 them? For loss revenue? For what?

11 MR. PARKER: Well, it's an important distinc-
12 tion you are making, so I think we are talking about
13 impact. That's what I assume we are talking about. Can
14 you square that away, Counsel, so that there's not doubt
15 about what we are talking about?

16 MR. HAVELOCK: Maybe. Let me see if I can
17 clarify what you are saying. That if I live in a town and
18 as a result of the catastrophe I lose my income, you don't
19 think there should be a compensation system?

20 MR. WALLIS: Well, that's what I'm trying to
21 find out. Is that what you are talking about.

22 MR. HAVELOCK: That the state should hire me a
23 psychiatrist? Because I'm confused because I don't have
24 any money?

25 MS. HAYES: No, that's not what we are saying.

1 We are saying that you're living in an unincorporated area
2 and you turn to drink because you can't deal with this
3 event. And, you go knocking on the door of the alcoholism
4 counselor and you find out he only comes once every month.
5 That the state recognizes that that's one among many other
6 programs that needs to be funded in an emergency fashion.

7 MR. HAVELOCK: Right.

8 MR. SUND: The distinction being made,
9 Counselor, is between money given directly to an in-
10 dividual and money given to a service agency to help that
11 individual. I've always been a libertarian on that issue.

12 MR. HAVELOCK: What's the problem with giving..

13 MR. SUND: Give me the money and I'll hire
14 the professional.

15 MS. HAYES: If you can get one that's a good
16 deal.

17 MR. HAVELOCK: What's the problem with giving the
18 money directly to people with lost income? I'm not sure
19 what the reservation is?

20 MR. SUND: Well, I guess I don't have any
21 problem with the first distinction, right? Impact moneys
22 to service organizations to help people get through. I
23 think that's one of the issues we were missing in this
24 area here.

25 To get into a compensation system for personal

1 losses, why would we arrive at anything different than
2 what's the law today. I guess the Court System or.....

3 MS. WUNNICKE: I don't think we would have. It
4 would be a matter of timing of when that damage claim
5 was.....

6 MR. SUND: What we are saying.....

7 MR. HAVELOCK: The alternative is you have an
8 administrative system like unemployment insurance, you
9 know, that gives money to people that are not necessarily
10 covered by unemployment insurance. Like villagers.
11 Fishermen and so you give them some minimum level of
12 income maintenance which the state then turns around and
13 sues for from -- as a part of this general consolidated
14 move against the spiller.

15 MR. PARKER: What the public was saying loud
16 and clear and I think what we are trying to address here,
17 is that they don't want to deal with the compensation
18 system for immediate compensation set up by the private
19 spiller, on this case Exxon and VECO, to get their money.
20 They want a more neutral board to handle that . That's
21 the problem I see us addressing.

22 Tim?

23 MR. WALLIS: Yeah, I guess what I am trying to
24 do is I understand there may be a need for some type of
25 monetary relief or perhaps even compensation to keep

1 somebody from losing their home, for instance, because
2 their cash flows been disrupted.

3 What I was trying to do here in asking the
4 question is to separate impact money from compensation or
5 call it something else. Or what are we talking about in
6 terms of relief?

7 MS. HAYES: There are two things.

8 MR. WALLIS: Yeah.

9 MR. PARKER: Marilyn?

10 MARILYN: Well, I was just about to say
11 that, too. And, what I wanted to clarify is that one
12 possible proposal is to provide a fund for municipalities
13 for the impact or whatever, the entities, the government,
14 to provide the resources they need to deal with the impact
15 of the spill separate of a fund that would be com-
16 pensating the victim, the fishermen or others that were
17 business owners. And, as I said to Commissioner Wunnicke
18 on the phone, really what it comes down to for those
19 victims is how much money do you have? Because if you
20 have no money, you need a compensation fund to help you
21 right now and if you have money you'll wait and bring it
22 to court later. Basically that's what it comes down to.
23 But, I think those two have to be separated.

24 MS. HAYES: Public services.

25 MR. SUND: Does this mean the state sets up

1 a fund that funds victims? What about do you have an
2 insolvent spill or I mean is this..... I mean if the
3 state is going to fork out the money up front and then go
4 after the spill for the money later on, the spiller is
5 insolvent, I don't understand why that's a state role.

6 MR. PARKER: There is in other emergency
7 situations. That's what the state does in floods. And
8 wildfire.

9 MR. DOOLEY: Violent crimes compensation.

10 MR. PARKER: Yeah.

11 MR. SUND: How much money does it give? You
12 want to use the Exxon settlements as a base?

13 MS. HAYES: Our job, we need to figure out
14 what that basis -- our job is to tell them that there
15 ought to be a system established when that kind of
16 emergency happens.

17 UNIDENTIFIED SPEAKER: Just as an example. In
18 Cordova where their city has like \$4 million, their
19 expenses related to the spill of over \$1 million which
20 they didn't budget for and Exxon has already given
21 compensation to them for expenses related to the spill.
22 They had a hard time trying to distinguish between what
23 was their recovery cost and what was the response cost.
24 And there's a distinction there. And, had the city has
25 the resources available to them they would have been able

1 to (inaudible).....

2 MR. SUND: I don't have any problem with the
3 public services reimbursements, but I think on these other
4 items those are cost of living reimbursements. Those are
5 necessarily lost economics.

6 MS. HAYES: Oh, I see. Yes.

7 MR. PARKER: I don't think we are talking about
8 long term compensation for income lost over the next five
9 years.

10 MR. SUND: Well, I mean Exxon's put out over
11 \$100 million.....

12 MS. HAYES: Up front.

13 MR. SUND:up front.

14 MR. PARKER: Yeah. They didn't ask me whether
15 that was the proper way to go about it.

16 MR. SUND: Well, no, there's a whole bunch of
17 people that are still, they haven't settled with any of
18 the major fish processors yet in this state.

19 MR. DOOLEY: The Kodiak hearings were -- quite
20 a bit of time was given to testimony by crewman on fishing
21 boats. And, we heard one skipper here testify the other
22 day in public testimony. All of a sudden his crew
23 changed. His crew, according to the Skipper the other
24 day, included his 3-year old daughter. That unemployed
25 crewman in Kodiak didn't get any compensation and he was

1 counting on that income.

2 MR. SUND: Well, I'd say when those bonus and
3 retro-checks come down in the Fall for fishing a lot of
4 Skippers don't share them with their crew either. That's
5 a crew problem.

6 MR. DOOLEY: Well, it's a victim's problem.

7 MS. WUNNICKE: Suppose it were a natural that
8 caused a spill? Would you treat -- you'd still have the
9 kind of things that Meg and John are talking about in
10 terms of impacts on the communities that the state would
11 have to meet.

12 That's one item. The other item is, as Marilyn
13 pointed out, many people cannot wait to take a case to
14 court to get the damage claim paid. So, it seems to me
15 you would want to address both problems. And, that's.....

16 MR. SUND: Well, I would venture you just put
17 it down as a problem to be resolved, but I have -- when
18 you want to start talking about the state setting up a
19 system to compensate the lost economics because of a
20 spill, I have problems with it. I can see cost of living
21 and immediate medical care and how to get along that way,
22 but.....

23 MS. HAYES: I could agree with John on that.

24 MR. PARKER: Well, it says here emergency
25 payments. I think emergency payments was the key raised

1 as far as the staff was concerned. Wasn't isn't?

2 MR. HAVELOCK: Both issues are covered in here
3 and you are telling me to knock out one that relates to
4 individual payments. Let me just offer -- the state is
5 already in this business of income maintenance. It's not
6 like you are setting up a new system. That's what
7 unemployment insurance is.

8 The problems is that you are dealing here with
9 groups of people that are not normally covered within
10 unemployment. And, but, I mean in terms of going in as a
11 part of disaster relief and having extended unemployment
12 benefits for people not covered, I don't think that that
13 necessarily is going to give everybody a splitting
14 headache. And, it takes care, it seems to me you are
15 better off taking you libertarian position, if you will,
16 you are better off, and I am talking about individuals not
17 corporations, you are better off going for an income
18 maintenance. Percentage of income. You get it in whole,
19 but you give them, as unemployment does, a percentage of
20 income, rather than attempting to divide up into categor-
21 ies and helping him because he's got a mortgage payment he
22 can't meet and helping him with 1 1/2% emergency loan and
23 helping him with another program.

24 MR. PARKER: What we are trying to get rid of
25 is the throw of the dice stuff that existed under the

1 present compensation system. Where some people have made
2 out extremely well, and some people with equally just
3 claims fell through the cracks. Because, Exxon having no
4 experience in this and VECO no experience in this, just
5 went in and kind of developed their system without, you
6 know, and didn't particularly ask anybody that had been
7 involved in it for any advice either. Tim?

8 MR. WALLIS: Yeah. We are talking in here
9 about the fund that's going to provide this. Are we
10 talking of the one that is already created? Or are we
11 talking about a new and second fund?

12 MR. HAVELOCK: I assume you would pay it out of
13 the existing fund. That the spiller created by.....

14 MR. PARKER: Okay. Anything else on that?
15 Let's proceed to the next one.

16 Private Industry Response Requirements.

17 MR. SUND: I assume here that these are
18 private parties who are carrying oil? From somewhere?

19 MR. PARKER: Yeah.

20 MR. HAVELOCK: Anybody who owns the party.

21 MR. PARKER: I thought.....

22 MR. SUND: Just sticking up for the interest
23 I'm representing here.

24 MR. PARKER: I thought we were recommending
25 that there in the future would be a single contingency

1 plan to which all parties would be a part.

