STATE OF ALASKA

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

SARAH PALIN, GOVERNOR

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December 18, 2008

File No.: 303.30(SB)

OIL DISCHARGE PREVENTION AND CONTINGENCY PLAN APPROVAL

Mr. Richard H. Lauer
Bulk Products Manager
Sause Brothers, Inc.
3710 NW Front Ave.
Portland, OR 97210

Subject: **Sause Brothers Ocean Towing Company, Inc., Alaska Tank Barge Operations Oil Discharge Prevention and Contingency Plan (Number 08-CP-5104); Plan Approval and Distribution**

Dear Mr. Lauer:

The Alaska Department of Environmental Conservation (Department) received an application for renewal of the Sause Brothers Ocean Towing Company, Inc. (Sause Brothers, Inc.), Alaska Tank Barge Operations Oil Discharge Prevention and Contingency Plan (Plan). The Department reviewed the application for renewal in accordance with 18 AAC 75.455.

PLAN APPROVAL: The Department granted approval of the following Plan, effective December 18, 2008:

Plan:	**Sause Brothers Ocean Towing Company, Inc., Alaska Tank Barge Operations Oil Discharge Prevention and Contingency Plan**
Plan No.:	**08-CP-5104**
Plan Holder:	**Sause Brothers Ocean Towing Company, Inc.** **3710 NW Front Ave.** **Portland, OR 97210**
Covered Vessel(s):	**T/B *Monterey Bay* (1193404)**
Region(s) of Operation:	**Southeast; Prince William Sound; Cook Inlet**

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The Department determined that the Plan, as represented by Sause Brothers, Inc. in the application for approval, satisfied the minimum planning standards and other requirements established by applicable statutes and regulations. 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 with and implementation of the Plan will result in complete containment, control or clean up of any given oil spill. Sause Brothers, Inc. is encouraged to take any additional precautions and obtain any additional response capabilities 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**:

1. Documents required on board the vessel(s): While in State waters, a copy of this Approval Letter, Certificate of Approval, and the Plan, as defined in 18 AAC 75.425(e)(1), must be on board all covered vessels at all times.

2. Final copy of the plan: Sause Brothers Inc. must submit to the Department updated versions of the approved Plan, including all revisions instituted during the recent Plan review within 30 days of this letter. **You must send one complete Plan copy to each of the Department's Anchorage and Valdez offices. 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 Plan holder**. Please be advised that no Plan material has been added to, deleted from or changed within your Plan since the Plan was submitted on April 9, 2008.

3. Amendments and renewal: All amendments and renewals 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, addition or deletion must be clearly identified within the text of the Plan.

4. Notice of changed relationship with response contractor: Sause Brothers, Inc. relies on the use of response contractors for its Plan implementation. Sause Brothers, Inc. must immediately notify the Department, in writing, of: (1) any change in the contractual relationship with Sause Brothers, Inc. response contractors; (2) any breach by either party to the response contract that may excuse a response contractor from performing; (3) any indication a response contractor may fail or refuse to perform; or (4) any event that may otherwise affect the response, prevention or preparedness capabilities described in the approved Plan.

EXPIRATION: This approval expires **December 17, 2013.** Following expiration, Alaska law prohibits operation of the vessel in State waters until an approved plan is once again in effect.

RENEWAL: Sause Brothers, Inc. 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 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 Sause Brothers, Inc. 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 modification of the approved Plan if Sause Brothers, Inc. is not in compliance with the Plan 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 a plan may not operate in State waters (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 the Plan (AS 46.04.020).

NOTIFICATION OF NON-READINESS: Sause Brothers, Inc. must notify the Department, in writing, within 24 hours after any significant response equipment, as specified in the Plan, is removed from its designated storage location or becomes non-operational. This notification must provide a schedule for equipment substitution, repair or return to service as described in 18 AAC 75.475(b). This notification does not in itself waive any provision of this Plan approval. If the Department accepts Sause Brothers, Inc.'s schedule for equipment substitution, repair or return to service, it will provide an approval in writing.

CIVIL AND CRIMINAL SANCTIONS: Failure to comply with the Plan may subject Sause Brothers, Inc. 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 Sause Brothers, Inc. to carry out the provisions of this Plan and to access inventories of equipment, supplies and personnel. Verification may be through means such as inspections and discharge exercises. Verification may be with or without prior notice to Sause Brothers, Inc. The Department has the right to enter and inspect the covered vessel(s) in a safe manner at any reasonable time for these purposes and to otherwise ensure compliance with 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, Sause Brothers, Inc. must submit an application for amendment to the Department at the above address. Sause Brothers,

Inc. must adhere to all current applicable state statutes and regulations. This approval does not relieve Sause Brothers, Inc. of the responsibility to secure other federal, state or local approvals or permits or 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 the vessel(s) covered by this Plan, while within or in transit to or from Alaska waters, is involved in: (1) a reportable incident as defined by United States Coast Guard (USCG) regulation or (2) is not in compliance with the vessel's USCG Certificate of Inspection. The Department requests a report as soon as possible after addressing resultant safety concerns either via telephone at (907) 269-7566 or by facsimile to (907) 269-8403. 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(s). The Department requests that Sause Brothers, Inc. submit a copy of the final USCG report within 30 days of the incident.

INFORMAL REVIEWS AND ADJUDICATORY HEARINGS: Any person who disagrees with this Plan approval 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 Plan Approval. **Adjudicatory hearing requests** must be delivered to the Department Commissioner, 410 Willoughby Avenue, Suite 303, Juneau, Alaska 99801, within 30 days of the Plan approval. If a hearing is not requested within 30 days, the right to appeal is waived. Please send a copy of an informal review or hearing request to the undersigned.

If you have any questions regarding this approval please contact:

Samantha Smith	(907) 269-7566	samantha.smith@alaska.gov.
Martin Farris	(907) 269-8487	martin.farris@alaska.gov.

Sincerely,

Betty Schorr

Betty Schorr
Program Manager

Enclosure: Certificate of Approval, Number 08-CER-027

Electronic cc w/ enclosure:
John Kotula, ADEC
Martin Farris, ADEC

cc w/out enclosure:
Mark Fink, ADF&G
Carol Fries, ADNR
Carol Smith, Valdez Coastal Coordinator
Peter Denmark, Whittier Coastal Coordinator
Steve Harris, Cordova Coastal Coordinator
Thede Tobish, Anchorage Coastal Coordinator
Brian Templin, Craig Coastal Coordinator
Walter Jack, Angoon Coastal Coordinator
Steve Ritzinger, Haines Coastal Coordinator
Jerry Medina, Hoonah Coastal Coordinator
Steven Dilts, Hydaburg Coastal Coordinator
Paul Reese, Kake Coastal Coordinator
Dave Taylor, Ketchikan Coastal Coordinator
Allan Stewart, Pelican Coastal Coordinator
John Morris, Klawock Coastal Coordinator
Leo Luczak, Petersburg Coastal Coordinator
Marlene Campbell, Sitka Coastal Coordinator
Marj Harris, Skagway Coastal Coordinator
Carol Rushmore, Wrangell Coastal Coordinator
Mike Harper, Thorne Bay Coastal Coordinator
Gary Williams, Kenai Peninsula Borough Coastal Coordinator
Susan Lee, Matanuska-Susitina Coastal Coordinator
Michelle Strearns, Kodiak Coastal Coordinator
Teri Camery, Juneau Coastal Coordinator
Project file