# MEMORANDUM

TO: Council, SSC and AP Members

FROM: Clarence G. Pautzke
Executive Director

DATE: September 18, 1992

SUBJECT: Habitat

## ACTION REQUIRED

(a) Review Alaska Department of Environmental Conservation request for location reporting and oil spill contingency plans in the offshore fleet.

(b) Status report on oil lease sales.

## BACKGROUND

### DEC Request

On August 3, 1992 the Commissioner of the Alaska Department of Environmental Conservation wrote Chairman Lauber requesting that the Council take action to:

1. Jointly establish a continuous location reporting system for offshore fishing and processing vessels and require their participation.

2. Require vessels participating in the fishery to sign standby contracts with response action contractors as a minimal contingency planning measure against oil spills.

That request is under C-5(a) and has attached correspondence on the issue. Svend Brandt-Ericksen of DEC will be here to explain the request.

### Oil Leasing Schedule

The U.S. Minerals Management Service earlier this year published their five-year lease/sale program as summarized in item C-5(b). The schedule is as follows:

| | |
|---|---|
| Cook Inlet/Shelikof Strait | 1994 |
| Yakutat | 1995 |
| Beaufort Sea | 1995 |
| St. George Basin | 1996 |
| Chukchi Sea | 1996 |
| Hope Basin | 1997 |
| Norton Basin, Navarin Basin, and St. Matthew-Hall | No sale |

C-5(c) has MMS fact sheets on the Cook Inlet/Shelikof and Yakutat proposed sales. Evidently the State also is proposing a lease/sale in the Shelikof area as indicated in C-5(d). We need to stay on top of these proposed sales and submit comments stressing the importance of fisheries in the areas.

And last, Steve Pennoyer is a trustee on the Exxon Valdez Oil Spill Trustee Council and may want to report on their latest activities and the restoration plan. They just met on September 14. Carl Rosier also is a trustee.

# STATE OF ALASKA

WALTER J. HICKEL, GOVERNOR

AGENDA C-5(a)
SEPTEMBER 1992

**DEPT. OF ENVIRONMENTAL CONSERVATION**
OFFICE OF THE COMMISSIONER
410 WILLOUGHBY AVENUE, SUITE 105
JUNEAU, AK 99801-1795

Phone: (907) 465-5000
Fax: (907) 465-5070


August 3, 1992

Mr. Richard B. Lauber, Chairman
North Pacific Fishery Management Council
P.O. Box 103136
Anchorage, AK 99510

Dear Mr. Lauber:

Thank you for taking the time to meet with us on issues of environmental concern in the North Pacific fishery.

We are very interested in working with the North Pacific Fishery Management Council (Council) to develop an environmental program for the purpose of bringing fishing activities into better overall compliance with air quality, water quality, and oil spill control objectives. This complements DEC and EPA's unified enforcement strategy for both shore-based and floating processors.

To move forward, we request the Council take action in the following two areas:

1. Jointly establish a continuous location reporting system for offshore fishing and seafood processing vessels and require participation by those vessels involved in the fishery.

   Since Governor Hickel wrote the enclosed letter to the Environmental Protection Agency's (EPA) Administrator William Reilly this spring, the Department of Environmental Conservation (DEC) has continued to look at various ideas for tracking vessels operating nearshore and offshore and in the North Pacific and Bering Sea. We believe we have a cost-effective technical approach to share with you to accomplish this objective. Along with having positive benefits for law enforcement by several agencies, this would allow DEC to properly locate the vessels during the field season for environmental inspections and monitoring.

2. Require vessels participating in the fishery to sign standby contracts with response action contractors as a minimal contingency planning measure against oil spills.

   In the particular area of oil spill control, the Department has been making a concerted effort to prevent spills and enhance the response capability in Alaska.

Regulated operators within the State have taken significant steps to improve their readiness and meet the requirements of the State's recently enacted oil spill legislation. Under current legislation, although all spillers are responsible for containment and cleanup, not all offshore processors and fishing operations are subject to the State's requirements for contingency planning. Nonetheless, our data indicates an ongoing number of spills from fishing operations, particularly in the area of the Aleutians and near the ports which support fishing operations.

