



August 3<sup>rd</sup>, 2021

To: The Alaska Department of Environmental Conservation, U.S. Coast Guard, and the U.S. Environmental Protection Agency

**COMMENTS ON BEHALF OF**  
**THE ALASKA PUBLIC INTEREST RESEARCH GROUP**

The Alaska Public Interest Research Group (AKPIRG) is a 501(c)3 nonprofit and the only statewide non-governmental consumer advocacy and research organization in Alaska. We are nonpartisan and focus on consumer advocacy and good governance issues. Through our advocacy, we serve and reach an estimated 20,000 Alaskans. AKPIRG has reviewed the proposed June 2021 Alaska Regional Contingency Plan submitted by the Alaska Department of Environmental Conservation, U.S. Coast Guard, and U.S. Environmental Protection Agency and offers the following comments on behalf of our constituents and stakeholders.

While the Regional Contingency Plan proposes either a Regional Stakeholder Committee (RSC) or Multiagency Coordination (MAC) model, AKPIRG believes that a MAC plan is inappropriate for Alaska for several reasons. The RSC approach has evolved in Alaska due to the state's unique history with the *Exxon Valdez* oil spill and to meet the State's unique stakeholder and ecological needs. The regional model allows local affected groups to share suggestions, knowledge and best practices, while contributing resources to solve collective problems. Alaskans need a clearly defined mechanism by which to communicate with decision-makers during a response, which the RSC provides. This defined process engages a diverse group of stakeholders and is already in operation in large oil spill response exercises.

In contrast to the proven RSC-model, the Multiagency Coordination (MAC) model is driven more by industry and government agencies. Such an approach gives less weight to local non-governmental and non-industry stakeholders. The MAC model furthermore neglects the enormous benefits that citizens and stakeholders can provide in helping to set incident priorities and being an integral part of the on-scene response. The *Exxon Valdez* spill proved unequivocally the fallacy of industry self-regulation, and the limits of state regulation in checking industry. Alaska's oil system needs independent stakeholders and citizens to be active members in ensuring robust spill prevention measures, operational excellence, and world-class incident response.<sup>1</sup>

The timing of the proposed changes and robustness of the current model begs a couple of pressing questions: What is wrong with the existing RSC model? What concrete concerns merit changing an effective system during this tumultuous period of change? AKPIRG firmly believes that the current system is working well and shifting to a MAC model could create confusion, inconsistencies, and ignore input from affected Alaskans. Changing the existing system at this moment would be untimely and unwise considering the enormous changes which have occurred within Alaska's oil industry over the past few years. Three significant changes over the past few years highlight the need to continue the Alaska-specific and time-tested RSC model.

First, Hilcorp, LLC (which includes its many affiliates and subsidiaries, namely Harvest, Alaska), has recently become the new dominant owner of the Trans-Alaska Pipeline System (TAPS), including a 47.6% interest in Valdez Marine Terminal (VMT) tankage and a 25% interest in the Prince William Sound Spill Response Corporation. Hilcorp acknowledges it will be directing "management oversight, funding, tariffs, and accounting for pipeline nominations

---

<sup>1</sup> Alaska Oil Spill Commission Final Report, "Spill: The Wreck of the Exxon Valdez: Implications for the Safe Transportation of Oil", February 1990.

and movements in its portion of TAPS” in its ownership stake of Alyeska.<sup>2</sup> TAPS is far more than just a steel pipe from Prudhoe Bay to Valdez; it is one of the most consequential pipeline systems in U.S. history and is especially vital to the Alaskan public interest. As a corporate family, Hilcorp is only a fraction (roughly 3%) of the size of BP, who historically dominated TAPS ownership from 1973 to 2020.

Unlike BP, Hilcorp, LLC, has no record of owning and operating facilities anywhere near the size and complexity of TAPS. Despite its rhetoric that the company can “easily...respond to and remediate an environmental event here in Alaska,” the historical record offers warnings for regulators.<sup>3</sup> According to the Pipeline and Hazardous Materials Safety Administration (PHMSA), Harvest, Alaska (a subsidiary of Hilcorp who now owns the dominant ownership stake in TAPS), has the 20<sup>th</sup> worst performance record of 310 companies that operate less than 300 miles of pipelines. Harvest, Alaska’s parent company, Harvest, LLC has the dubious distinction of having more accidents than nearly any other company operating more than 300 miles of pipeline. This safety record is pertinent because the Trans-Alaska Pipeline System does not end at the VMT—it continues through every tanker that moves ANS crude through Port Valdez and Prince William Sound.

Second, significant funding reductions in the Spill Prevention and Response (SPAR) division within the Department of Environmental Conservation and a new Ships Escort/Vessel Response Vessel System (SERVS) contractor add additional complexity and pressures to the existing system.

---

<sup>2</sup> “Joint Comment of Harvest Alaska, LLC and BP Pipelines (Alaska) Inc. to Public Comments and to Oppositions to Petitions for Confidential Treatment of Financial Statements and To Motions For Waiver”, Docket No. P-19-017, Regulatory Commission of Alaska, December 20<sup>th</sup>, 2019, p4.

<sup>3</sup> “Joint Comment of Harvest Alaska, LLC and BP Pipelines (Alaska) Inc. to Public Comments and to Oppositions to Petitions for Confidential Treatment of Financial Statements and To Motions For Waiver”, Docket No. P-19-017, Regulatory Commission of Alaska, December 20<sup>th</sup>, 2019, p25.

