

Alaska Wilderness League, Alaska Forum for Environmental Responsibility, Cascadia
Wildlands Project, Copper Country Alliance, Copper River Watershed Project,
Center for Biological Diversity, Kachemak Bay Conservation Society,
Northern Alaska Environmental Center, Natural Resources Defense Council,
Walter B. Parker and Associates, Pacific Environment, Sierra Club,
Resisting Environmental Destruction on Indigenous Lands,
Rosemary Ahtuanguaruak, The Wilderness Society

June 2, 2009

Via Email

Commissioner Larry Hartig
Alaska Department of Environmental Conservation
Juneau, Alaska 99811
dec.commissioner@alaska.gov

Re: Recommendation to Terminate Alaska Risk Assessment Contract

Dear Commissioner Hartig:

Alaska conservation groups and other concerned citizens have participated in the occasional public reviews of the Risk Assessment of Oil and Gas Infrastructure (ARA) since the project's inception under the Alaska Department of Environmental Conservation (ADEC). Based on review of the proposed methodology prepared by project contractor Doyon-Emerald/ABS, the undersigned organizations are concerned that during its two-year gestation period this project has undergone significant design changes that severely diminish its ability to accomplish its stated purpose – to identify and mitigate risks associated with the operation of Alaska's oil and gas infrastructure. We therefore respectfully recommend that the state exercise its option to terminate the plan outlined in the proposed methodology.

With an estimated \$1.5 million to \$2.0 million of the project's original \$5.0 million state appropriation reportedly spent at the end of the second year of a three-year project, the ARA is still in the design phase. In light of these circumstances, we believe the project's fundamental purposes would be better served by using the remaining funds to establish an ombudsman program that would enable workers employed at Alaska oil and gas production and transportation facilities to come forward to identify operational problems without fear of losing their jobs.

When ADEC received authorization for this project from the State Legislature in May 2007, the ARA was billed as a three-year initiative designed to assure that events such as BP's North Slope corrosion problems the preceding year would not be repeated. The state spent the first year developing its game plan and hiring its independent contractor, whose team tendered its proposed methodology for public discussion in March of this year, as the project neared the end of its second year. During this period, the scope of the project has been narrowed significantly. Here are some key examples:

- As ADEC originally outlined the ARA project, an independent team was supposed to identify risks and recommend measures to mitigate them. It now appears that the risk assessment team will submit a catalogue of risks but will not make recommendations. Due to this change (requested by Doyon-Emerald/ ABS after it secured the contract) the state loses the benefit of retaining a fresh and independent set of eyes and ears to examine Alaska petroleum production and transportation activities.
- Instead of intensive field inspections to determine the condition of facilities and examine first-hand the implementation of operating, maintenance and training procedures, the ARA team hopes to gather and rely on aggregate data. (At this late date, however, the state and the project team have been unwilling or unable to obtain access to industry operations records. Nor have arrangements been completed to grant the risk assessors access to facilities to conduct initial or follow-up observations to ensure the validity of whatever data the project team does manage to obtain.)
- In developing its risk list, the assessment team proposes to screen out problems such as chronic small oil spills, other toxic spills and various safety infractions, reasoning that minor incidents do not cause serious problems. This approach is liable to overlook both problems with more than one cause and cumulative impacts – to the detriment of safety and the environment.
- The project use of terms such as “significant consequence areas,” “unacceptable consequences” and “significant” environmental consequences set preliminary screening threshold levels that are far too high to reflect public concerns about loss of human life and adverse impacts on Alaska’s environment.
- The proposed methodology also fails to provide essential focus on how the various state and federal oversight agencies fulfill their responsibilities.

In addition to the narrowing of tasks, targets and inputs summarized above, we find the proposed methodology critically deficient in its characterization of Alaska land and waters potentially affected by the mishaps the ARA is supposed to identify and prevent. The proposed methodology lacks maps and other spatial documentation necessary to identify and locate with precision sensitive areas such as critical fish and wildlife habitats, cultural and historical sites, recreational areas and subsistence areas. Moreover, the “node” framework adopted by Doyon-Emerald/ABS for petroleum facility event classification and review is a blunt tool that does not mesh well with the extreme variability of Alaska’s geography, hydrology and climate conditions. Without better definitions – and field research to verify their applicability – project data inputs will not reflect actual conditions and the resulting statistics will not be meaningful.