2 MS. WUNNICKE: The regional one.

3 MS. HAYES: The regional one, that's correct.

4 MR. PARKER: The regional one, yeah. And,
5 where does this particular recommendation fit within
6 that.....

7 MS. WUNNICKE: Key words -- our worst case
8 scenarios since there no plan to date that addresses worst
9 case scenarios. Right?

10 MR. PARKER: Yeah.

11 MARILYN: Aren't we talking about a dif-
12 ferent... I'm probably the person where this recommenda-
13 tion came from, so I'll try to say what I thought it meant
14 when I was saying it. And, that is that the responsible
15 party, whether it be (inaudible) or a terminal, you are
16 probably better off focusing on the terminal, because they
17 are in the area, have to be able to be capable to respond
18 to all size spills. That's all I have to say. And,.....

19 Right now, we are not requiring, well, we probably
20 are now, in Prince William Sound more than anything else.

21 MR. PARKER: Okay.

22 MR. WALLIS: Let me ask a question here. How
23 good is the plan when you have a catastrophic spill? You
24 know, do you follow it, you know? Does it get thrown out
25 the window?

1 MR. SUND: Well, hopefully you plan for your
2 catastrophic spill. If you're following advice you have
3 all those elements taken care of. You can react to
4 protect the resource, you can react to saving the ship and
5 you can react to attacking the oil.

6 MR. PARKER: Well, you know, Alyeska the
7 equipment that's in place in Prince William Sound right
8 now is the upgraded plan, of course has the capacity to do
9 mechanical recovery. At a much greater level that was
10 available before. Probably 30 or 40 times as fast. So,
11 that's.....

12 MR. WALLIS: Okay. I see Meg and Esther
13 shaking their heads 'no', what's the problem?

14 MS. WUNNICKE: Well, I guess my concern is that
15 if we give too much emphasis to this that we build back
16 the same kind of misapprehension about the ability to
17 control a catastrophic spill that existed before the Exxon
18 Valdez.

19 And, despite what the Chairman just said, I guess
20 I don't believe that even given all that, that you are
21 going to control and contain a catastrophic spill.

22 And, I just don't want us to.....

23 MR. HAVELOCK: You can take that in a find-
24 ing.....

25 MS. WUNNICKE: Okay. I just don't want us to

1 ever get back into that mode where.....

2 MS. HAYES: You think you know what's going to

3 happen. I guess that's what I'm worried about, too.

4 MR. SUND: Oh, I think we can make a pretty

5 plot statement of what's going to happen.

6 MS. HAYES: But, I mean, I think we can

7 because we have been working on it for so long. But, I

8 don't want to give any false impression to the public that

9 you are going to be able to contain and control a catos-

10 tropic spill.

11 MR. SUND: Well, I think it's in the find-

12 ings.

13 MR. PARKER: Uh-huh.

14 MR. SUND: Of the Commission that today's

15 capabilities, there is no capability to contain or control

16 a catostropic spill.

17 That's a pretty straight, flat statement. I don't

18 think, I never heard anybody testify that's contradicted

19 that.

20 MR. PARKER: Yeah. As Dennis pointed out

21 earlier down at the Conference they were patting them-

22 selves on the back for getting 10% recovery over the past

23 eight months. Which was regarded as a very superior job.

24 With luck, the present system will achieve 40%

25 recovery. As best estimates by those involved. So, you

1 know, with luck and ideal conditions. So, those are the
2 ranges we are talking about. But, like you say, there's
3 no doubt we can flat make a finding if present technology
4 is not going to do their job.....

5 MR. SUND: An achievable goal, then. Is that
6 what we are after?

7 MR. PARKER: Yeah.

8 MR. HAVELOCK: Current technology (inaudible).
9 I certainly wouldn't want to close the doors. In theory
10 we heard that, did you not? And, in fact you could inject
11 in the tank of the tanker the congealant and turn the
12 whole stuff into jelly.....

13 MS. WUNNICKE: In which case you wouldn't have a
14 spill.

15 MR. HAVELOCK: In which case you wouldn't have a
16 spill, or very limited spills with easy pick-up.

17 MR. SUND: Well, that's all out on the.....

18 MR. PARKER: If the guy out at St. Matthews had
19 been required as part of his permit for operating for
20 fishing in U.S. waters to have the congealants on board
21 and if the last guy off the ship had dumped it in the
22 tank, there wouldn't be 250,000 gallons floating around
23 out there.

24 MARILYN: I think, I guess the worst case
25 scenario is the problem here. Because, I think we've

1 gotten testimony from investigators and otherwise that the
2 state didn't feel they could require Alyeska to be able to
3 respond to more than just your average size, most common
4 spill. So, that's where this came from. To give the
5 state that authority or to say you can act, you can
6 require as much as you think is necessary to respond, but
7 to major spills.

8 MS. WUNNICKE: And they don't feel like they have
9 that authority.

10 MARILYN: No, they don't.

11 MS. WUNNICKE: Oh, well, then give it to them.

12 MS. HAYES: Yeah. This is a place where I
13 think we have a distinction and I think we've got tes-
14 timony that I'd like to involve in this. And, that is
15 that before the spill the commonly accepted criteria was
16 the most probable spill. And, that after the spill the
17 concern went to the worst possible spill.

18 And, I agree that we ought to make it clear that
19 DEC has the authority to request that, but let's also
20 point out to fact that the state isn't remiss -- I mean
21 everybody is looking at this as a change of the rules that
22 may -- I mean, there's obviously legitimate discussion and
23 misinterpretation cross speaking between the parties about
24 when that point happened and I don't think that we should
25 be blaming industry for not doing something that wasn't

1 commonly accepted as being required before the spill.

2 And, I believe that Theo's comment about the
3 change of the game at that point is one that is worth
4 recording. And, I would hope that we could get that
5 worked into our findings as well as our recommendations on
6 that one.

7 MR. PARKER: Okay.

8 MR. HAVELOCK: Well, I have some reservations
9 about that. It goes back to this whole issue of whether
10 the State sets minimum or whether the state sets stan-
11 dards.

12 After all, I assume that the reason that we've got
13 the kind of standards that we did because the industry
14 lobbied for that standard as opposed to our standard.

15 MS. HAYES: For whatever reason, but I think
16 that the concern is it is definitely changed from, you
17 know, whether the reasonable mandrel was before to the
18 reasonable mandrel afterwards. And, I agree wholehearted-
19 ly, we should have DEC have the authority to ask that.
20 And, we should recommend it.

21 But, I don't think it's fair for us to be, for
22 instance, blaming somebody for not having done that prior
23 to the spill. Because, it wasn't commonly accepted at
24 that point, apparently.

25 And, if investigators have found something that

1 shows that my statement is false I would be interested in
2 knowing what it is.

3 MR. PARKER: Well, I think you're.....

4 MS. WUNNICKE: Certainly what you told us was
5 what.....

6 MR. PARKER:directors would (inaudible)..
7 accuracy of what you are saying. Not much was expected
8 in the way of spill response.

9 MS. WUNNICKE: Not much was expected by the
10 people.

11 AL: Paul O'Brien said essentially that they
12 had been working with Alyeska in the Contingency Plan,
13 wrote it to the standard of most likely case. And, it was
14 his release that the (?) in the regulations called for
15 that.

16 He also said it was his personal view that he felt
17 a little uneasy imposing an extremely high financial
18 burden under companies that would follow from a worst case
19 standard, but that he felt that in light of the Exxon
20 Valdez spill, it was appropriate to examine whether the
21 standards such as that should be put into the law instead
22 of the most likely case. Or some other standard in
23 between.

24 MR. PARKER: Which way is the State of Washing-
25 ton going on that one?

1 AL: I can't answer that one.

2 MR. PARKER: Okay.

3 MR. DOOLEY: Well, one of the language, wasn't
4 it Marilyn, in one of the federal bills was putting a
5 standard in there for a while -- worse case under worst
6 conditions. For Contingency Plans to be evaluated. I
7 don't know that will (inaudible) -- but, that was one of
8 the standards that they wanted the Contingency Plans --
9 criteria for Contingency Plans.

10 AL: This is sort of a more practical observa-
11 tion. I was just trying to think of how you would find
12 out when a company had met the standards. And, if you've
13 got equipment, which will only pick up 10 to 40% of the
14 oil and the rest of it is going to be out there anyway,
15 then you have a catastrophic spill which is worst case,
16 how is it in advance? Just hypothetically as you are
17 rating their equipment and seeing what they've got stored,
18 when have they made it?

19 I mean, it gets very vague to me all of a sudden
20 what criteria used to measure adequate performance in
21 terms of readiness. When you've got this great gap in
22 just what can be picked up.

23 MS. HAYES: After certain levels you're not
24 into, Mr. Chairman, after a certain worse case under worst
25 conditions, you throw up your hands and say there's not a

1 damn thing I can do about it. And, I think that our
2 interests is in and encouraging the companies, the
3 shippers to look at the resources at risk, making the
4 decisions with the agencies, with a local people, the
5 government landowners, whatever, to define what those
6 resources are and to be prepared to protect those resour-
7 ces.

8 Because beyond a certain stage you probably can't
9 do very much.

10 MR. PARKER: At the moment.

11 MS. HAYES: At the moment.

12 MR. HAVELOCK: So, that DEC is going to make a
13 risk assessment to get based on what kind of a standard?
14 And, then as John was bringing up earlier over what do you
15 do about the tanker going up to St. Matthews? Well, are
16 you saying we are not going to deliver oil up there
17 because you can... on a worse case scenario there's not
18 a whole lot you can do.

