



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of
Environmental Conservation
DIVISION OF SPILL PREVENTION AND RESPONSE

Contaminated Sites Program
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File: 2538.38.015

February 26, 2016

The Aleut Corporation
Registered Agent for Frosty Fuels, LLC
4000 Old Seward Highway, Suite 300
Anchorage, Alaska 99503

Re: Cold Bay Frosty Fuel Tank Farm
ADEC Hazard ID #1570

**** STATE OF ALASKA NOTIFICATION – HAZARDOUS SUBSTANCE LIABILITY****

This standard notification is to advise you of your liability for the contamination identified at the Cold Bay Frosty Fuel Tank Farm site located near the Cold Bay airport in Cold Bay. Because you are documented as the current owner of this site, you are identified to be financially responsible or liable under AS 46.03.822 (Strict Liability for the Release of Hazardous Substances) for the investigation and cleanup of any hazardous substance contamination that might be present.

Alaska Statute 46.03.822 establishes who is liable for contamination. State records indicate that you meet the following criteria:

- own or operate the property at which the hazardous substance came to be located.

In addition, Alaska Statutes 46.04.010 (Reimbursement for Cleanup Expenses) and 46.08.070 (Reimbursement for Containment and Cleanup) require that recovery be sought for certain costs, including oversight activities, incurred by the State in responding to pollution incidents. Billable oversight expenditures include the direct cost of staff time plus indirect state overhead costs. Billable staff time includes all time spent on activities related to the incident, including site visits, response and report reviews, correspondence, telephone conversations, meetings, and legal services.

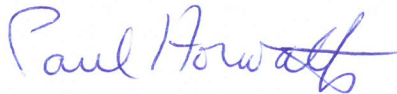
If you are taking adequate actions to clean up this site, the Alaska Department of Environmental Conservation's (ADEC) involvement will be limited to approving cleanup plans and reports, monitoring the progress of cleanup activities and providing guidance as necessary. However, if response actions are not satisfactory, ADEC may assume the lead role in the investigation and

cleanup efforts. In the event that State response actions are necessary, you may be held financially liable for any response actions taken by the State. Failure to reimburse the state for billable oversight and cleanup expenditures incurred by the state to address contamination at this site may result in the filing of liens against property you own, pursuant to Alaska Statute 46.08.075.

If you have specific questions regarding the investigation and cleanup of this site, you can reach me at (907) 262-3422 or via email at paul.horwath@alaska.gov.

If you believe someone else may be responsible for this pollution incident or you have questions about your liability under Alaska Statutes, or you have questions about cost recovery and the billing process, please contact DEC's Cost Recovery Unit by phone at (907) 465-5250 or by email at dec.spar.cr@alaska.gov.

Sincerely,



Paul Horwath
Project Manager
ADEC Contaminated Sites Program

cc: SPAR Cost Recovery Unit via email dec.spar.cr@alaska.gov