STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION
DIVISION OF SPILL PREVENTION AND RESPONSE
INDUSTRY PREPAREDNESS PROGRAM
Marine Vessels Section

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October 31, 2007

Jack Thibault
Chief Operations Officer
Alaska Tanker Company, LLC
15400 NW Greenbriar Parkway
Parkside Building, Suite A400
Beaverton, Oregon 97006

Subject: **Alaska Tanker Company, LLC Integrated Vessel Response Plan (ATC Plan) Renewal Application of ADEC Plan Number 07-CP-4039 dated June 15, 2007, Plan Approval and Distribution.**

The Alaska Department of Environmental Conservation has completed review of the June 15, 2007 application for approval of the following Oil Discharge Prevention and Contingency Plan.

Plan Name and Dates:	**Alaska Tanker Company, LLC Integrated Vessel Response Plan and Incident Response Manual, June 15, 2007**
Supporting Documents:	**Prince William Sound Tanker Oil Discharge Prevention and Contingency Plan (Core Manual and SERVS Technical Manual), June 15, 2007** **Graphical Resource Database (GRD) Version 12/2005**
Plan Holder:	**Alaska Tanker Company, LLC** **15400 Greenbriar Parkway** **Parkside Building, Suite A400** **Beaverton, Oregon 97006**
Covered Vessels:	***S/T Denali* (598680), *S/T Prince William Sound* (570108), *M/T Alaskan Frontier* (1154199), *M/T Alaskan Explorer* (1163384), *M/T Alaskan Navigator* (1172490), *M/T Alaskan Legend* (1184822).**

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As the Prince William Sound Tanker Oil Discharge Prevention and Contingency Plan (Core Plan) is an integral part of the ATC Plan, this approval also extends to that supporting document. Its maintenance and implementation is required in order for the ATC Plan to remain in compliance with Alaska statutes and regulations.

The Department appreciates the efforts the plan holders put forth in amending their VRP, in restructuring the Core Plan format and in working with the Department, Alyeska/SERVS and the Prince William Sound Regional Citizen Advisory Council (PWSRCAC) to create plans that are greatly improved over prior versions and meets the minimum requirements of applicable State regulations.

During the last plan approval period the Department instituted a work group process in which representatives from the Department, plan holders and the PWSRCAC could work together to address common areas of concern regarding oil spill prevention and response in Prince William Sound. Jeff Johnson, Chair of the Response Planning Group (RPG), expressed in a letter to PWSRCAC dated October 1, 2007 a willingness to continue the work group process during this plan approval period. The objective of the work group is the continued improvement of the plan, an objective the Department sincerely supports. The Department is committed to partnering with the RPG and the PWSRCAC on a steering committee which would guide the work group process, and encourages ATC to support this work group, as well.

PLAN APPROVAL: Approval of the ATC Plan is hereby granted, effective November 2, 2007. A Certificate of Approval stating that the plan has been approved by the Department is enclosed.

In granting approval of the plan, the Department has determined that the plan, as represented by the applicant in the plan and application for approval, satisfies the minimum planning standards and other requirements established by applicable statutes and regulations. The Department does not warrant to the applicant, the plan holders or any other person or entity: (1) the accuracy or validity of the information or assurances relied upon; (2) that the plan is or will be implemented; or (3) that even full compliance and implementation with the plan will result in complete containment, control or clean-up of any given oil spill, including a spill specifically described in the planning standards. Although the plan meets the minimum requirements of State regulations, the plan holders are encouraged to take any additional precautions and obtain any additional response capability it deems appropriate to further guard against the risk of oil spills and to enhance its ability to comply with its duty under AS 46.04.020(a) to immediately contain and clean up an oil discharge.

This approval is subject to the following terms and conditions:

TERMS AND CONDITIONS

1. Personnel Verification. No later than January 31, 2008, plan holders, through the RPG, will initiate a joint industry, Department and stakeholder workgroup to verify personnel numbers, personnel roles and personnel deployment strategies called for in the plan for the initial 72 hours of an oil spill response. Verification of these personnel requirements

will be completed by April 30, 2008, unless the Department determines good cause exists for extending the completion date.

This condition is reasonable and necessary as a plan condition under 18 AAC 75.425 (e)(3)(C) and (I) to ensure that plan holders have the trained personnel resources available to carry out a response to a spill of the response planning standard.

2. Aerial Support for Dispersant Monitoring. During the current plan approval period, plan holders, through the RPG, will conduct a field exercise to verify the aerial support required for dispersant monitoring. Department representatives and plan holders have differing viewpoints on the ability of the spotter aircraft to also be the monitoring aircraft. The plan holders must coordinate with the Department in the planning of a drill to resolve this question.