19 Somebody says they disapprove the plan therefore
20 the vessel can't stay out. So, what?

21 MS. WUNNICKE: You're the one who wrote the
22 proposition.

23 MS. HAYES: Yeah.

24 MS. WUNNICKE: You answer.

25 (LAUGHTER)

1 MR. HAVELOCK: Well, what I was thinking about,
2 I was thinking that when you plan for something it doesn't
3 necessarily determine your success -- it's really a
4 separate question to the issue that we're talking about as
5 a measurement of your success. Under your plan. That is
6 you plan for it, you're plan maybe, you know, we call for
7 help, the Captain has to go down with his ship, whatever.

8 But, you don't necessarily have your measure
9 whether the plan is approved based upon a percentage
10 success of what the plan must be.

11 I mean, that would be true even, you know, under
12 a worse scenario in Valdez. You could never approve a
13 plan under those circumstances. So, you.....

14 I guess, I don't know what DEC does now, but I
15 assume they -- this is not a new question. And, I assume
16 DEC does now approve plans using some criteria like the
17 10% or something like that.

18 MS. HAYES: I don't think we need to neces-
19 sarily define this for ourselves, but it seem to me that
20 there might be a good hook into the prevention aspect of
21 it.

22 For instance, one of the recommendations we made
23 were more baffles in the tanks. And, some of that kind of
24 stuff about reducing the risk of that. And, there might
25 be some kind of linkage we could make about ships that had

1 certain types of safety things on board.

2 For instance, John your fishing vessel with the
3 coagulant aboard might have a different kind of contingen-
4 cy plan than one that didn't. As an example.

5 But, it seems to me that it's something that is
6 much more too detailed for us to get involved with. But,
7 we might recognize that the contingency plan level ought
8 to be related somewhat to the prevention steps that have
9 been taken.

10 MR. PARKER: Yeah.

11 MS. WUNNICKE: Yeah.

12 MS. HAYES: And, so it's not just simply a
13 simple across the board worse case, because the worse
14 case, no matter how well you build a ship, if you are
15 shipping oil you have got a problem.

16 MR. PARKER: And, the case you brought out, you
17 know, about telling a tanker it can't go, well, that's
18 some of the hairiest escapades we've ever had off the
19 Alaska Coast and then by barges trying to make it through
20 to a village that is running very low on oil.

21 And, pushing it's luck in the ice. So.....

22 MS. HAYES: In which case they are congratu-
23 lated as heros. Rather than risk takers.

24 MR. PARKER: Yeah.

25 MS. WUNNICKE: At one time I knew the statistic

1 of the number product vessels that go through Attacan Pass
2 to supply product for the Bering Sea. It's quite a
3 number.

4 MR. DOOLEY: One of the --- you are bringing up
5 the barges. I had a discussion from an individual this
6 morning for a couple of hours in Homer and his concern is
7 that we're only focusing on ships and we're not including
8 barges. But, I'm making the assumption that we are
9 talking about all tank ships carrying, not one mode versus
10 the other.

11 MR. PARKER: Yeah. The only reason we haven't
12 got into barges is we just couldn't talk to tanker
13 operators and barge operators in the time frame we had in
14 the same detail. But, you know.....

15 MR. SUND: A barge didn't hit the beach.

16 MR. PARKER: Yeah. Almost did, though.

17 MR. DOOLEY: Well, we focus on the Alyeska
18 Contingency Plan. I'm wondering if the Nikiski Pipeline
19 plan is being held in the same standard now in the last
20 six or eight months as the oil spill.

21 AL: Mr. Chairman, I seem to recall that we had
22 testimony from the Coast Guard to the effect that if all
23 the oil spill clean up equipment in the United States were
24 anchored around Hitchinbrook, it still wouldn't have
25 mattered that much.

1 And, what we are talking about here, and I am not
2 talking about the actual performance in responding, now.
3 I'm just talking about figuring how you could evaluate at
4 the plan stage when you've got enough equipment when
5 you've got enough manpower.

6 If all of that equipment couldn't have cleaned up
7 that catastrophic spill, when DEC is evaluating a plan so
8 that it's going to hit a worse case spill, how does it
9 make sense? How does it come up with a criteria that says
10 'yes, boys you've got enough, no you don't?'

11 MR. SUND: Finds everybody's squeak point.

12 MR. PARKER: They take what Solum Voe's got,
13 what EP's providing Solum Voe and use that for a starting
14 point.

15 MR. SUND: I think what Al's brought up is
16 that somebody down in bureacracy makes a value judgement.
17 And, it's now decided by the political pressure. If they
18 ask for too much, people yell at the Governor and the
19 Governor will get involved and you negotiate it out until
20 you find out where the squeak points at and then you cut
21 a deal and you make an agreement.

22 I mean, that's how we've done it. It's a battle-
23 ground. But, it has nothing to do with the reality of how
24 much oil you can pick up.

25 MR. PARKER: The criteria can be worked out.

1 MS. HAYES: But, I guess one of the problems
2 that I had with this whole discussion is the Contingency
3 Plan is not simply a list of equipment that's available.
4 It's also the resources and the locations of those
5 resources given the normal pattern of travel that you are
6 going to respond to.

7 AL: That's not a variable.

8 MS. HAYES: That's right.

9 AL: The resource information is a constant.

10 MS. HAYES: No. But, it's a variable about
11 how.....

12 AL: It's the equipment or the manpower that's
13 a variable.

14 MS. HAYES:far it's going to go.

15 MS. WUNNICKE: But, since you can't protect all
16 of it you had better have some priorities.

17 AL: Agreed.

18 MS. WUNNICKE: Yeah. So, here we are.

19 MR. SUND: Are we going to recommend worse
20 case scenario planning?

21 MR. PARKER: I guess so. Isn't that what we
22 agreed.

23 AL: Incidentally the worst case scenario for
24 Exxon Valdez is 50 million gallons.

25 MR. SUND: We realize that.

1 MS. HAYES: Sure. Well, no, that's a good
2 point, though. Is our recommendation that DEC should have
3 the authority to require?
4 That's not the way it's written?
5 MR. WALLIS: Plus, all worse case scenario is
6 loss of ship and cargo.
7 MS. WUNNICKE: Sure.
8 MR. WALLIS: And everyone on board.
9 MS. WUNNICKE: And everybody on board, yeah.
10 MR. PARKER: Okay.
11 MR. SUND: I need to just worry about where
12 did it go down?
13 MR. PARKER: Prince William Sound Port Authori-
14 ty. Harbormaster. What are we calling it now?
15 MR. WALLIS: I thought we were going to call
16 them the State Harbor Administrator?
17 MR. PARKER: Alright.
18 MR. HAVELOCK: PENEIA, now. (?)
19 MS. HAYES: DEC.
20 MR. PARKER: Prince William Sound.
21 MR. SUND: Yeah, where we put the Harbor
22 Authority in DEC.
23 MR. PARKER: Uh-huh.
24 MR. SUND: Merely a recommendation.
25 MR. WALLIS: Not anymore.

1 MS. HAYES: I'm the only one that got -- voted
2 on that one.

3 MR. SUND: Well, I mean the legislature will
4 decide what they want put in there.

5 MR. WALLIS: Oh, yeah.

6 MR. PARKER: In order to be more accurate
7 Prince William Sound and the Harbor don't go together.
8 Maybe we need to say get very verbal and say that the
9 State, the Prince William Sound State Prevention and
10 Response Administrator. Or, something like that to more
11 clearly define exactly what they are doing.

12 MR. SUND: I thought we called it a Marine
13 Safety Officer.

14 MR. PARKER: We're doing that, too.

15 MS. WUNNICKE: That is what we called it.

16 MR. PARKER: Yeah. Marine Safety Officer.
17 That's what the Coast Guard uses. It'll lead to great
18 confusion, but it might lead to great co-ordination, too.

19 Well, the duties. Anybody got any problems with
20 those duties?

21 MR. WALLIS: You mean powers?

22 MR. PARKER: Powers? Yes, powers.

23 MR. WALLIS: Is that the.....what are we
24 talking about? The Governor's authority to recognize
25 spills? Shouldn't that be his authority?

1 MR. PARKER: That's --we haven't really dealt
2 with formally is whether to Alaskanize the spill. It's
3 going to be handled by the onscene coordinator or by the
4 Governor. In line with our basic theme that you've got to
5 get there fastest with the mostest you can muster right
6 now, why you give that to the onscene co-ordinator.....

7 MS. WUNNICKE: Who's already located there.

8 MR. PARKER: He's already located there and
9 already has worked out in the Contingency Plan exactly
10 what the range of his authorities and resources to deal
11 with it are.

12 MR. WALLIS: Let me ask a question in this way.
13 Does the Governor have the constitutional authority to
14 declare emergencies and to time a disaster?

15 MR. PARKER: I don't know.

16 MR. WALLIS: And, basically, are we getting
17 into any type of constitutional question by maybe taking
18 away some of that authority and giving it to someone else?

19 MS. HAYES: I suggest that our recommendation
20 should be that the Governor delegate that authority to the
21 State Marine Safety Office.

22 MR. PARKER: That's pretty much what he does
23 with Emergency Services in a pragmatic sense.

24 MR. DOOLEY: Well, the testimony from Merv
25 Martin was that he more or less proceeded as if it were

1 emergency because the Governor was out of pocket and he
2 counted on the Governor okaying his decision as being.....

3 MR. WALLIS: Well, I guess if it can be done
4 I would hate to bring it up and make it an argumentative
5 point and just drive the state silent on it. I guess
6 that's what I'm trying to say.

7 MR. PARKER: Well, why don't we leave it that
8 we are going to run this the same way we run it through an
9 emergencies through Emergency Services. We are handling
10 all emergencies the same way.

11 MS. HAYES: I think part of what we are trying
12 to get at is the problem that Dennis identified with Dan
13 Lawn having to call three guys to get authority to start
14 doing something.....