The Department was given authority during this past legislative session to establish a certification program for response action contractors (RAC) which we believe will result in an increase in readily available response resources. To be prudent, a ship carrying large amounts of oil for its own fuel or as a tender to other vessels should have a RAC available and a contingency plan for dealing with spills. Even if not required under existing law, such an action will reduce the impacts and liability should a spill occur.

Because of the frequency and source of spills with offshore vessels and operations, the Department strongly encourages these operators to be knowledgeable in the steps necessary for notification of spills and to have plans in place to arrange for containment and cleanup with an RAC in the area in which they operate. The Council's cooperation in requiring the offshore fishing industry to take these minimum actions for being prepared for a spill would augment our ongoing efforts to prevent and cleanup spills without further regulation. Staff in the Spill Prevention Program are available to provide technical assistance on contingency planning and spill response techniques.

The Department's overall goal is long-term protection of environmental concerns in all waters of Alaska. We believe that the initial cooperation requested here, as well as a continued dialogue on the environmental effects of the North Pacific fishery, can help us both assure this goal.

Thank you for your consideration of these proposals.

Sincerely,

John A. Sandor
Commissioner

SB/MT/bkt (h:\bettyt\commis\lauber.001)

Enclosure: Governor Hickel's February 28, 1992, Letter to Mr. Reilly

cc: Mead Treadwell, Deputy Commissioner
Dana Rasmussen, Regional Administrator, EPA-Region 10

TER J. HICKEL
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 28, 1992

SENT VIA FACSIMILE

Mr. William K. Reilly
Administrator
U.S. Environmental Protection Agency
Washington, DC 20460

Dear Bill,

Prior to our phone call Friday, I am faxing to your office a letter our Department of Environmental Conservation Commissioner John Sandor prepared for our Resource Cabinet detailing the huge environmental problems caused by the floating fish processors offshore western Alaska and the Bering Sea.

It underscores our point about the decision now pending in the White House on allocations between onshore and offshore. This is not an economic issue, not a U.S.-Japan trade issue, it is an environmental issue.

Bill, whatever the Administration's decision this round, we must do a better job to level the playing field between the onshore and offshore fisheries when it comes to compliance with state and federal environmental laws. The day-to-day threat to the environment from the fisheries practices detailed here is a worse disaster than the wreck of the Exxon Valdez. The health of the entire fishery, as well as other species, is at stake.

To begin with, we insist that the federal government require those given the franchise to operate in this area to continuously report their position to state and federal authorities, so we may routinely inspect whether operations are occurring properly. In granting these franchises, the federal government must insist that these operators be prepared to respond to oil spills. (The State of Alaska would be pleased to review spill contingency plans for these vessels, as we do for other unregulated facilities, on a voluntary basis.) We believe no new laws are needed. We can accomplish these things as stipulations to the allocations of the resource.

Next, I want to ask your agency to join with us and the Coast Guard, as well as other agencies of both governments, to undertake a special initiative this season to bring these

fisheries into compliance with the law. I would note that a recent EPA and Coast Guard enforcement agreement is a good start. Your agency is reviewing the applicability of air quality requirements to these vessels--hopefully a decision could be made quickly on this issue.

Finally, I hope you can communicate the problems of the offshore fishery to the President, the Vice President, and the Secretary of Commerce as the decision is made on onshore versus offshore allocations of fish stocks. Our ability to protect the environment is consistently better with fisheries based on shore.

With best regards.

Sincerely,

Walter J. Hickel
Governor

WALTER J. HICKEL, GOVERNOR

**DEPT. OF ENVIRONMENTAL CONSERVATION**

OFFICE OF THE COMMISSIONER
410 WILLOUGHBY AVENUE, SUITE 105
JUNEAU, AK 99801-1795

Phone: (907) 465-5000
Fax: (907) 465-5070

February 18, 1992

The Natural Resource Cabinet
Juneau, Alaska

Dear Cabinet Members:

Recently we have discussed the environmental impacts caused by the factory trawler and floating processor fleets. In addition to the waste of fish caught but never processed, but instead thrown over the side, these vessels present a series of environmental threats which state and federal governments must work together to bring under control.

