

Department of Environmental Conservation

DIVISION OF SPILL PREVENTION AND RESPONSE Prevention, Preparedness and Response Program

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February 22, 2017

Monty Morgan Chairman, PWS Response Planning Group Polar Tankers, Inc. PO Box 875 Valdez, AK 99686

Tom Stokes Compliance Director Alyeska Pipeline Service Company PO Box 196660, MS 502 Anchorage, AK 99519-6660

Subject:

Alyeska Pipeline Service Company Marine Service Contract Transition

Dear Mr. Morgan and Mr. Stokes:

The Alaska Department of Environmental Conservation (department) has been notified that on or before July 1, 2018, Alyeska/SERVS intends to transfer the Prince William Sound marine service contract to Edison Chouest Offshore (ECO). This effort involves new escort tugs, general purpose tugs, response barges, and personnel training to operate and facilitate the Prince William Sound escort and response system. This transition involves changes to the prevention and response capabilities outlined in the plans held by the Prince William Sound Tanker Oil Discharge Prevention and Contingency (PWS Tanker) Plan holders (Alaska Tanker Company, LLC; BP Oil Shipping Company, USA; Chevron Shipping Company, LLC; Polar Tankers, Inc.; SeaRiver Maritime, Inc.; Tesoro Maritime Company; and Alyeska Pipeline Service Company (APSC) for the Valdez Marine Terminal Plan.

The department previously made detailed requests of APSC for information on September 13, 19, and 30, 2016 concerning the new vessel and barge designs and their intended use. APSC responded to the department with some information on October 26 and 29, 2016, November 21, 2016, and December 14, 2016. The department reviewed this information and believes significant information is lacking which is essential to the successful approval of the pending amendment.

The performance prediction reports submitted for the 4517 class escort tugs present a confusing array of vessel analyses. Vessel speeds, assist modes, and operational characteristics are not consistent between these reports, and it is not clear to the department what standards are being applied to the vessels. The department is concerned that multiple standards from various agencies are referenced without defined applicability which does not give the department any confidence in performance predictions that have been made. In addition, none of the reports indicate that vessel information is preliminary, notional, or final. In summary, the prediction reports do not present a sufficient definition of proposed tug operation or performance. All of the supplied reports concerning vessel performance are hypothetical and speculative since they are not supported by clear documentation and modelling.

Currently, it is not possible for the department to have the required degree of certainty about the characteristics of the proposed vessels in question.

Performance predictions cannot be adequately reviewed unless a master controlling document is prepared that defines the predictions, vessel performance testing, and adequate vessel design information. Based on the confusing array of cited standards in the information submitted thus far, the department will also need architectural design and construction deliverables and the regulatory correspondence from the authenticating agency. Based on the documents received, the department is concerned that the plan holders may not be conducting model testing, simulator testing, numerical testing, or full scale testing based on PWS or Gulf of Alaska conditions and requirements.

Reviews of the very limited data provided to date indicates that substantial vessel design deficiencies may exist, particularly in the area of winter operations. If there is not adequate proof of performance in the critical areas of tanker escort and response, the department will be unable to approve the new escort vessels and response system until this requirement is achieved. Without this information, the department cannot participate in any discussion, review, or inspection of vessel construction issues.

The department requires time to fully examine the submittal associated with the proposed tugs and barges. The information provided thus far, for both escort tugs and barges, is unacceptable for the department's decision making process, and any late submittal of required deliverables will be cause for a significant time delay in the department's decision making process.

The department understands that ECO vessels and barges are currently under construction. The plan holders must demonstrate that the tugs will achieve the performance criteria for Prince William Sound and Gulf of Alaska as described in the current approved PWS Tanker and VMT contingency plans. In order to allow an expeditious review of this proposal, it is in the best interest of the plan holders to provide to the department pertinent and complete information for review that meet or exceeds the criteria set forth under 18 AAC 75 Oil and Other Hazardous Substances Pollution Control regulations and accommodate the current PWS Tanker and VMT contingency plans and constitutes best available technology under analysis required by 18 AAC 75.445(k)(3) and 18 AAC 75.425(e)(4)(A)(iii).

The department looks forward to future cooperation with the PWS Tanker Plan holders and Alyeska/SERVS through this transition.

If you have any questions concerning this matter, please contact Mr. Pete LaPella at 907-835-1470 or pete.lapella@alaska.gov.

Sincerely,

Graham Wood Program Manager Electronic cc: Ron Doyel, ADEC

Pete LaPella, ADEC Sarah Moore, ADEC Geoff Merrell, ADEC