15 MR. HAVELOCK; The way you handle it is you
16 delegate and you give the Governor the power to call the
17 emergency off.

18 This is not retro-active, so a guy can go out and
19 spend money for 24-hours, whatever, and then the Governor
20 says 'enough of that' and he can close it down.

21 But, the person should have the authority to make
22 the procurement and so on in an emergency basis.

23 MR. PARKER: You handle it the same way big
24 fire departments handle their fire response. You know,
25 the station rolls on certain alarms and then the patil-

lion, you know, the captain can authorize so much, then the patallion has to go to the next step. But, you have equipment rolling until the thing builds.....

MR. WALLIS: I'm not arguing. I'm just asking a question. Can we be silent on it? Rather than, you know, if it can be done, let's be silent on it.

MS. WUNNICKE: Uh-huh. Except I think one of the points that happened that we should try to learn from is that the person in charge overcome on all counts by people senior in command. Whether it's whoever, Coast Guard, DEC, so forth in the Exxon Valdez. And, I thought one of the things that we had discussed earlier was that you wanted a pre-designated harbor administrator or whatever you wanted to call him, who would not be overridden and overruled, because they would know the territory. They would know what's available. They would know the players better than somebody coming in from.....

MR. PARKER: I don't think we can be silent on it. After re-reading that again, it would be hard to -- it would be an area where it would be hard to be silent on.

I think the, you know, pragmatic way to go is if we had any system in place, why they would start things moving and if the Governor didn't agree he would call things to a screeching halt. There would be a lot of egg

1 on everybody's face, but at least the good faith effort
2 would have been underway. And, it's better, you know,
3 better to be safe than sorry, or something like that. Or
4 sorry than safe. Which do I want to say?

5 Still got problems? Okay.

6 Anything else on that?

7 The Federal Government. Advice to the good ole
8 federal government which is still out there showering it's
9 benefits upon us.

10 Okay. The Regional Advisory Councils.

11 MR. WALLIS: Do we have regional advisory on
12 this.....

13 MR. PARKER: Congress is gonna give them to us.
14 Congress is setting them up.

15 MR. WALLIS: I mean these statewide policy
16 council.

17 MR. PARKER: Well, these are the regional
18 advisory councils.

19 MS. HAYES: It gives advice to the commission
20 we establish.

21 MR. WALLIS: Yeah, this one here.

22 MS. WUNNICKE: That's fine.

23 MR. PARKER: We only have the local government
24 and industry.

25 MS. WUNNICKE: I guess the only point to make is

1 that these are the ones established by federal legisla-
2 tion, but there would be others that would also be
3 advisory to the statewide council. Not designated in the
4 federal. But, they don't deal with the Arctic. They
5 don't deal with anything but Prince William Sound.

6 MS. HAYES: Well, if I were Southeast, I'd
7 want my own.

8 MS. WUNNICKE: Southeast? Yeah, well, they don't
9 deal with anything but Prince William Sound.

10 MR. PARKER: You know, what we are saying here
11 doesn't exclude.....

12 MS. WUNNICKE: Doesn't exclude any of that.

13 MR. PARKER: any of that and could be
14 handled in a separate statement that similar advisory
15 council should be established in other areas of the state
16 as necessary.

17 MS. WUNNICKE: Well, both of the next items on
18 Government and industry and should just be as advisors to
19 the council.

20 MR. SUND: Very basically what you are saying
21 is the local government industry ought to be involved in
22 any type of advisory committee that the legislature
23 chooses to establish.

24 MS. WUNNICKE: Uh-huh.

25 MR. SUND: I mean that's the comment. If I

1 understand this.

2 MS. HAYES: Mr. Chairman, I would like to ask
3 Sharon whether she has the report that you've done for the
4 communities whether you have any additional advise from
5 your look at all of them in their response to this in
6 terms of your involvement.

7 MS. WUNNICKE: And, add Kodiak.

8 MS. HAYES: Yes.

9 SHARON: All the communities that I have
10 went to felt that they should have a role in any type of
11 planning that goes on. Most especially if the oil spill
12 is in their backyard. I mean, they want to be involved
13 even so they can understand the politics (inaudible - no
14 mike).

15 MR. PARKER: That's where instead of creating
16 a whole new system moving in and starting utilizing the
17 existing Coastal Zone Management Structure is the way we
18 should go.

19 I feel we are uneasy about creating oil spill
20 response advisory committees on a statewide basis. I
21 think even in the Arctic at the present stage of arctic
22 development, between the North Slope Borough and the
23 Coastal Zone Management Committee we can get enough in to
24 put in the Arctic without creating a whole new situation
25 up there.

1 The reason we are recommending for Prince William
2 Sound and Cook Inlet is because there is existing tanker
3 traffic of sufficient magnitude there to justify it and
4 because the public response to the spill has generated
5 enough politics that we better recognize it with the
6 advisory....

7 MS. WUNNICKE: So, you would in effect have a
8 duplicate system, but only for Prince William Sound and
9 Cook Inlet.

10 MS. HAYES: Sharon.

11 SHARON: I just wanted to make a comment
12 here with regard to the local representations on the
13 Citizen's Advisory Committee. That was something that was
14 desired, but it was also brought out in one of the
15 communities that I went to that the keeper (inaudible -
16 not in mike) -- that would raise a problem. They don't
17 have that operational knowledge.

18 MS. HAYES: But, they know the resources.

19 SHARON: Yes, they do. They know about
20 the resources, they know about the (inaudible), they know
21 (inaudible) local people and what's needed as far as
22 equipment and things like that. They've got the local
23 knowledge.

24 I just wanted to raise that as a point that was
25 brought out that the people that would serve on these

1 advisory committees (inaudible).

2 MS. HAYES: Mr. Chairman, I guess I just
3 wonder if staff has looked at the Coastal Management
4 Program in the state statute, is oil spill prevention or
5 response at all mentioned in there? Is that a place where
6 we ought to put a phrase in to remind them the existing
7 groups that that's something they should be looking at.

8 MR. HAVELOCK; We'll do that. It'll take an
9 amendment.

10 MR. DOOLEY: There was sort of a hint that we
11 were going to duplicate the Alyeska model for Cook Inlet
12 and I think there was a general agreement in by the Kenai
13 Borough that that is not the appropriate model for Cook
14 Inlet. That's why in the federal legislation there is a
15 distinction made.

16 MR. PARKER: I don't understand that we are
17 duplicating it. I don't understand where we're making a
18 duplication.

19 MR. DOOLEY: Well, okay. There was something
20 that was said well we reaffirm what we.....

21 MR. SUND: I think.....

22 MS. WUNNICKE: I said the only duplication --
23 we've had a duplication in the Prince William Sound. You
24 said and Cook Inlet.

25 MR. PARKER: Yeah.

1 MR. SUND: Our motion, basically was that
2 there ought to be add citizen advisory committees in an
3 advocacy role. That was my motion earlier this morning
4 and.....

5 MS. WUNNICKE: And,.....

6 MR. PARKER: Yeah.

7 MR. SUND: I'd leave it up to the
8 entities to figure that out.

9 MS. HAYES: Yeah. But, I don't want to limit
10 our recommendation to being only the Cook Inlet and Prince
11 William Sound committees.

12 MS. WUNNICKE: No, I added just Kodiak here.

13 MS. HAYES: Well, I think it would behoove all
14 communities to consider at some level this problem. I
15 mean I'm not going to mandate it. But, I am going to
16 recommend it to them that they ought to consider... And,
17 Southeast is certainly a vulnerable place. With the
18 traffic.....

19 MR. PARKER: The way I see this developing is,
20 if the Coast Zone Management Structure doesn't serve their
21 needs, you know, go ahead and develop their local advisory
22 committees if they feel that they have to have something.

23 You know, I don't have at this time enough senses
24 to know whether Coastal Management will serve that need or
25 not. It's just the next step.

1 MS. WUNNICKE: It just seems like a place where
2 you might be able to.....

3 MR. SUND: The only vessel seen in Southeast
4 recently are the Coast Guard. So, I'm sure they have
5 their own Contingency Plan on board.

6 MR. PARKER: Is that lured on the rocks by the
7 flash of the moon?

8 MR. SUND: Oh, they are probably chasing the
9 sea otters around.

10 MR. PARKER: Probably chasing sea otters.
11 Okay.

12 MS. WUNNICKE: Add Kodiak.

13 MR. PARKER: Add Kodiak to the lower Cook
14 Inlet.

15 Here we see duplication. The local configuration
16 should be -- well set up fellows.

17 MS. WUNNICKE: By local configuration, I don't
18 know whether they mean just what the federal government
19 has proposed or whether they mean what Alyeska has
20 proposed.

21 MR. PARKER: Federal government, yeah.

22 MS. WUNNICKE: Okay.

23 MR. PARKER; There's a lot of people from Cook
24 Inlet and Prince William Sound buying tickets to Washing-
25 ton to influence how those advisory committees are

1 structured so have it folks.

2 The pipeline doing on response what we talked
3 about on prevention yesterday.

4 MS. WUNNICKE: Mr. Chairman?

5 MR. PARKER: Yes?

6 MS. WUNNICKE: Just because staff gave us the
7 Corp of Engineers yesterday, I've done some thinking about
8 that and not that we are in a position to be that specific
9 with respect to the pipeline, but it seems to me that if
10 you are going to use the Military Affairs Office as the
11 operation arm when the state Alaskanizes the water spill,
12 that you surely should use it as the operation arm on
13 state lands transacting by the pipeline. And, for that
14 matter the Bureau of Land Management being the federal
15 lead agency on the pipeline, it was very familiar with
16 incident command system might readily adopt a similar
17 system.