Since 2015, SPAR staffing has been reduced by 17 employees and Governor Michael Dunleavy has proposed budget cuts eliminating more positions. As Robert Archibald and Donna Schantz of the Prince William Sound Regional Citizens Advisory Council recently [warned](#), “over the past several years there has been a slow but steady erosion of Alaska’s ability to prevent oil spills, maintain adequate levels of readiness and adequately respond should a major spill occur.”<sup>4</sup> As every Alaskan who experienced the *Exxon Valdez* oil spill knows well, regulatory failure can have catastrophic consequences for our ecosystems, maritime economy, and communities.

Reductions in SPAR personnel and funding are problematic not only within the context of Hilcorp, LLC’s troubling safety and environmental records, but also because of a recent transition of the operator of TAPS’ SERVS system. In July 2018, Edison Chouest Offshore took over the oil spill response contract from Crowley Marine, who had operated the SERVS system since its inception in the 1990s. Edison Chouest Offshore has experienced disconcerting incidents with oil operations in Alaska, including the [wreck of Shell’s Kulluk](#) drilling rig near Kodiak in 2012.<sup>5</sup> A series of alarming incidents in Port Valdez exemplify Edison Chouest’s operational record. During the 2018 transition, another Edison Chouest tug, the 105-foot *Ingot*, [struck](#) the tanker *Florida* during a docking procedure.<sup>6</sup> It left a dent 20 inches long, 6 inches wide and 3 inches deep in the tanker. Two days later, Edison Chouest’s 140-foot escort tug, the *Challenger*, reported [touching bottom](#) as it helped a barge anchor up.<sup>7</sup> A work skiff tied to the barge was caught between the larger vessels and damaged. Then in January, 2021, a SERVS tugboat struck and gashed the hull of the tanker *Polar Endeavour* shortly before

---

<sup>4</sup> Robert Archibald and Donna Schantz, “Walking the talk on responsible energy development”, *Anchorage Daily News*, April 3<sup>rd</sup>, 2021.

<sup>5</sup> McKenzie Funk, “The Wreck of the Kulluk”, *New York Times Magazine*, December 30<sup>th</sup>, 2014.

<sup>6</sup> Alex DeMarban, “New tug and crew dents oil tanker, prompting reviews as Edison Chouest takes reins in Prince William Sound”, *Anchorage Daily News*, June 28<sup>th</sup>, 2018.

<sup>7</sup> Alex DeMarban, “Coast Guard investigating after 2<sup>nd</sup> accident for new spill-response operator in Prince William Sound,” *Anchorage Daily News*, July 11<sup>th</sup>, 2018.

midnight of January 11<sup>th</sup>. The tanker was fully loaded with ANS crude, but thankfully did not spill. Incidents like these underscore the problems of changing SERVS operators.

Finally, due to changing oil market dynamics—including the COVID 19 pandemic and Hilcorp, LLC’s new ownership stake in TAPS—there has been a significant uptick in foreign oil tankers in Prince William Sound and at the VMT. Prior to 2020, roughly 2% of Alaska North Slope (ANS) crude was exported abroad. In 2020, that percentage increased to 11% and peaked at 17% when the COVID-19 oil glut was most acute. Since the start of 2020, foreign tankers have loaded at the VMT at least 10 times—compared with just 7 visits between 2016 and 2019. This increase in foreign-flagged tanker traffic is alarming for several reasons. As demonstrated by the recent *Stena Suede* incident, these tanker crews often lack local knowledge and familiarity with Alaska’s rough waters. In mid-April 2021, the unladen foreign tanker *Stena Suede* deviated from the customary procedure of entering Prince William Sound and dropped anchor 20 miles outside of Hinchinbrook Entrance. [According](#) to the *Anchorage Daily News*, “Continually increasing winds caused the crew to reverse its course of action and attempt to pull the anchor after several hours. During the attempt to retrieve the anchor, the *Stena Suede* dragged it for nearly 4 miles — to a position 16.5 miles from Hinchinbrook Entrance — over 30 hours. After the windlass motor failed, the crew reset the anchor and worked to repair the anchor windlass, based on information from the council and a vessel tracking service.”<sup>8</sup> The incident highlights ongoing concerns with foreign-flagged tankers and crews’ lack of local knowledge, and the harsh environmental conditions of Alaska. Alaskans must be vigilant that the captains and crews understand the systems in place for escorting, ice routing, communications, and other expectations specific to operating in our waters.

---

<sup>8</sup> Elwood Brehmer, “Mishap highlights growing foreign-flagged oil tanker traffic in Alaska”, *Anchorage Daily News*, May 13<sup>th</sup>, 2021.

Considering these significant and troubling changes within the Alaskan oil industry, this is not the time to change an essential structure that helps maintain effective spill response. For these reasons, we strongly advocate that the RSC remains the standalone approach for engaging Alaskans and affected groups during a spill response.

On Behalf of the Alaska Public Interest Research Group

A handwritten signature in black ink, appearing to read "Philip Wight", written in a cursive style.

---

Philip Wight, Ph.D., AKPIRG Policy Analyst

A handwritten signature in black ink, appearing to read "Veri di Suvero", written in a cursive style.

---

Veri di Suvero, AKPIRG Executive Director