Due to their very nature, it is difficult to investigate and monitor activities by floating fish processors. They move around in response to changes in the level of fishing activity. The logistics of tracking the floating processors, along with their numbers, makes monitoring and enforcement of violations of environmental laws both expensive and time consuming. A special problem for state enforcement is the limitation of our jurisdiction to three miles from the coast. Since the vessels operate both inside and outside this three mile limit, our enforcement efforts invariably must be coordinated with federal agencies.

The difficulty of enforcement has several consequences. Environmental laws have not been applied fully to the floating processors. This is in sharp contrast to the shore based processors, which come under much more strict scrutiny due to the relative ease of observing their activities. This leads to a disparity in environmental impacts. It also tends to put shore based processors at an economic disadvantage, since environmental controls can be expensive.

Examples of the disparity in treatment may be found in both water and air pollution controls. Floating processors operate under a federal general wastewater permit most of the time. The general permit excludes sensitive waters, generally those close in to shore. Under the terms of the general permit, the processors are only required to grind their fish wastes to a half inch in size before it is discharged. Increasingly, shore based operators are required to collect their fish wastes and process all but the

smallest particles into fish meal. In this way, nutrients are reclaimed rather than being dumped into the ocean, where they can have serious localized impacts on the bottom community.

Common violations by floating processors are failing to grind fish wastes, operating in waters prohibited under the permit or exceeding limits on fish processing volume for areas such as Akutan. The more protected near shore waters are attractive because they allow the ship to provide a more stable platform for processing than the open waters farther off shore. The discharge of unground or partially ground fish wastes has its greatest impact in these near shore waters. The accumulation of waste on the bottom can smother life. Other problems include wastes, oil and scum washing up on shores. While these impacts often occur when permit terms are being violated, similar problems can still occur when the general permit is being met.

This points to another disparity. The half inch grind and discharge requirement is a technology based standard. This means compliance is measured by whether the equipment is operating, and not what impact the discharge has on the environment. Shore based processors are generally required to meet both a technology based standard and a water quality standard. This separate standard limits the acceptable impact of the discharge on the receiving waters. Controls which are more strict than the technology based standard may be required if unacceptable water quality impacts are occurring. For example, a shore based processor might be required to collect all waste not turned into fish meal and barge it out to sea for disposal. Floaters are not held to similar standards. They can have substantial water quality impacts, and yet are not evaluated on that basis.

Shore based processors are subject to air quality regulation as stationary sources. Floating processors are not required to obtain air quality permits. However, when they anchor up and begin processing, these vessels have the potential to produce more air pollution than the shore based processors. When operating near shore, these vessels pose as significant a threat to air quality as do the shore based operators.

A further threat posed by the large processing vessels is oil spills. Vessel groundings are a regular occurrence in the Aleutians and Western Alaska. The resulting spills are primarily fuel oils, either diesel or bunker. Heavy bunker fuels are persistent in the environment and can cause substantial environmental damage. The big vessels have large storage capacities, presenting a real threat of large spills. They have been the cause of very damaging spills in that region. Also, some of the vessels demonstrate a lack of sensitivity to the potential harm caused by oily bilges pumped out at sea or spilled fuel which is appalling. Many vessels have poor fuel and oily waste handling practices.

The variety of environmental threats posed by the large floating fish processors require us to undertake a coordinated effort involving state and federal agencies to correct

what is currently a nearly unregulated environment. ADEC staff have estimated that less than 2% of floating fish processor waste water violations are discovered. Air emissions from these vessels affect the onshore environment, and yet are unregulated. The large vessels pose a major threat of oil spills and historically have been the major source of spills, and yet they are not required to plan for oil spill response. Generally, if there is any response to these spills, it is by the State or Coast Guard. This is in marked contrast to the bulk fuel and crude oil transporters, who have substantially increased direct responsibility for preventing and responding to oil spills.