18 So, just for future reference.

19 MR. PARKER: Okay.

20 MS. WUNNICKE: That's one way of looking at it.

21 MS. WALLIS: I'm sorry. What did you say
22 there? Briefly?

23 MS. WUNNICKE: Can't - briefly. Well, the arms
24 that lead agency for the pipeline on federal land, they
25 are familiar with the incident command system, that do

1 fire.....

2 MR. WALLIS: What are they going to do?

3 MR. SUND: They're gonna call the EPA out.

4 MS. WUNNICKE: Well, we're talking about this is
5 under response. And it would certainly follow that the
6 Military Affairs would be the operable arm for the State
7 on the state lands transacted by the pipeline as the arm
8 would make use of the incident command system on federal
9 land.

10 It's not a recommendation. It's just further
11 thought with regard to the Corp of Engineers that was
12 proposed by staff.

13 MR. SUND: There is a pipeline task force
14 being created somewhere that we can recommend that part of
15 their effort to be spill response capabilities of the
16 responsible parties dealing with the pipeline. As part of
17 their investigation or whatever?

18 MS. WUNNICKE: Sure.

19 MS. HAYES: Mr. Chairman, I don't know whether
20 that pipeline oversight committee, whatever you call them,
21 has any local representation on it. But, if it doesn't I
22 think that should be one of our recommendations.

23 MS. WUNNICKE: Uh-huh.

24 MR. WALLIS: Why are we creating a task force
25 to do this?

1 MS. WUNNICKE: Because we don't have time to do
2 it.

3 MR. SUND: The pipeline from what I under-
4 stood yesterday, they already is a state or

5 MR. HAVELOCK: In federal legislation.

6 MR. SUND:there's federal legislation
7 setting one up.

8 MR. PARKER: Yeah. We are recommending that
9 the state should if they set the task force up, the state
10 should maintain a presence on it.

11 MS. WUNNICKE: Should be a part of it, yeah.

12 MR. WALLIS: The reason I was asking, was to
13 have it be done within DEC or someplace. But, then you
14 have a limited life of the task force. Which is probably
15 even better.

16 MR. DOOLEY: If you follow your recommendation
17 about -- making a suggestion about adequacy, could you ask
18 them to consider not only EPA but give them some direction
19 such as the BLM as another agency?

20 MR. SUND: I don't know. This letter we just
21 got today on the pipeline from Alyeska says the minimum
22 spill, what do we call it, detectability is about 100,000
23 gallons. I thought I would translate through that whole
24 letter. 3,000 barrels over a 24-hour period. Which is
25 126,000 gallons. So.

1 That's at the rate 87 gallons per minute.
2 MS. WUNNICKE: That would have been 200.
3 MR. SUND: Huh?
4 MS. WUNNICKE: 2,000. This is to correct some
5 erroneous backup.....
6 MR. SUND: I know. I was just correcting the
7 record here. But, even at the minimal that they could
8 detect in a 24-hour period is 3,000 barrels. Missing
9 barrels over 24 hours. Which is 126,000 gallons. That's
10 there roughly minimal, detectable spill.
11 MR. HAVELOCK: Can I ask, Mary, you know, can
12 they tell where it is?
13 MARY: Well, you have to look for the comparison
14 between (?) small leak. You're talking about a leak that
15 extends over a whole 24 hours. So, but you would be able
16 to pinpoint it between (inaudible - using no mike)
17 MR. HAVELOCK: Bad weather you have.
18 MR. SUND: If I understand this memo - a
19 3,000 barrels over a 24 hour period is a more typical
20 figure at the through-put of 2 million barrels today. In
21 terms of detection.
22 MR. DOOLEY: It doesn't correlate into mag-
23 nitude of the spill. I mean, there's a difference between
24 how well your detection system works and what the possible
25 magnitude of your spill is.

1 If I rent a semi-truck into the pipe and rupture
2 it they are going to detect, but it's going to be a hell
3 of a lot bigger than 3,000 barrels.

4 MARY: The problem was what was the minimum
5 detectable loss.

6 MR. DOOLEY: That's right. But, what I am
7 saying is how swiftly they detect it has no correlation of
8 the magnitude of the spill. The incident that causes the
9 spill to happen has no correlation to how well you can
10 detect things.

11 MR. SUND: I think the next question was how
12 quickly could you shut the pipeline down?

13 MS. HAYES: To respond to the smallest
14 detectable leak. Read you next paragraph.

15 MR. PARKER: Yeah.

16 MR. SUND: Well, I don't understand that.
17 The two hours is the minimum amount of time for the line,
18 volume balance system to respond to the smallest detec-
19 table leak.

20 That means the system to respond to detect the
21 leak is a minimum of two hours. It doesn't mean if you
22 detect the leak -- the question was a major rupture of
23 pipeline, how much oil is going to roll out on the ground
24 before it stops rolling out on the ground.

25 MR. PARKER: Well, the.....

1 MARY: No, this is talking about the minimum
2 detectable. Okay. That is not talking about a major
3 leak. When you've got a major leak you've got a whole
4 different problem.

5 MR. SUND: Yeah, I just asked a simple
6 question. On a major break in the pipeline you detect it
7 within seconds, but how soon can you stop oil from running
8 out of the pipeline?

9 MS. WUNNICKE: As long as it took to ship from
10 the pump stations.

11 MARY: You got to shut them down.

12 MR. DOOLEY: You shut them down in sequence and
13 there's a low point between two pump stations, the amount
14 that flows out of those and then you are through.

15 MARILYN: Does Alyeska have drills for
16 setting off the pipeline?

17 MR. HAVELOCK: No, small spill. You are talking
18 about 160,000 barrels. If you have a total rupture,
19 160,000 barrels is gone before you can close it down.
20 And, then on top of that you are going to lose whatever
21 happens to be in between valves.

22 MR. PARKER: We just recommending something for
23 the next guys. I'm been through these arguments 15 years
24 ago and.....

25 MR. HAVELOCK: You're talking about two hours

1 worth of flow is going to pour out of there before you can
2 stop it.

3 MR. PARKER: (everybody's in on the pipeline and
4 we haven't even got tankers off of our backs, yet)

5 MR. HAVELOCK: It takes two hours to shut it
6 down.

7 MARY: No, no. It takes two hours to detect the
8 minimum leak.

9 MS. WUNNICKE: I guess.....

10 MR. SUND: She said four to ten hours to get
11 it shut down.

12 MS. WUNNICKE: The comment was with respect to
13 the.....

14 MR. HAVELOCK: So, I understated it, yeah.

15 MS. WUNNICKE: We have corrected the record.

16 MR. SUND: Let's get off it.

17 MR. PARKER: We got anymore problems with
18 pipeline?

19 MR. SUND: Mr. Chairman, that's a 7 million
20 gallon spill. That's the Exxon Valdez.

21 MR. PARKER: What's a 7 million gallon spill?
22 Where?

23 MR. SUND: Minimum spill out of the pipeline
24 on a major rupture.

25 MR. PARKER: On a major rupture?

1 MARY: What?

2 MR. PARKER: No, I don't think so.

3 MARY: You're crazy.

4 MR. HAVELOCK: You can't stop it from flowing
5 for four hours and you got a 2 million barrel a day.....

6 MR. SUND: 2 million barrels a day and 24
7 divided that's 83.....

8 MR. WALLIS: You're still talking between
9 valves, though.

10 MS. WUNNICKE: Yeah, but that's 2 million
11 barrels.....

12 MR. WALLIS: ...on what that difference.

13 MR. HAVELOCK: No, because you can't slam those
14 valves shut. And you have to slow it down, so it's still
15 going to come on through.

16 MR. PARKER: Well, that's an interesting
17 exercise and I'll work it out, but let's not do it now.

18 MS. HAYES: I would just ask one thing with
19 respect to the recommendation which is the task force.
20 Just that we make some reference that the statewide
21 council have the benefit of this task force. That
22 statewide council would be looking at all aspects of oil
23 transport.

24 MARILYN: In the absence of a federal
25 proposing passing, is the state proposing a task force?

1 MR. PARKER: Yeah.

2 MARILYN: Thank you.

3 MR. PARKER: Okay. The Arctic. Pretty much
4 what we said yesterday on prevention.

5 MR. HAVELOCK: I guess what I said last time here
6 on prevention, I don't know whether you really do to some
7 extent a crisis situation in the Arctic, do you not?
8 There's zero of capability and in fact that we our fuel
9 run up there, I assume Prudhoe supply, tanker among other
10 things. So.....

11 MR. PARKER: And, some danger hitting a great
12 whale and injuries to themselves.

13 MARY: (Inaudible - not speaking in a mike)

14 MR. PARKER: The problem in the Arctic is
15 essentially that, you know, your biggest problem is going
16 to be barge resupply of petroleum products to one of the
17 villages. Or something going to Red Dog, which they have
18 had some spill scenarios on. But, you are talking about
19 products right now.

20 MS. WUNNICKE: Or some kind of production line
21 rupture or rig disaster and there are stipulations to the
22 leases, I think. Some addressing contingency plans. Of
23 course, certainly with respect to disaster.

24 MR. PARKER: But,

25 MS. WUNNICKE: If the state required those

1 stipulations as part of the leases.

2 MR. PARKER: Well, there's a yard full of stuff
3 at Prudhoe including the air cushion vehicle which was
4 that they try to get going for the grey whales which took
5 some time to get going and everything.

6 But, it's been a long time since I read them and
7 didn't -- I couldn't say a lot about them right now.

8 MS. HAYES: Mr. Chairman, going on to
9 Hitchenbrook South, I'm not sure why we have any statement
10 on that one at all?

