

STATE OF ALASKA

FILE COPY

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

June 30, 2003

**OIL DISCHARGE PREVENTION
AND CONTINGENCY PLAN APPROVAL**

Mr. Robert I. Shoaf, Vice President
Alyeska Pipeline Service Company
P. O. Box 196660
Anchorage, AK 99519

Dear Mr. Shoaf:

SUBJECT: Extended Plan Approval Period for Valdez Marine Terminal Oil Discharge Prevention and Contingency Plan (C-Plan) dated April 11, 2003, as revised May 14, 2003; ADEC Plan No. 033-CP-4057.

The Alaska Department of Environmental Conservation (Department) has extended the approval period of the Valdez marine Terminal Oil Discharge Prevention Contingency Plan No. 033-CP-4057, dated April 11, 2003, with revisions through May 14, 2003. As noted below, the approval period has been extended by approximately two years as required by the recently enacted Senate Bill 74 (an Act extending the renewal period for Oil Discharge Prevention and Contingency Plans). At the request of Alyeska staff, the Department is issuing the renewal certificate for approximately six weeks less than two years in order to bring State and Federal regulatory approval deadlines into alignment.

Plan Name and Dates:	Valdez Marine Terminal Oil Discharge Prevention and Contingency Plan, April 11, 2003 as amended May 14, 2003.
Plan Holder:	Alyeska Pipeline Service Company P. O. Box 196660 Anchorage, AK 99519
Facility	Valdez Marine Terminal, P. O. Box 300, Valdez, AK 99686



PLAN APPROVAL: Approval of the referenced plan is hereby granted, effective June 30, 2003. This approval supersedes the plan Approval and Certificate of Approval dated April 10, 2003.

EXPIRATION: This approval expires March 4, 2008. After the approval expires, facility operations are prohibited by Alaska law until an approved plan is once again in effect.

RENEWAL: As part of this plan approval, the Department is requiring that in order to renew this approval, the plan holder must submit a complete application by June 5, 2007. The plan holder must continue to have a designated representative to administer the contingency plan application renewal and to coordinate all matters related to the contingency plan. The Designated Representative will: 1) meet with representatives of the Department on an as needed basis; 2) coordinate drills, inspections, training or other activities related to the contingency plan; 3) identify best available technology or other requirements that may apply at the time of the next renewal application; 4) introduce plan amendments; and 5) identify and resolve any issues that may arise to ensure the expeditious submission, review and approval of the renewal application.

The Department, at its discretion, may seek advisory input or consultation with subject matter experts or other stakeholders regarding spill response and contingency planning issues. The Department, at its discretion, will inform stakeholders of significant items to be addressed by the plan holder prior to submission of an application for renewal as a means to facilitate expeditious review.

REVOCATION, SUSPENSION, OR MODIFICATION: This approval is effective only while the plan holder is "in compliance with the plan" as approved on June 30, 2003 and with all of the terms described in this letter. 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 equipment substitution, repair, or return to service (18 AAC 75.475(b)).

NOTICE OF CHANGED RELATIONSHIP WITH RESPONSE CONTRACTOR:

Because the plan relies on the use of response contractor(s) for its implementation, the plan holder must immediately notify the Department in writing of any change in the contractual relationship with the plan holder's response contractor(s), and of any event 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 plan.

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 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 Supreme Court within 30 days as provided by the Alaska Rules of Appellate Procedures.

If you have any questions, please contact Becky Lewis at (907) 257-1374.

Sincerely,


Bill Hutmacher
Program Manager

Enclosure: Certificate of Approval Number 03-CER-3599

cc: Mr. Jerry Brossia, AO, BLM/JPO
Mr. John Kerrigan, SPC, ADNR/JPO
Ms. Kaye Laughlin, DGC
Mr. Carl Lautenberger, EPA/JPO
Mr. Mike Wrabetz, BLM/JPO
Mr. Dennis Gnath, ADNR/JPO
Mr. Sam Means, ADNR
Mr. Jim Taylor, USDOT/OPS, Washington D.C.
CDR Mark Swanson, USCG/MSO Valdez
Mr. Joe Banta, Project Manager, PWS RCAC, Anchorage
Mr. John Devens, PWS RCAC, Valdez
Ms. Donna Schantz, PWS RCAC, Valdez
Mr. Tom Lakosh
Mr. Stan Stephens, Alaska Forum for Environmental Responsibility
Mr. Rod Hoffman, Alyeska SERVS, Valdez
Ms. Laurie Hull-Engles, Alyeska SERVS, Valdez