These developments and concerns lead us to conclude that this project is not capable of effectively identifying and reducing risks so that events such as BP’s 2006 North Slope corrosion problems will not occur in the future. The principal underlying problem, as we see it, is that the Doyon-Emerald/ABS proposal relies on abstract information instead of “boots on the ground” observation of the condition of the state’s petroleum production and transportation facilities, how those facilities are operated and maintained, how personnel are trained to perform their tasks and the character of the potentially affected Alaska locales. Due to economic and social pressures, a report that is not grounded in thorough and objective field work is liable to be overly optimistic, creating a false sense of security about risky petroleum operations. The flawed results are liable to overlook or

downplay serious risks, thereby adversely affecting identification and resolution of potentially significant problems and the land and waters the ARA is supposed to protect.

Further undermining our confidence in this project is the notable discrepancy between the glowing depiction of the ARA outreach process presented by Doyon-Emerald/ABS, on the one hand, and the views of NGO representatives and other public citizens who have taken the time to participate in this process, on the other. The small showing by NGO representatives and the general public calls into question the effectiveness of the ARA outreach effort, as most of the 200 participants in the ARA stakeholder process counted by Doyon-Emerald/ABS were government or industry personnel. At the same time, the nearly unanimous rejection of the proposed methodology by the participating NGO and general public cohort is striking. For example, each of the six NGO and general public persons who participated in the day-long methodology meeting in Anchorage May 5 voiced strong reservations about the proposed game plan. In Fairbanks, all four members of the public who provided input to the project team at the public outreach meeting in Fairbanks last Sept. 25 now feel that the proposed methodology does not reflect their input to the ARA team; they now believe the project should be terminated.¹ We note that strong concerns were raised about the project's application to various regions from Cook Inlet to the North Slope, and we are particularly concerned that the ARA team did not obtain face-to-face feedback on its proposed methodology from Alaska rural communities, particularly on the North Slope.

In light of the issues summarized here, we respectfully ask ADEC to exercise its option to terminate the project outlined in the proposed methodology at this time, rather than proceeding to the project execution phase and continuing to spend the remaining \$3.0 million in appropriated funds on the critically flawed Doyon Emerald/ABS plan. Instead, we urge ADEC to consider what we believe to be the far greater risk mitigation potential of alternative programs. For example, the creation of an effective ombudsman program for workers employed at Alaska oil and gas production and transportation facilities would enable workers to come forward to identify operational problems without fear of suffering harassment, intimidation and/or job loss. The history of TAPS and North Slope problems strongly suggest that this approach might be particularly useful for its far-flung facilities, where three oil companies control an unprecedented 95% share of the operations that provide the vast preponderance of state government revenue.

Finally, we note that the experience of those who have participated in the ARA process demonstrates once again the need to establish citizen oversight groups for TAPS and the North Slope. Many people were disappointed seven years ago when state and federal agencies summarily turned down a similar environmental and public community request made during the public meetings to consider federal and state grant and lease renewal. We continue to recommend the establishment of regional groups along the lines of the federally mandated Prince William Sound and Cook Inlet Regional Citizens' Advisory Councils in order to provide the public with the means to secure and evaluate better information on petroleum system operations issues and a forum for interchange with industry practitioners.

¹ Three of these individuals are affiliated with groups signing this letter; the fourth is a former senior manager on TAPS. (A fifth member of the general public who offered comments in Fairbanks last September passed away during the intervening period.)

If you would like additional information on the issues we have outlined, please contact Peter Van Tuyn (907 / 278-2000), who can put you in touch with the participants in this review whose thoughts and experiences form the basis for our concerns and our recommendation.

Thank you for your consideration.

Sincerely,

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