11 MR. SUND: Because I'm here.

12 MS. HAYES: Does this make you feel warm and
13 fuzzy?

14 MR. SUND: Yeah.

15 MS. HAYES: What are we recommending?

16 MR. SUND: Nothing.

17 MS. HAYES: What are we -- what are we.....

18 MR. HAVELOCK: We are recommending the
19 development the regional response plan. Which does not
20 now exist and the state should have one and the Coast
21 Guard should have one, but they don't.

22 MR. SUND: We developed a graphic that shows
23 the major tanker breakup up in the -- They've ruled out
24 there that major portions of Southeast Alaska and the Gulf
25 would get annotated with oil.

1 MS. HAYES: I don't have any problem with that
2 -- with your statement. It's just that that is says here
3 and it's hard to decipher those words into that
4 recommendation.

5 MR. PARKER: Yeah, it's pretty skimpy
6 statement.

7 MS. HAYES: I mean it actually sounds like
8 it's already required.

9 UNIDENTIFIED SPEAKER: Fishing boats.....

10 MR. SUND: You are right. Fishing boats and
11 ferrys don't do this. That is a correct statement.

12 MR. PARKER: Well, the driving force behind it
13 is the age of the tankers and the fact, you know, that
14 evidence is fairly clear that a fair amount of the fleet
15 is getting pretty long in the tube.

16 And, so your chances of open ocean spill of some
17 magnitude are getting better year by year.

18 MARILYN: Maybe I could clarify or muddy it
19 up more, I don't know. But, I guess what I would say is
20 that right now, if the tanker, I could be wrong, but if
21 there is a tanker spill outside of the State of Alaska
22 line, whatever that is, in federal waters, the state can't
23 require, and Mary can tell me if I'm wrong, can't require
24 the tanker or the terminal, let's say it's an Alyeska
25 vessel that goes in and out, it happens outside of state

1 waters, we can't require contingency plan to cover that?

2 MARY: (Inaudible) (Not in mike)

3 MARILYN: They go all the way to California.

4 I don't mean Alyeska, I mean a tanker that goes into

5 Alyeska.

6 MARY: Once they are outside of the territorial

7 waters (inaudible)

8 MARILYN: It doesn't have any jurisdiction

9 to require contingency plans for those vessels or require

10 Alyeska to respond to a spill.

11 MARY: (Inaudible)

12 MARILYN: I guess I'm just wondering who

13 cleans up a spill that could affect state land and state

14 waters. Because we know oil spills don't stay where they

15 started they move.

16 MR. PARKER: The basic problem is that there is

17 not contingency plan. To handle this.

18 MR. HAVELOCK: Nor is there a response plan.

19 MR. PARKER: Or a response plan to handle this.

20 So. For the open ocean spills.

21 Once a tanker leaves.....

22 MS. WUNNICKE: In terms of transport, yeah you

23 are right.

24 MR. PARKER: Yeah.

25 MR. WALLIS: But it is within the 200 mile

1 limit so it will fall under the Coast Guard authority,
2 right?

3 MR. PARKER: Yeah.

4 MS. WUNNICKE: Uh-huh.

5 MR. HAVELOCK: But it's under existing authority,
6 the Coast Guard is going to determine, is not going to
7 federalize that. It's left to the private spiller,
8 usually.

9 MR. PARKER: All we're asking here is for the
10 Coast Guard to and EPA as part of the National Contingency
11 Plan to please tell us in a little more detail exactly
12 what they might think about doing, so that the Coastal
13 Communities from Southeast could have some idea of what
14 their future hazards are.

15 You don't even have anything to make a risk
16 assessment on at the moment.

17 MS. HAYES: Mr. Chairman, are we going to go
18 back and revisit our whole list of recommendations for
19 priorities or does the staff have a sense of that from our
20 discussion?

21 MR. SUND: In response?

22 MS. HAYES: No.

23 MR. HAVELOCK: I'd rather that we did that in the
24 light of, you know, we are going to distribute findings,
25 recommendations. I guess that's the time to put your

1 asterisks on it, then.

2 MS. WUNNICKE: I think that's a good procedure.
3 It's been very hard to handle the timing separate from the
4 recommendations. When we see those together I think that
5 we can each individually rank them.

6 MR. SUND: Are we into general questions,
7 now?

8 MR. PARKER: Yeah. I was just going to say we
9 have now reached the point where we would accept anything
10 on the table that is still sticking your craw or burning
11 questions.

12 MR. SUND: Well, just a procedure or how it's
13 going to go on the report. How are the EECO recommenda-
14 tions on prevention, those three groups of items going to
15 go into this report?

16 MR. HAVELOCK: Would you say that again?

17 MS. WUNNICKE: The EECO?

18 MR. SUND: The EECO recommendations on
19 prevention? Or safety or whatever you want to call it?
20 We have three groups of them, right? How are they going
21 to go into this report? I mean, are they.....

22 MR. HAVELOCK: The technical improvements that
23 you suggested, the last meeting you approved a whole lot
24 of the -- most everything that was in the EECO report, as
25 I recall. I don't remember you knocking anything out.

1 So, I assume on the technical things, we had them on hold,
2 and it's a question of whether of emphasis should you, and
3 I assume you are going to make an emphasis point on
4 traffic control system.

5 MR. SUND: When we went through the preven-
6 tion stuff the last couple of days, like recommendations
7 to the U.S. Coast Guard, is that where that is going to
8 fall into? Is that how we are going to do that?

9 MR. HAVELOCK: How are they... I'm not sure at
10 the moment.

11 MR. SUND: Okay.

12 MR. PARKER: One of the things that is under
13 way right now, for example, on the vessel monitoring
14 systems is some conversations, hopefully, we'll get
15 underway very soon between industry and the Coast Guard
16 with EECO being involved in Washington to convey our
17 perceptions on what vessel monitoring system they might
18 want to be looking at to move fairly rapidly. We've got
19 a fairly wide run of vendors out there with possible
20 systems that might be used.

21 So, Admiral Nelson of the Coast Guard and Virg
22 Keith and whoever they send down to BP if they decide to
23 go ahead on this will sit down. If that doesn't come
24 about, well first we'll have to be in the situation of
25 deciding whether we want -- making a firmer decision on

1 vessel monitoring. Right now where we are leaving we are
2 recommending vessel monitoring we -- who operates it.

3 Hopefully those technical discussion and some
4 decisions will go underway. If they do go underway
5 successfully, I think that we can see something happen
6 very rapidly on vessel monitoring systems without waiting
7 to go through the federal budget process and so forth.

8 Because one of the advantages is that with the
9 traffic that is going from Valdez to Nikiski now, a good
10 deal of the traffic out of it's Valdez system will also be
11 represented in Cook Inlet. And, getting those, you know,
12 key ships in Cook Inlet in the system that should be in it
13 would not be that great of a task.

14 It's a matter of bringing the shippers together
15 for a meeting and laying out what's going on in Prince
16 William Sound and bringing Cook Inlet along in that.

17 Same way with getting the state ferry system on
18 board. One of the things that I want to do is talk
19 informally to Jim Aires and get him thinking about whether
20 he has any particular utility for the ferry system.

21 Meg?

22 MS. HAYES: Mr. Chairman, I would just like to
23 revisit one yesterday that was not a major point of ours,
24 but I nevertheless thought about it quite abit. Which was
25 shifting the burden of reviewing the contingency plans to

1 the shipper.

2 My concern about that.....

3 MR. HAVELOCK: Just the cost of.

4 MS. HAYES: Okay. But that wasn't clear. I
5 thought we were talking about having an independent
6 contractor reviewing the plans for DEC.

7 MR. HAVELOCK: Correct. Outside.

8 MS. HAYES: Okay. But, that's one of my
9 concerns is that in the past when that kind of thing has
10 happened, the agency's has opposed that kind of thing
11 because they have to write their standards strictly enough
12 that an outside contractor has a reasonable chance of
13 knowing on what basis that plan is being reviewed.

14 And, before DEC can approve it, they often feel
15 that they need to do their own review of it anyway and I
16 would prefer seeing simply that they had adequate resour-
17 ces to do the review of the contingency plans rather than
18 having a 2-step on that which may end up with the agency
19 not having sufficient funds to do that project.

20 MR. PARKER: In a pragmatic sense in looking
21 out over in Alaska who might be hired to do that kind of
22 independent review, I would have to be really convinced
23 before I had a heck of a lot of faith in the quality of
24 those contractors.

25 MR. SUND: If you don't, you run right into

1 Dasiaks' problem as to what criteria do you like that the
2 independent reviewer can review the plan to see if it's
3 adequate or not.

4 MR. PARKER: Yeah.

5 MS. HAYES: That's exactly.....

6 MR. SUND: The discussion here has come up
7 with on a worst case scenario basis it looks like a
8 political decision to me.

9 MS. HAYES: Yeah.

10 MR. SUND: Because it's a social risk call
11 that you are making.

12 MS. HAYES: And you almost have to do that by
13 regulation which is the devil's own time trying to get
14 those through clearly enough.

15 MR. PARKER: I guess we are saying we don't
16 want to pursue that very.....

17 MS. HAYES: Yeah. I think we want to say that
18 we want to make sure that DEC has adequate resources to do
19 their job.

20 MS. WUNNICKE: Yeah. What happens also is that
21 the agency people end up consulting with the consulting
22 firm and spending almost as much time advising them
23 as.....

24 MR. PARKER: Yeah.

25 MR. SUND: I think -- this right here just

1 made it pretty clear that there is no definable standard
2 that will not leak a hole.

