

STATE OF ALASKA

**DEPT. OF ENVIRONMENTAL CONSERVATION
DIVISION OF SPILL PREVENTION AND RESPONSE
INDUSTRY PREPAREDNESS PROGRAM**

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June 9, 2003

File No: 305.30 (2190)

OIL DISCHARGE PREVENTION AND CONTINGENCY PLAN APPROVAL

Mr. Dan Roseta
Offshore Systems Inc.
P.O. Box 3479
Kirtland, WA 98083

Dear Mr. Roseta:

Re: Extended Plan Approval Period for Offshore Systems Inc., Dutch Harbor, Oil Discharge Prevention and Contingency Plan, October 2000, ADEC Plan Number 003-CP-2130.

The Alaska Department of Environmental Conservation (Department) has extended the approval period of the Offshore Systems Inc., Dutch Harbor Terminal, Oil Discharge Prevention and Contingency Plan dated December 2000. As noted below, the approval period has been extended by two years as required by the recently enacted Senate Bill 74 (An Act extending the renewal period for Oil Discharge Prevention and Contingency Plans).

This approval applies to the following Oil Discharge Prevention and Contingency Plan (plan):

Plan Title: **Offshore Systems Inc., Dutch Harbor, Oil Discharge Prevention and Contingency Plan consisting of one (1) volume.**

Plan Holder: **Offshore Systems Inc., Dutch Harbor, Alaska.**

Covered Facilities: **Offshore Systems Inc., Oil Terminal, Captains Bay, Dutch Harbor, Alaska.**

PLAN APPROVAL: Approval of the referenced plan is hereby granted, **effective June 9, 2003.** This approval supersedes the plan Approval and Certificate of Approval, dated May 30, 2001.

A certificate of approval stating that the Department has approved the contingency plan is enclosed.

EXPIRATION: This approval **expires June 1, 2006**. After the approval expires, Alaska law prohibits operation of these facilities until an approved plan is once again in effect.

RENEWAL: To renew this approval, the plan holder must submit a completed renewal application and plan to the Department no later than 180 days prior to the expiration of this approval. This is to ensure that the submitted plan is approved before the current plan in effect expires. (18 AAC 75.420).

AMENDMENT: Before any change to this plan may take effect, the plan holder must submit an Application for Amendment to the plan with any additional information needed to evaluate the proposed amendment. This is to ensure that changes to the plan do not diminish the plan holder's ability to respond to a discharge and to evaluate any additional environmental considerations that may need to be taken into account. (18 AAC 75.415).

REVOCAION, 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 contingency 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 contingency plan (AS 46.04.020).

NOTIFICATION OF NON-READINESS: Within twenty-four (24) hours after any significant response equipment specified in the plan becomes non-operational or is removed from its designated storage location, the plan holder must notify the Department in writing and provide a schedule for the equipment's substitution, repair, or return to service (18 AAC 75.475(b)).

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 thereunder, or any violation of a lawful order of the Department.

INSPECTIONS, DRILLS, RIGHTS TO ACCESS AND 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 its contingency plan and access to inventories of equipment, supplies and personnel through such means as inspections and discharge exercises, 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 and the terms and conditions (AS 46.04.030(e) and AS 46.04.060). The plan holder shall conduct exercises for the purpose of testing the adequacy of the contingency plan and its implementation (18 AAC 75.480 and 485).

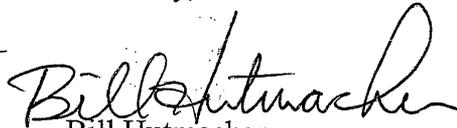
FAILURE TO PERFORM: In granting approval of the plan, the Department has determined that the plan, as represented to it by the applicant in the plan and application for approval, satisfies the minimum planning standards and other requirements established by applicable statutes and regulations, taking as true all information provided by the applicant. The Department does not warrant to the applicant, the plan holder, 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. The plan holder is 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.

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 applicable state statutes and regulations as they may be amended from time to time. This approval does not relieve the plan holder of the responsibility for securing other federal, state or local approvals or permits, and that the plan holder is still required to comply with all other applicable laws.

APPEAL: This is a final decision. Aggrieved persons with standing may appeal this decision to the Alaska Superior Court within 30 days as provided by the Alaska Rules of Appellate Procedures.

If you have any questions, please contact Dave Zuker at 269-7679 or Bob Dreyer at 269-7664.

Sincerely,



Bill Hutmacher
Program Manager

Encl.: Certificate of Approval, Number 03-CER-3510

cc w/o encl.: Bob Dreyer, ADEC
Dave Zuker, ADEC
Mark Fink, ADF&G
Sam Means, ADNRR, Anchorage
Capt. Ron Morris, USCG, Anchorage MSO
Matt Carr, EPA
Karol Kolehmainen, Aleutians West CRSA