   This condition is reasonable and necessary as a plan condition under 18 AAC 75.425 (e)(1)(G) and 425 (e)(3)(G) to ensure that plan holders have the resources, including aerial, required to meet regulatory and permitting requirements for dispersant application and monitoring.

3. Tier III Fishing Vessel Program. Within 60 days of plan approval, plan holders, through the RPG, will provide the following documentation to the Department to verify the updated plan information concerning the Tier III Fishing Vessel Program located in Core Manual Section 3.9.4 and PWS-LP-7 in the SERVS Technical Manual. Please provide a copy of each of the following:
   a. The training curriculum that is in place
   b. Verification that the training curriculum meets OSHA (HAZWOPER) requirements for Tier III vessel duties
   c. Documentation of pre-identified training facilities that allow for concurrent training sessions in Valdez, Cordova, Whittier, Seward, Homer and Kodiak, as needed
   d. Documentation of the procedures that are in place for the notification, selection, contracting, training and inspection of Tier III fishing vessels in order to meet Core Plan requirements

   Additionally, the Department requires annual updates regarding the information requested above.

4. Near Shore Task Force 5. This plan renewal incorporated a redesigned in-region Near Shore Task Force 5 to add additional flexibility to the current response system. The redesigned Task Force 5 uses new-built equipment that is scheduled to be delivered and operational by December 31, 2007. Until the redesigned Task Force 5 is fully operational the plan holders, through the RPG, must:
   a. Maintain in operational condition the current Near Shore Task Force 5 as depicted in the 2002 approved plan.
   b. Notify the Department in writing when the redesigned Near Shore Task Force 5 has arrived, been tested and is considered by SERVS to be fully capable of conducting response operations as required in the plan.

5. Documents Required On Board the Vessel. A copy of the ATC Plan, its Certificate of Approval, and the Prince William Sound Tanker Oil Discharge Prevention Contingency Plan ("Core Manual" and SERVS Technical Manual) must be on board the vessels at all times while in State of Alaska waters.

6. Final Copy of the Plan. Within 30 days of this letter, ATC must submit to the Department updated versions of the approved plan, including all revisions instituted during the recent plan review and the conforming plan edits agreed to in responses to the Department's requests for additional information dated August 8, 2007. **You must send two complete plan copies to the Department's Valdez office. In addition, you must send either a complete updated version of the plan or a copy of the plan edits and revisions to each controlled document holder of your contingency plan**. Please be advised that no plan material has been added to, deleted from or changed within your plan since the plan was submitted on June 15, 2007.

   Additionally, ATC must arrange for submission of updated versions of the Prince William Sound Tanker Oil Discharge Prevention Contingency Plan ("Core Manual" and SERVS Technical Manual), including all revisions instituted during the recent plan review and the conforming plan edits agreed to in responses to the Department's requests for additional information dated August 8, 2007 and September 24, 2007. **You must ensure that two complete Core Plan copies are sent to the Department's Valdez office. In addition, you must send either a complete updated version of the Core Plan or a copy of the plan edits and revisions to each controlled document holder of your contingency plan**.

7. Amendments and Renewal. All future amendments and renewals, with the exception of the addition of a spot charter vessel, must be submitted in a "red line" format that clearly identifies the changes proposed. This includes all changes, regardless of their significance. "Red line" format means that each and every change must be clearly stated within the text of the plan to identify each and every addition and deletion.

8. Notice of Changed Relationship with Response Contractor. This plan relies on the use of response contractor(s) for its implementation. The plan holder must immediately notify the Department, in writing, of: (a) any change in the contractual relationship with the plan holder's response contractor(s); (b) any breach by either party to the response contract that may excuse a response contractor from performing; (c) any indication a response contractor may fail or refuse to perform; or (d) any event that may otherwise affect the response, prevention or preparedness capabilities described in the approved plan.

EXPIRATION: This approval expires November 1, 2012. After the approval expires, Alaska law prohibits operation of the vessel until an approved plan is once again in effect.

RENEWAL: The plan holder must submit a completed renewal application and plan to the Department no later than February 1, 2012. This is to ensure the submitted plan is approved before the current approved plan expires (18 AAC 75.420).

