

STATE OF ALASKA

**DEPT. OF ENVIRONMENTAL CONSERVATION
DIVISION OF SPILL PREVENTION AND RESPONSE
INDUSTRY PREPAREDNESS AND PIPELINE PROGRAM
Marine Vessel Section**

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June 5, 2001

File No.: 302.20 (OSI)

OIL DISCHARGE PREVENTION AND CONTINGENCY PLAN APPROVAL

Mr. Robert T. Miller
Ocean Ships, Inc.
16211 Park Ten Place
Houston, TX 77084

Dear Mr. Miller:

SUBJECT: Renewal of Oil Discharge Prevention and Contingency Plan Ocean Ships Incorporated Oil Discharge Prevention and Contingency Plan.
ADEC Plan Number: 001-CP-2210

The Alaska Department of Environmental Conservation received an application from Ocean Ships Incorporated (OSI), in accordance with 18 AAC 75.420(b, c & d) and 18 AAC 75.415(c) for renewal of the OSI Cook Inlet Vessel Oil Discharge Prevention and Contingency Plan. The application was accompanied and supplemented by revisions to the existing OSI plan that reflect changes in response management protocols, contracts with response action contractors, and other necessary information. The Department reviewed this application and associated plan revisions and amendments for compliance with the Alaska Administrative Code at 18 AAC 75.420(d) and 18 AAC 75.415(c), and has determined that the plan meets the Oil Discharge Prevention and Contingency Plan requirements.

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

Plan Title: **OSI Vessel Oil Discharge Prevention and Contingency Plan for Cook Inlet and Kodiak**

Plan Holder: **Ocean Ships Incorporated
16211 Park Ten Place
Houston, TX 77084**

Covered Vessels: **M/V Paul Buck (684688), M/V Gus W. Darnell (684689), M/V Samuel L. Cobb (684690), M/V Richard G. Matthiesen (684691) & M/V Lawrence H. Gianella (684692)**

PLAN APPROVAL: The referenced plan is hereby approved, **effective June 5, 2001**. This approval supercedes the plan Approval and Certificate of Approval that became effective on July 13, 1998.

This approval is subject to the following terms and condition:

TERM AND CONDITION:

1. Notice of Changed Relationship with Response Contractors. The C-plan must immediately notify the Department in writing of any change in the contractual relationship with the C-plan holder's response contractor(s). Including but not limited to any breach by either party to the response contract that may excuse a response contractor from performing, that indicates a response contractor may fail or refuse to perform, or that may otherwise affect the response, prevention, or preparedness capabilities described in the approved C-plan.

This condition is reasonable and necessary because there are certain risks associated with allowing a C-plan holder to rely in part or total upon a response contractor instead of obtaining its own response capability. The risks arise, in part, because the certainty of the contractor's response is dependent upon the continuation of the legal relationship between it and the C-plan holder.

EXPIRATION: This approval **expires June 4, 2004**. After the approval expires, Alaska law prohibits operation of any vessel until an approved C-plan is again in effect.

RENEWAL: To renew this approval, the C-plan holder must submit a completed renewal application and plan to the Department no later than 180 days prior to the expiration date in this approval. The application must include a copy of the existing plan highlighting new language and redlining deleted language in the plan. These requirements are to ensure the submitted plan is approved before the current plan in effect expires. (18 AAC 75.420)

REVOCAION, SUSPENSION, OR MODIFICATION: This approval is effective only while the C-plan holder is in "compliance with the C-plan" as approved on June 5, 2001, and any subsequent amendments approved by the Department while the C-plan is in force, 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 C-plan if the C-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 C-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 C-plan becomes non-operational or is removed from its designated storage location, the C-plan holder must notify the Department in writing and provide a schedule for equipment substitution, repair, or return to service (18 AAC 75.475(b)).

CIVIL AND CRIMINAL SANCTIONS: Failure to comply with the C-plan may subject the C-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, VERIFICATION OF EQUIPMENT, SUPPLIES AND PERSONNEL: The Department has the right to verify the ability of the C-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 C-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 C-plan and the terms and conditions (AS 46.04.030(e) and AS 46.04.060). The C-plan holder shall conduct exercises for testing the adequacy of the contingency plan and its implementation (18 AAC 75.480 and 485).

FAILURE TO PERFORM: In granting approval of the C-plan, the Department has determined that the C-plan, as represented to it by the applicant in the C-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 C-plan holder, or any other person or entity: (1) the accuracy or validity of the information or assurances relied upon; (2) that the C-plan is or will be implemented; or (3) that even full compliance and implementation with the C-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 C-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 C-plan are necessary to meet the requirements of any new laws or regulations, the C-plan holder must submit an application for amendment to the Department at the above address.

The C-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 C-plan holder of the responsibility for securing other federal, state or local approvals or permits, and that the C-plan holder is still required to comply 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. We request the notification be made, 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. We request you submit a copy of the final USCG report within thirty days of the incident.

Please ensure a complete copy of this approved plan is delivered to:

Mark Fink
Habitat and Restoration Division
Alaska Department of Fish and Game
333 Raspberry Road
Anchorage, AK 99518-1599

Mike Munger
Cook Inlet RCAC
910 Highland Avenue
Kenai, AK 99611-8033

Robert Bright
Kenai Peninsula Borough
144 N. Binkley
Soldotna, AK 99669

Steve Provant
ADEC
P. O. Box 1709
Valdez, AK 99686

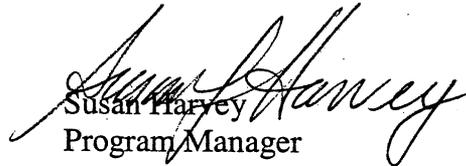
Bob Scholze
Community Development Department
Kodiak Island Borough
710 Mill Bay Road
Kodiak, AK 99615-6340

Sam Means
Southcentral Region
Land, Mining & Water
550 W. 7th Ave., Suite 900 C
Anchorage, AK 99501-3557

If other review participants request copies of your Oil Discharge Prevention and Contingency Plan you will need to also provide them a copy.

If you have any questions, please contact Bob Flint at (907) 269-7681 or Steve Provant at (907) 835-4698.

Sincerely,


Susan Harvey
Program Manager

Enclosure: Certificate 001-CER-3409

cc w/o: Mark Fink, ADF&G, Anchorage
Sam Means, ADNR, Anchorage
Mike Munger, CIRCAC
Robert Bright, KPB
Robert Scholze, KIB
Mark Sienkiewicz, Prism Environmental
Steve Provant, ADEC, Valdez
Bob Flint, ADEC, Anchorage