

Prince William Sound Tanker Escort Contingency Plan Review

FY2018 Request: \$250,000
Reference No: 61649

AP/AL: Appropriation
Category: Natural Resources
Location: Valdez

Project Type: Life / Health / Safety

House District: Richardson Hwy/East Mat-Su (HD 9)

Impact House District: Richardson Hwy/East Mat-Su (HD 9)

Contact: Kristin Ryan

Estimated Project Dates: 07/01/2017 - 06/30/2022 **Contact Phone:** (907)269-7604

Brief Summary and Statement of Need:

Alyeska Pipeline Service Company recently selected a new marine services contractor to provide tanker escorts in Prince William Sound which is critical to prevent devastating oil spills. This escort service is required by federal and state law and is a result of the Exxon Valdez Oil Spill in 1989. This is the first time since the original contract was awarded that a new service provider has been selected. This project will provide contractual support for review of the new tugs to ensure they have equal to or greater capacity than the existing system. This work is critical for the Division of Spill Prevention and Response and requires naval architect and marine engineering expertise outside current staff capacity.

Funding:	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>	<u>Total</u>
1052 Oil/Haz Fd	\$250,000						\$250,000
Total:	\$250,000	\$0	\$0	\$0	\$0	\$0	\$250,000

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Prior Funding History / Additional Information:

No prior funding history.

Project Description/Justification:

Alyeska Pipeline Service Company recently selected a new marine services contractor to provide tanker escorts in Prince William Sound which is part of the company's contingency plan, or C-plan, and is critical to prevent devastating oil spills. This escort service is required by federal and state law and is a result of the Exxon Valdez Oil Spill in 1989. This is the first time since the original contract was awarded that a new service provider has been selected.

Review of the new tanker escort C-plan to ensure the new tugs have equal to or greater capacity than the existing system is critical work for the Department, and will require naval architect and marine engineering expertise. Because this work is infrequent, the Department does not have staff with that expertise and instead relies on outside contractors. The contractor will evaluate the technical

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adequacy of the new tugs and verify they can meet state regulatory standards. The process will include reviewing plans, simulation exercises, data collected from shipyard inspections, and witnessing sea trials.

The Department does not have statutory authority to collect fees for C-plan reviews. Instead, the State collects revenue for prevention work such as this upstream by charging a per/oil barrel surcharge that funds the Oil/Hazardous Prevention Response Account (fund code 1052). This is a more efficient revenue collection system than charging for C-plan reviews.