

VALDEZ FISHERIES DEVELOPMENT ASSOCIATION, INC.
SOLOMON GULCH HATCHERY



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State of Alaska

January 24th, 2020

Commissioner Jason Brune
Alaska Dept. of Environmental Conservation
410 Willoughby Avenue
P.O. Box 111800
Juneau, Alaska 99811

RE: Notice of Public Scoping – Oil Discharge Prevention & Contingency Plan Requirements

Commissioner Brune,

The Valdez Fisheries Development Association, Inc., (VFDA) respectfully submits the following comments to convey our significant concern with the adoption of any statutory or regulatory changes that erode oil spill prevention and response standards, increase the risk of a catastrophic spill, or demonstrates a return of complacency on the part of the oil industry or its regulators.

VFDA was established in 1980 with a single mission to “raise, propagate and market fish and fish products, and to develop renewable fisheries resources for the benefit of sport and commercial fishermen, fish processors, tourists, and all businesses dependent upon the fishing industry in Alaska”.

VFDA accomplishes this mission through the operation of the Solomon Gulch Hatchery (SGH), located in Port Valdez, Alaska. SGH is the largest Pink salmon hatchery in North America. With an incubation capacity of 270 million Pink salmon and 2 million Coho salmon eggs, the annual releases of fry and smolt from VFDA’s fisheries enhancement programs contribute significantly to the sport, commercial, and subsistence fisheries of Prince William Sound and the Southcentral Alaska region. An evaluation by the McDowell Group¹ in 2018 showed that the efforts of VFDA create approximately 760 jobs and an estimated \$112 million in direct and indirect economic output each year.

Nearly one third of the annual salmon harvest by Prince William Sound purse seine fishermen originates from the SGH. A strong example of the economic value of SGH pink salmon production occurred in 2015 when a record return of 34.1 million adult hatchery pink salmon produced a commercial harvest of 106 million pounds of pink salmon worth an estimated ex vessel value of \$23 million dollars. SGH coho salmon production also provides for one of the largest sport fisheries in Alaska with over 24,000 salmon harvested annually from both residents and visitors to the sound.

The success of VFDA’s enhancement programs are critically dependent on a pristine marine environment which is free from hydrocarbon pollution. Because of the hatcheries proximity (2.5 miles) to the Alyeska Pipeline Service Company’s (APSC) Valdez Marine Terminal, VFDA is dependent on strong regulation (18 AAC 75, Article 4) and statute (AS 46.04) to ensure that oil spill contingency plans provide the resources and oversight for the continued environmentally safe operation of the Alyeska terminal and associated tankers that transit the sound.

¹ Economic Impact of the Valdez Fisheries Development Association, Inc. McDowell October 2018

Oil discharge prevention and contingency plan regulation adopted in 1992 was borne out of recognition of the short comings of the oil industry and the state after the grounding of the *T/V Exxon Valdez* in 1989. The catastrophic impacts of the 11 million gallons of spilled crude oil that followed shone a cold light on the inability of industry to regulate itself. Fledgling state regulation did little to protect Alaska's fishermen and fisheries resources, such as the salmon and herring they depend on. Action had to be taken to rebuild public trust and ensure that spill prevention is paramount, and that sufficient resources can be mustered quickly and effectively to contain and clean up a spill while protecting environmentally sensitive sites, such as the Solomon Gulch Hatchery.

AS 46.04, the basis for oil spill regulations, contains many key laws designed to prevent oil spills and ensure that there are enough trained responders and equipment in place should prevention measures fail. For instance, AS 46.04 includes Alaska's Oil Spill Response Planning Standard (RPS). The RPS was created after the 1989 Exxon Valdez oil spill by a team of oil industry experts, attorneys, state employees, and spill response specialists as a direct result of the massive failure of the spill response system at that time. When combined with the Oil Pollution Act enacted by Congress in 1990, the hatcheries and fishermen of Prince William Sound gained significant regulatory protections that included the creation of the APSC Ship Escort Response Vessel Service (SERVS) to provide escort of laden tankers and a Vessel of Opportunity oil spill response program. In addition, these regulations provide for specific hatchery protections, including the staging of prepositioned oil spill response equipment and protective booming to be rapidly deployed in the event of a spill. This action is critical for the protection of SGH and other hatcheries in Prince William Sound. Because of this we remain very concerned that any relaxing of regulation will put these vital enhancement programs at risk.

The Department of Conservation has requested public input on the state's regulatory structure presumably to reduce its complexity and burdensomeness. We would respectfully remind you that the industry has operated profitably in Alaska under this regulation for nearly 30 years. Reducing the burden on industry by rolling back, or eliminating proven oil spill prevention and response requirements, transfers the risk and burden of another oil spill to the communities, citizens, and environment. This is unacceptable to our organization and those that are dependent upon our fisheries.

VFDA appreciates that Governor Dunleavy is looking for ways to increase business opportunity and development in our great state. However, the privilege to conduct business in Alaska requires a strong commitment by all to protect our lands, waters, and natural resources from harm. It is what makes Alaska unique and stands above other states, especially in consideration of the health of our natural environment and sustainability of our salmon fisheries.

We hope that you will give strong consideration to our concerns. Having seen firsthand the devastation to Prince William Sound and residents caused by the *Exxon Valdez* spill, we can speak from experience that the hard work of stakeholders, industry, and the state to promulgate strong and enduring oil discharge and contingency plan requirements is in all of our best interests. Weakening these regulations now will come at grave consequence should another large oil spill befall us.

Thank you for the opportunity to provide comments on this important matter. We hope that your department will consider them sincerely in its evaluation of the many requests that will no doubt be submitted to water down Alaska's oil spill discharge and prevention plan requirements.

Sincerely



Mike H. Wells
Executive Director