3 MS. WUNNICKE: Mr. Chairman, out on another
4 topic.....

5 MR. SUND: You're offering beyond the limits.

6 MS. WUNNICKE: We were all.....

7 MR. HAVELOCK: The reality is that that money is
8 not going to be there in the future.

9 MS. WUNNICKE: With some minor exceptions which
10 I think the staff would be capable of removing, I think
11 with respect to the Coast Guard take a lot of the recom-
12 mendations that Mary Evans put forth in her report.

13 We will look at them.

14 MR. WALLIS: Are you suggesting that we vote on
15 them.

16 MR. SUND: I guess overall another -- just
17 to, I don't know if anybody has kept track or anything,
18 but it would be nice to have a short little summary of -
19 - short brief, work history of the commission when we
20 started, when we met, how many witnesses we have talked
21 to, etc., etc.

22 I'm just figuring out my life in the last -- since
23 the 6th of June was our first meeting, I think, through
24 this here. You know, it's been 30% of the last six months
25 of my life.

1 MS. WUNNICKE: 100% of Walts.
2 MR. SUND: And, I just thought it would be
3 interesting to.....
4 MR. WALLIS: Mr. Chairman?
5 MR. PARKER: Tim?
6 MR. SUND: It's been fun.
7 MR. WALLIS: Back on the report.
8 There was some talk about moving the light.
9 MR. DOOLEY: Bligh Reef. The pilot light at
10 Bligh Reef.
11 MR. WALLIS: Do we want to include something
12 like that in our recommendations?
13 MR. SUND: In the Congressional Legislation
14 there is a requirement that they install a permanent
15 navigational structure on Bligh Reef. And, it's driving
16 the Coast Guard nuts. Because of the extreme costs that
17 are going to be involved in putting a permanent structure
18 on that.
19 MR. WALLIS: Well, if they are going to put an
20 entire structure, I don't want to mess around with the
21 light, then.
22 MR. SUND: Yeah.
23 MR. WALLIS: And, there's one other thing I'd
24 like to bring up.
25 MR. PARKER; That will give us something else

1 to hit the next one that runs ashore.

2 MR. WALLIS: Do we want to visit and express an
3 opinion on penalties or non-penalties or reporting a
4 spill?

5 (Laughter)

6 I'm serious.

7 MS. WUNNICKE: I can't comment on that. It's in
8 quotes.

9 MR. SUND: Well, the whole liability struc-
10 ture, I don't think we even touched.....

11 MR. PARKER: You mean what kind of spill?
12 Right now I think the penalties are the same for the
13 service station operator as they are for Joe Hazelwood, I
14 think. We're talking about the same general range as far
15 as, you know, failure to report a spill. Or the rewards,
16 real or otherwise, for reporting it.

17 I don't know. You got me in an area where I'm not
18 real up on.

19 MR. SUND: The total liability thing, Tim?
20 What's your exposure to liability on a spill, or?

21 MR. WALLIS: The immunity.

22 MS. WUNNICKE: The immunity for reporting it.
23 Immunity from prosecution for reporting it.

24 MR. HAVELOCK: Maybe you ought to leave that
25 alone.

1 MS. WUNNICKE: I think there's a judge that's
2 going.....

3 MR. PARKER: I give.....

4 MR. SUND: I don't know.....

5 MR. WALLIS: Just wanted to bring it up.

6 MR. SUND:if there's any incentive to
7 report spills. I've reported two of them in my life. I
8 got a \$750.00 fine the first time and a \$1,500.00 fine the
9 second time.

10 MR. PARKER: What was your other options? What
11 would they have fined you?

12 MR. WALLIS: You should have got Dick Madsen
13 for you attorney.

14 MR. SUND: You don't report, you don't get
15 caught, you don't get fined. I mean, that's your other
16 option.

17 MR. PARKER: How could they fine you if you are
18 supposedly not at risk?

19 MR. DOOLEY: He had a different attorney.

20 MR. SUND: No, they never even showed up to
21 look. They just took my report at face value. Nobody
22 even came out to see if the spill actually occurred. We
23 report the spill.

24 MR. PARKER: Didn't even write to Dick or
25 somebody about that?

1 MR. SUND: The incentive was that every-
2 body's quit reporting spills.

3 MR. PARKER: Well, I'd sure.....

4 MR. SUND: Why report it. All they will do
5 is send you a bill.

6 MR. PARKER: Yeah.

7 MS. HAYES: Mr. Chairman?

8 MR. PARKER: Yeah.

9 MS. HAYES: I guess I would like to know from
10 Counsel whether after our bomb shell that Tim dropped
11 yesterday about being named the beneficiary on the
12 insurance is going to be.....

13 MR. HAVELOCK: I've talked with our insurance
14 contractor this morning about that, Mr. Phillips. He said
15 he thought that he was going to be a (inaudible) proposi-
16 tion and that it would be of some benefit.

17 I assume, you'll wait on his report, but I told
18 him to -- we wanted an emphasis on that.

19 MS. WUNNICKE: A company would insure itself for
20 loss of the vessel and cargo and also environmental
21 damages, huh?

22 MR. HAVELOCK: Well, that's the trend although
23 the other thing that is going on is that the insurance
24 companies are not willing to take these big risk. The
25 catastrophic spill is too big a risk to insure, so...

1 Which has been sort of a pattern actually, already. Folks
2 like Exxon that belong to these Clubs? That are self-
3 insurance groups.

4 MS. WUNNICKE: So, then that's not a mechanism
5 for rewarding good behavior by reducing rates or anything
6 like that?

7 MR. HAVELOCK: Well, there's a good deal that
8 insurance can do, which the premium rate is one. The
9 other thing is that the insurance company has a condition
10 of giving you a premium - can require that you undertake
11 safety activities.

12 So, we'll probably chuck in something like that.

13 MS. HAYES: In fact, that's one of the things
14 that we haven't discussed in detail, but the incentives
15 I've heard John Sund go about some length, the value of
16 rewards rather than simply penalties

17 And, I'm wondering if we've identified any of
18 those.

19 MR. WALLIS: I have. Damn good record.
20 Instead of going 10 knots I can go 20.

21 (Laughter)

22 MS. HAYES: Good driving record. A point
23 system.

24 MR. SUND: I remember myself expounding on
25 that for months.

1 MR. PARKER: I think, you know, revisiting 406
2 and anything subsequently that flows from that looking for
3 positive rewards aspect somewhere in the system is
4 worthwhile. I don't know where we would get led there,
5 but we tried it once, no reason why we shouldn't go again.

6 MS. HAYES: Well, I think that there's some
7 connection between the types of things we've talked about
8 in terms of prevention and what we ought to be done in
9 contingency plans.

10 I don't know what that relationship is, but
11 whatever we are recommending ought to have some reference
12 that Alyeska has put in an awful lot time and money and
13 energy into doing something on prevention that hadn't been
14 there before and it ought -- it is, I guess, reflected in
15 the Contingency Plan, but there ought to be some relation-
16 ship and encouragement for other people to do some more
17 stuff.

18 MARILYN: It's almost as if the contingency
19 plan should be called prevention.

20 MR. PARKER: Yeah.

21 MS. HAYES: Yeah.

22 MR. PARKER: That's the problem with the whole
23 blooming marine system is the first rate operator -- the
24 only benefit he gets from going the extra mile is the
25 satisfaction of running a first class operation and the

1 leaky greeks that's back here doing the absolute minimum,
2 and his satisfaction is possibly getting, making greater
3 profits and then if he runs into a disaster he can go non-
4 responsive and dump all his costs on the public.

5 So, you know, tying that together is beyond our
6 means at the moment and I'm not even sure we are in shape
7 to make any recommendations on how to go about tying it up
8 together. But, it is the basic overriding problem when
9 you deal with ships at sea.

10 MR. DOOLEY: Since you've made the effort to
11 allow the state to alaskasize spills, does that commence
12 with spring cleaning?

13 MR. WALLIS: It depends on what the legislature
14 does.

15 MR. PARKER: Spring clean up? I don't know.
16 Maybe we don't want to particularly -- we'll leave that to
17 Bob.

18 MR. WALLIS: On your point there, you make a
19 good point. And, maybe if we have any money left over we
20 can contract out for a interdigital report.

21 (Laughter)

22 MS. WUNNICKE: Can I use the middle digital?

23 MR. HAVELOCK: Mr. Chairman, a comment before you
24 adjourn on the commissions expectation of what you expect
25 for the next meeting?

1 MR. PARKER: Alright.

2 MS. WUNNICKE: What do you expect for the next
3 meeting?

4 MR. HAVELOCK: Are you holding one? What do you
5 -- done? Here or do you have any -- what are your
6 expectations? What do you think we are going to have
7 other than what we've already discussed and which is a
8 timetable that doesn't relate to meeting. But, the
9 timetable that John Sund already prepared and will work
10 on?

11 MS. WUNNICKE: Do you anticipate all members
12 signing the report or just the Chairman signing the
13 report?

14 MR. HAVELOCK: I don't anticipate.

15 MS. WUNNICKE: Do you envision?

16 MR. HAVELOCK: I assume all the names are going
17 to be one it. I mean, whether we want to duplicate
18 signatures or.....

19 MS. WUNNICKE: Well, you're looking at one, two,
20 three, four people who will be here. John Sund will not
21 be in the country. Neither Commissioner Herz.....