We recommend efforts on several fronts. We plan to undertake a coordinated effort to enforce existing environmental requirements. (Toward that end, we supported the recent EPA - Coast Guard enforcement agreement.) We are examining with the Environmental Protection Agency the applicability of air quality requirements to these vessels. We would also like your support for developing, in concert with the federal government and the North Pacific Fisheries Management Council if possible, appropriate oil spill contingency planning requirements for these large vessels commonly operating near our shores. It would serve our purposes as well, if the Management Council required their positions continuously, using either transponders or another type of beacon. With some technologies, additional information reporting may be cost effective, and desirable.

Finally, we suggest that environmental effects of the offshore industry be communicated to the Vice President, the Secretary of Commerce, and the Administrator of the Environmental Protection Agency, as a decision is made on in-shore vs. offshore allocations of fish stocks. Our ability to protect the environment is consistently better with operations onshore rather than off.

Sincerely,

John Sandor
Commissioner

SBE/MT/das (Comm/Roat1.22)

# THE NEW COMPREHENSIVE OUTER CONTINENTAL SHELF (OCS) NATURAL GAS AND OIL RESOURCE MANAGEMENT PROGRAM

## TENTATIVE PLAN FOR THE AREA EVALUATION AND DECISION PROCESS

| REGION | AREA EVALUATION AND DECISION PROCESS STEPS* | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Planning Area/Sale | I | CALL | AREA ID | DEIS/PNS | HEARINGS | FEIS/CD | NOS | SALE |
| **ATLANTIC** | | | | | | | | |
| Mid & South Sale 164 | Early 93 | Mid 93 | Mid 94 | Early 95 | Mid 95 | Mid 96 | Mid 96 | Late 96 |
| **GULF OF MEXICO** | | | | | | | | |
| Eastern GOM Sale 151 | Late 92 | Early 93 | Mid 93 | Mid 94 | Late 94 | Mid 95 | Late 95 | Late 95 |
| Central GOM Sale 142 | Complete | Complete | Complete | Complete | Mid 92 | Late 92 | Early 93 | Early 93 |
| Central GOM Sale 147[1] | Complete (Early 92) | Complete (Early 92) | Mid 92 | Early 93 | Mid 93 | Late 93 | Early 94 | Early 94 |
| Western GOM Sale 141 | | Complete | Complete | Complete | Complete | Mid 92 | Mid 92 | Mid 92 |
| Western GOM Sale 143 | Complete | Complete | Complete | Complete | Mid 92 | Late 92** | Mid 93 | Mid 93 |
| Western GOM Sale 150[2] | Complete (Early 92) | Complete (Early 92) | Mid 92 | Early 93 | Mid 93 | Late 93** | Mid 94 | Mid 94 |
| **ALASKA** | | | | | | | | |
| Gulf of Alaska/Yakutat Sale 158 | Complete | Late 92 | Early 93 | Mid 94 | Mid 94 | Early 95 | Mid 95 | Mid 95 |
| Cook Inlet/Shelikof Strait Sale 149 | Complete | Complete | Mid 93 | Mid 93 | Mid 93 | Mid 94 | Mid 94 | Late 94 |
| St. George Basin Sale 153 | Late 93 | Early 94 | Mid 94 | Late 95 | Late 95 | Mid 96 | Late 96 | Late 96 |
| Hope Basin Sale 159 | Mid 94 | Late 94 | Early 95 | Mid 96 | Mid 96 | Early 97 | Mid 97 | Mid 97 |
| Chukchi Sea Sale 148 | Mid 93 | Mid 93 | Early 94 | Early 95 | Mid 95 | Late 96 | Mid 96 | Mid 96 |
| Beaufort Sea Sale 144 | Early 93 | Early 93 | Mid 93 | Late 94 | Late 94 | Mid 95 | Late 95 | Late 95 |

