



Sarah Palin's "Alaska Risk Assessment," which once held promise of reforming oversight of Alaska's crumbling oilfield infrastructure, is in a death spiral. Watchdogs who've been following it are now calling on the State to hit the eject button.

This conclusion was reached reluctantly after several of us attended a day-long workshop, May 5 in Anchorage, held by project contractors Doyon/Emerald and ABS consulting. The workshop presented the draft methodology for conducting the risk assessment. The document is available for review, and public comments are being accepted through June 2.

What Palin announced way back in 2007 was a "comprehensive assessment of Alaska's Oil and Gas Infrastructure." Great! But like the Sarah we once knew and loved, the ARA has transformed into something very different.

First of all, the study is not even remotely comprehensive. With fancy logic puzzles they put on an elaborate set of blinders. Here is a partial list of the aspects of risk being totally excluded from the ARA:

- Process Safety (e.g. corporate cost cutting, cheating, not following procedures)
- Marine transportation
- 3rd party damage (terrorism, sabotage, maintenance damage)
- Abandoned facilities
- Facilities not yet in operation
- Refineries
- Gas distribution lines

- Government oversight (or, lack thereof)
- Maintenance
- Management of Change

Having cut out MOST of the risks we face, they continue putting on blinders. Further screening criteria filter out "insignificant," or "acceptable," risks. Among the things they consider not worth their bother:

- Any safety risk that would kill fewer than five workers in an explosion
- Reliability of Cook Inlet infrastructure
- "indirect" impacts of spills, such as to the fishing industry or subsistence
- Health impacts (ie. from toxic exposure to the public)
- Spills less than 10 bbl

Risks thus screened out will be assigned a "zero" ranking in the final risk profile. So, for example, if the ARA team discovers, even as a certainty, that some risk—a corroded pipeline, say— was likely to kill four oilfield workers and shut down Cook Inlet oil & gas production forever, that will be considered "insignificant" and given a "zero" risk ranking. Poof.

Not that they're likely to discover anything. The project was pitched as "an engineering analysis involving a thorough, independent appraisal of the condition of the state's oil and gas facilities." (Palin 2007 Press Release)

What has emerged is nothing of the sort. Take the claim of, "independent." The contract was awarded to Doyon/Emerald. Doyon has millions in oilfield contracts—about \$25 million in annual contracts with Alyeska alone. (Source: ExxonMobil Pipeline Company 2007/Q4 FERC Form No.6/6-Q) Doyon also hopes to start controversial drilling in the Yukon flats. They are independent?

Alaska pioneer Walt Park, Governor Hammond's technical advisor during TAPS construction and Alaska's first Commissioner of Transportation, filed an official protest of Doyon's contract because of the conflict of interest. Parker's protest was dismissed by the State, but his point is being validated by what is happening.

The methodology involves no fieldwork, no inspections, no verification of any sort. They will ask the oil industry to share their own appraisals of their facilities, and report back whatever they're given as fact, without doing any validation. How can they discover problems if they don't look for them?

You'd think the chance to present their own side of the story as undisputed fact would be enough for the oil industry. You'd be wrong. Industry has provided essentially no information, and there's no sign they will. Industry provided no comments whatever on the methodology. They've shared nothing regarding their own risk management procedures. Assuming they have any. Industry cites bogus concerns about trade secrets and proprietary data, but it's clear they are sabotaging Palin's effort. Without an independent contractor to shake loose some real facts, the State's effort is sunk.

It gets worse. When it was announced, Palin's press release said the study would "identify facilities and systems that pose the greatest risk of failure, along with measures to reduce risk."

But Doyon/Emerald has backed off of making any recommendations. They are especially concerned not to recommend any increase in regulation or oversight. This is apparently based on industry pressure. (See [followup comments](#) of Richard Fineberg for documentation of this)

So, the ARA is not comprehensive, it is not an assessment, and it will not result in any recommendations for change. **We're paying \$5 million to get an incomplete photocopy of part of industry's own appraisal of itself and put it on a musty shelf.**

The only part of the original mandate they seem to be fulfilling is to spend the allotted \$5 million.

National Academy of Sciences is peer reviewing the methodology concurrent with the public review. Doing my best impression of The Eternal Optimist, I'm hopeful this group will put the hammer down. They're extremely smart people with lots of professional pride, and signs so far are of a rigorous process. But then, on the committee for NAS are Richard Rabinow, who made a 34-year career with Exxon and held a high-ranking corporate position on TAPS in 1994-1995, and Shirish Patil, who does research for industry at University of Alaska, Fairbanks. Again, smart and

professional. But how long do technocrats expect us regular idiots—who just live on the rivers, work in the oilfields, and clean up their spills— to ignore our own common sense and just trust them? Especially when all we see is paper flying, nothing changing, and oil spilling?

Given the methodology now proposed, the only possible purpose the ARA will serve is as a whitewash for industry and overseers to remain complacent with regard to oil spills. In this, ARA today is a complete transformation from its original, stated purpose.

The best way out now for the State is to cancel the contract with DoyonEmeral/ABS, invest the remaining funds in an oilfield ombudsman program, and support creation of a TAPS Citizens Advisory Council. There's a sign-on letter circulating that should draw broad support. Contact Betsy at Alaska Wilderness League (betsy@alaskawild.org), or me at Cascadia Wildlands Alaska Field Office, or if you or your group would like to sign on. Or, submit your own comments by June 2.

When it comes to preventing spills and accidents, we're all in this together, and complacency is our worst enemy.

—GWS

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