22 MR. PARKER: Are we sure about Herz?

23 MS. WUNNICKE: No, he cannot come. No.

24 MR. PARKER: Well, I guess it's up to the
25 floor. Do we want to get together on the 3rd and 4th and

1 go with whatever is a final then? Or,
2 MR. WALLIS: Well, we are going to get rough
3 drafts out right?
4 MR. HAVELOCK: Oh, yeah.
5 MR. WALLIS: Let's go over them and set up a
6 telephone call and see if we need a meeting or.....
7 MR. PARKER: Okay.
8 MS. WUNNICKE: That's a good idea.
9 MR. WALLIS: Set up a call for -- when you
10 figure they will be out?
11 The 20th?
12 MR. HAVELOCK: Pardon?
13 MR. WALLIS: What's that? The 20th?
14 MR. HAVELOCK: If we are talking about the
15 findings and recommendations rough draft, yeah, the 20th.
16 MR. WALLIS: How about the executive summary?
17 MR. HAVELOCK: Steve walked away with the paper,
18 but I think that's another two weeks on top of that. A
19 little more than two weeks. More than two weeks.
20 MR. WALLIS: So, what are we talking about in
21 reviewing before we do a telephone bit and see if we need
22 a meeting?
23 Findings and recommendations or the Executive
24 Summary.
25 MR. PARKER: Yeah, Findings and Recommenda-

1 tions. The Executive Summary whenever they can get to us.

2 MR. SUND: Are you looking at about 20 pages
3 on an Executive Summary?

4 MR. HAVELOCK: I would assume the Findings and
5 Recommendations, we go through, you know, explaining
6 options and the format that was suggested that we are
7 probably looking at 30 pages, 30 to 40 right there.

8 The Executive Summary's gonna run more like 50.

9 MR. SUND: I'm just getting a feel for, you
10 know.....

11 MR. WALLIS: Yeah, I think it would be helpful.

12 MR. HAVELOCK: If you just want findings, I mean,
13 you got four pages here single spaced of each, so it's
14 around 7 pages there. We didn't shrink them.

15 AL: It might be helpful if the Commission gave
16 us the latitude test, structure as we see it fits best -
17 - unless you have some very firm views about how some of
18 the portions should go.

19 For instance, I can see an advantage to a 2 page
20 Executive Summary. Because the purpose of that is the
21 busy executive reads two pages and if they decide to read
22 anymore.....

23 MR. SUND: Well, I was thinking of more than
24 that. If you are looking at January, it's something --
25 if we are going to go out with something that is not the

1 complete report, it's got to be more than 2 pages.

2 MR. PARKER: Yeah.

3 AL: No, I'm saying but, in many people's mind
4 an executive summary is 2 pages and then you get a report
5 that follows it. A summary is 2 pages and then you get 60
6 pages of something else that goes with.

7 If we can have the latitude as far as.....

8 MR. HAVELOCK: What Al is talking about is
9 viewing a two page press release to cover it.

10 MS. WUNNICKE: The executive summary is going to
11 have to be bigger.

12 MR. PARKER: This lap size information is
13 probably one reason the whole country is in trouble
14 anyway. I think you have to get it to the level that is
15 necessary to do the job and whatever that comes out, why
16 we'll live with it.

17 MR. SUND: I was just trying to get a feel of
18 what I felt an adequate level of a summary of this last
19 six or eight months.....

20 MR. PARKER: After... I didn't see how you
21 were going to get the executive summary in any less than
22 30 and probably should try to hold it under 50 pages.

23 MS. WUNNICKE: Once I had 10 pages in mine, but
24 I have revised that.

25 MS. PARKER: Yeah.

1 MARILYN: Could I just comment before I
2 leave in that after working for the legislature for four
3 years going on five years, they are going to need some-
4 thing that is very short and we should go to the cost of
5 duplicating it for each of the legislators so they have
6 them on a few pages. That's in addition to, I'm not
7 saying it is replacing, but in addition to.

8 MR. PARKER: One of the real problems is all
9 information at the political and top industrial level
10 seems to get exchanged orally now. And, if it doesn't
11 come in a fax, the only thing that is read comes by fax.
12 We have a lot of people stumbling around at the highest
13 decision making levels who don't know a hell of a lot.

14 MR. SUND: You want to put that at the head
15 of the findings?

16 MR. PARKER: Yeah, I think that's a good
17 finding.

18 MARILYN: And, they're not going to know any
19 more after this, either.

20 MR. PARKER: I think, you know, when Jim Baker
21 representing the United States in the Department of State
22 walked into -- the Summit is a classic example. What Jim
23 Baker knows about the Soviet Union.

24 Anyway... Anything else, Ladies and Gentlemen?

25 MS. WUNNICKE: Yes. Mr. Chairman, I want to

1 thank the staff. Good job. And, to thank you in ad-
2 vance.....

3 MS. HAYES: For having a miserable Christmas
4 vacation.

5 MS. WUNNICKE: For having a miserable Christmas
6 vacation and giving us a good product. It's been a
7 tremendous burden. Everybody has done it with a great
8 deal of goodwill.

9 Please thank Peggy and Lynn, who I think have done
10 a superb job in helping us.

11 Marilyn, we are sorry you are not going to get to
12 be here to have your Christmas ruined, too.

13 MR. PARKER: Where is she going? Is Marilyn
14 leaving? What, what's going on here? You sure you gotta
15 go?

16 MR. WALLIS: Does this kind of reflect what you
17 said about the top executive?

18 MS. WUNNICKE: And, if I ever want to nominate
19 somebody for a Hop-a-Long Cassidy award for riding into
20 the Okay Corral to save the ship, I guess I'd like to
21 nominate John Havelock.

22 MR. HAVELOCK; Hop-a-Long Cassidy?

23 MS. WUNNICKE: One of my favorite figures.

24 MS. HAYES: I would also like to thank those
25 members of the audience who have persevered -- Cordova,

1 Valdez, Kodiak, Seward, Homer.....

2 MS. WUNNICKE: Who are now breathing a sigh of
3 relief who don't have to go home and write a report.

4 MR. PARKER: Are you ladies going to write a
5 report?

6 MS. WUNNICKE: We want to see a copy of your
7 report. With marginal notes.

8 MR. PARKER: Well, you won't have the Alaska
9 Oil Spill Commission to carry around anymore.

10 (Laughter)

11 MR. WALLIS: I would just like to express the
12 same sentiments in thanking the staff, the audience and
13 working with the commission members. This is the first
14 time I met Meg and John and the other two people that
15 works with these people. But, it's been enjoyable.

16 I value the friendship.

17 MR. PARKER: It's not over for you, yet.

18 MR. WALLIS: No, but John is going to be gone
19 and I just wanted to kiss him before he leaves.

20 MS. WUNNICKE: Yeah. Have a good time. Eat a
21 lot of pumpkin soup.

22 MR. SUND: Well, I'd like to, you know, my
23 thanks to everybody, too. I think I'd like to have one
24 more side note or at least a letter from the staff or the
25 commission that I promised many legislatures would show

1 and give advice on how to revise a procurement code
2 dealing with short term commissions.

3 MS. WUNNICKE: I think that could be expanded.

4 MS. HAYES: Yea.

5 MR. SUND: Well, it was going to be part of
6 our recommendation on procurement for major catostrophic
7 spills was to get some exemption. But, it also ought to
8 apply to short term commissions.

9 MS. WUNNICKE: Especially short term.

10 MR. SUND: It's been enjoyable. We have had
11 our ups and downs and as you run into all large egos at a
12 small table, they have bumped heads every once and a
13 while.

14 MR. WALLIS: Nothing as bad as 6 to 1, though.

15 MR. SUND: You guys blew Ed away today. Six
16 to one and he wasn't the one. He was over here shaking
17 in his chair. He couldn't figure that one out.

18 I feel a little bit bad in that I wish I could
19 have put a little more into it than I had the opportunity
20 to. Yesterday was the first time I heard the explanation
21 of why all those pink salmon showed up in Southeast Alaska
22 was that they were dodging the oil coming up.

23 So, Tim you'll be in Juneau most of the session,
24 I take it to help carry this ball along?

25 MR. WALLIS: I hope to be in Juneau most of the

1 session.

2 MR. SUND: Readily available to testify on
3 behalf of the Oil Spill Commission.

4 MR. WALLIS: After February? Rely on Walt.
5 After February it's a little more than \$150 a day,
6 yeah.

7 MR. PARKER: Okay. As you are all aware
8 they've got your memo. There's going to be a little party
9 at Simon at 6:00 to celebrate getting this far and to wish
10 Marilyn bon voyage as she makes her first trip to Hawaii.
11 As I understand, she is going to do the hula on top of one
12 of the tables at Simon's for us in preparation for
13 visiting Hawaii so that she will not be embarrassed by
14 getting to Hawaii and not knowing how to do the hula.

15 MARILYN: I'll say one thing to that. I'm
16 not going to dance on the table. BUT, I will be in
17 contact with John and the staff and hope to help in
18 finalizing the recommendations through my -- but, also, I
19 will be back afterwards to help on the final before I
20 leave for Juneau.

21 So, I'm not completely gone yet.

22 MR. PARKER: We just wanted to have you a put
23 you on the airplane party anyway.

24 AL: I can't remember, but I think those tables
25 at Simon's are being help at 5:00. Perhaps 5:30.

1 MR. SUND: It says 5:00 in the note.
2 MR. PARKER: Aye.
3 Okay. 5:00 then. Okay.
4 MR. WALLIS: Where at Simons? In the back? In
5 the bar?
6 MR. PARKER: At the bar.
7 MS. HAYES: Under anybody's name?
8 AL: The commission's name.
9 MS. HAYES: Joe Hazelwood.
10 MR. PARKER: Okay. Well, I guess we can go
11 straight there from here.
12 I want to express my thanks to John Havelock for
13 pulling off his miracle.....
14 MS. HAYES: He hasn't yet.
15 MR. PARKER: I don't know how it did it and I
16 don't want to know. We'll see how it holds.
17 We are adjourned till we meet again.
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