REVOCATION, SUSPENSION, OR MODIFICATION: This approval is effective only while the plan holder is in compliance with the plan and with all of the terms and conditions described above. The Department may, after notice and opportunity for a hearing, revoke, suspend or require the modification of an approved plan if the plan holder is not in compliance with it, or for any other reason stated in AS 46.04.030(f). In addition, Alaska law provides that a vessel or facility that is not in compliance with the plan may not operate (AS 46.04.030). The Department may terminate approval prior to the expiration date if deficiencies are identified that would adversely affect spill prevention, response or preparedness capabilities.

DUTY TO RESPOND: Notwithstanding any other provisions or requirements of this plan a person causing or permitting the discharge of oil is required by law to immediately contain and cleanup the discharge regardless of the adequacy or inadequacy of a plan (AS 46.04.020).

NOTIFICATION OF NON-READINESS: Notification of prevention and response equipment non-readiness must follow the requirements presented in 18 AAC 75.475.

CIVIL AND CRIMINAL SANCTIONS: Failure to comply with the plan may subject the plan holder to civil liability for damages and to civil and criminal penalties. Civil and criminal sanctions may also be imposed for any violation of AS 46.04, any regulation issued there under or any violation of a lawful order of the Department.

INSPECTIONS, DRILLS, RIGHTS TO ACCESS, VERIFICATION OF EQUIPMENT, SUPPLIES AND PERSONNEL: The Department has the right to verify the ability of the plan holder to carry out the provisions of this plan and access to inventories of equipment, supplies and personnel. Verification may be through such means as inspections and discharge exercises. Verification may be with or without prior notice to the plan holder. The Department has the right to enter and inspect the covered vessel or facility in a safe manner at any reasonable time for these purposes and to otherwise ensure compliance with the plan terms and conditions [AS 46.04.030(e); AS 46.04.060; 18 AAC 75.480 and 485].

COMPLIANCE WITH APPLICABLE LAWS: If amendments to the approved plan are necessary to meet the requirements of any new laws or regulations, the plan holder must submit an application for amendment to the Department at the above address. The plan holder must adhere to all current applicable state statutes and regulations. This approval does not relieve the plan holder of the responsibility for securing other federal, state or local approvals, permits or compliance with all other applicable laws.

VOLUNTARY INCIDENT REPORTING: In the interests of early identification and reduction of spill risks in Alaska waters, the Department requests that it be notified if a vessel covered by this plan, in transit to or from Alaska waters, is involved in a reportable incident as defined by USCG regulation or is not in compliance with the vessel's USCG Certificate of Inspection. The Department requests the notification be made to the Department's Valdez office, as soon as possible after addressing resultant safety concerns, at (907) 835-4698 or by facsimile to (907) 835-2429. The initial report of the incident should contain the date, time, location, weather conditions, vessel operations underway, identity of any facilities and other vessels involved and a brief analysis of any known cause. The Department requests you submit a copy of the final USCG report within thirty days of the incident.

ADJUDICATORY HEARING: Any person who disagrees with this decision may request an adjudicatory hearing in accordance with 18 AAC 15.195 - 18 AAC 15.340 or an informal review by the Division Director in accordance with 18 AAC 15.185. **Informal review requests** must be delivered to the Division Director, 410 Willoughby Avenue, Suite 303, Juneau, Alaska 99801, within 15 days of the permit decision. **Adjudicatory hearing requests** must be delivered to the Commissioner of the Department of Environmental Conservation, 410 Willoughby Avenue, Suite 303, Juneau, Alaska 99801, within 30 days of the permit decision. If a hearing is not requested within 30 days, the right to appeal is waived. Please send a copy of the hearing request to the undersigned.

If you have any questions, please contact John Kotula at (907)835-3037 or John.Kotula@alaska.gov.

Sincerely,

Betty Schorr
Program Manager

Enclosures: Certificate of Approval
2007 Prince William Sound Tanker Oil Discharge Prevention and Contingency Plan Findings Document

cc: Karen Hays, ATC
Tom Colby, ATC
Jeff Johnson, RPG Chair, BP Alaska
Ed Thompson, BP Alaska
John Kotula, ADEC, Valdez
Mark Fink, ADF&G, Anchorage
Carol Fries, ADNR, Anchorage
Mary Ogle, Kodiak Island Borough
Jim Goosens, City of Cordova
Gary Williams, Kenai Peninsula Borough
Lisa Von Bargen, City of Valdez
Lester Lunceford, City of Whittier
John Devens, RCAC - Valdez
Linda Swiss, RCAC – Anchorage
Thede Tobish, Municipality of Anchorage
Walt Wrede, City of Homer
Phillip Oates, City of Seward
Richard Wyland, City of Seldovia
Tom Lakosh
Project File