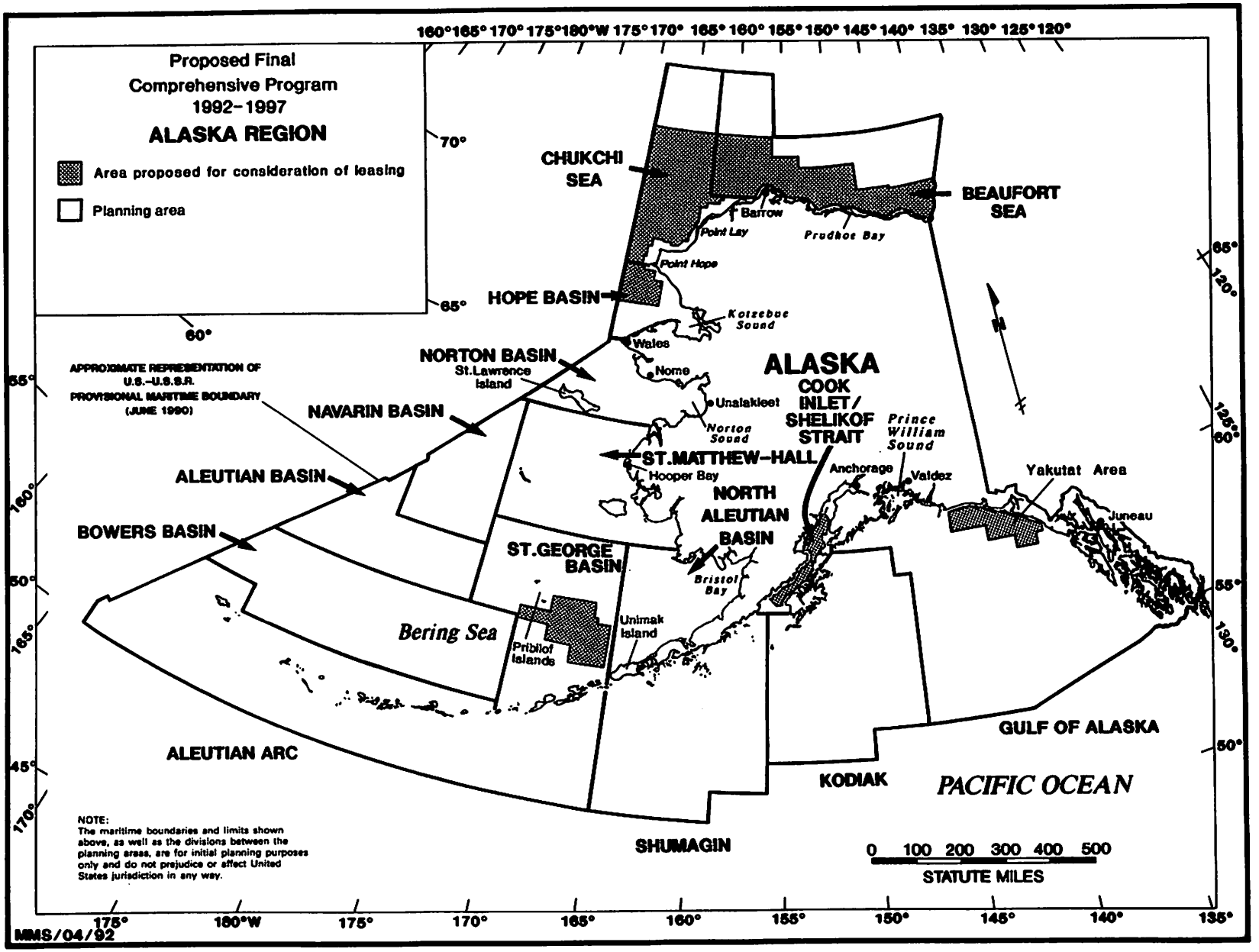
[1]The timing for the process as applied to Sale 147 will also apply to the balance of the Central GOM sales (Sale 152 - Early 1995; Sale 157 - Early 1996; and Sale 166 - Early 1997)

[2]The timing for the process as applied to Sale 150 will also apply to the balance of the Western GOM sales (Sale 155 - Mid 1995; and Sale 161 - Mid 1996)

* All of these steps

| | |
|---|---|
| I | Information Base Review |
| CALL | Call for Information and Nominations (45-day comment period) |
| AREA ID | Area Identification |
| DEIS | Draft Environmental Impact Statement |
| PNS | Proposed Notice of Sale (60-day comment period) |
| FEIS | Final Environmental Impact Statement (30-day comment period) |
| CD | Consistency Determination (60-days before decision on NOS) |
| NOS | Notice of Sale |

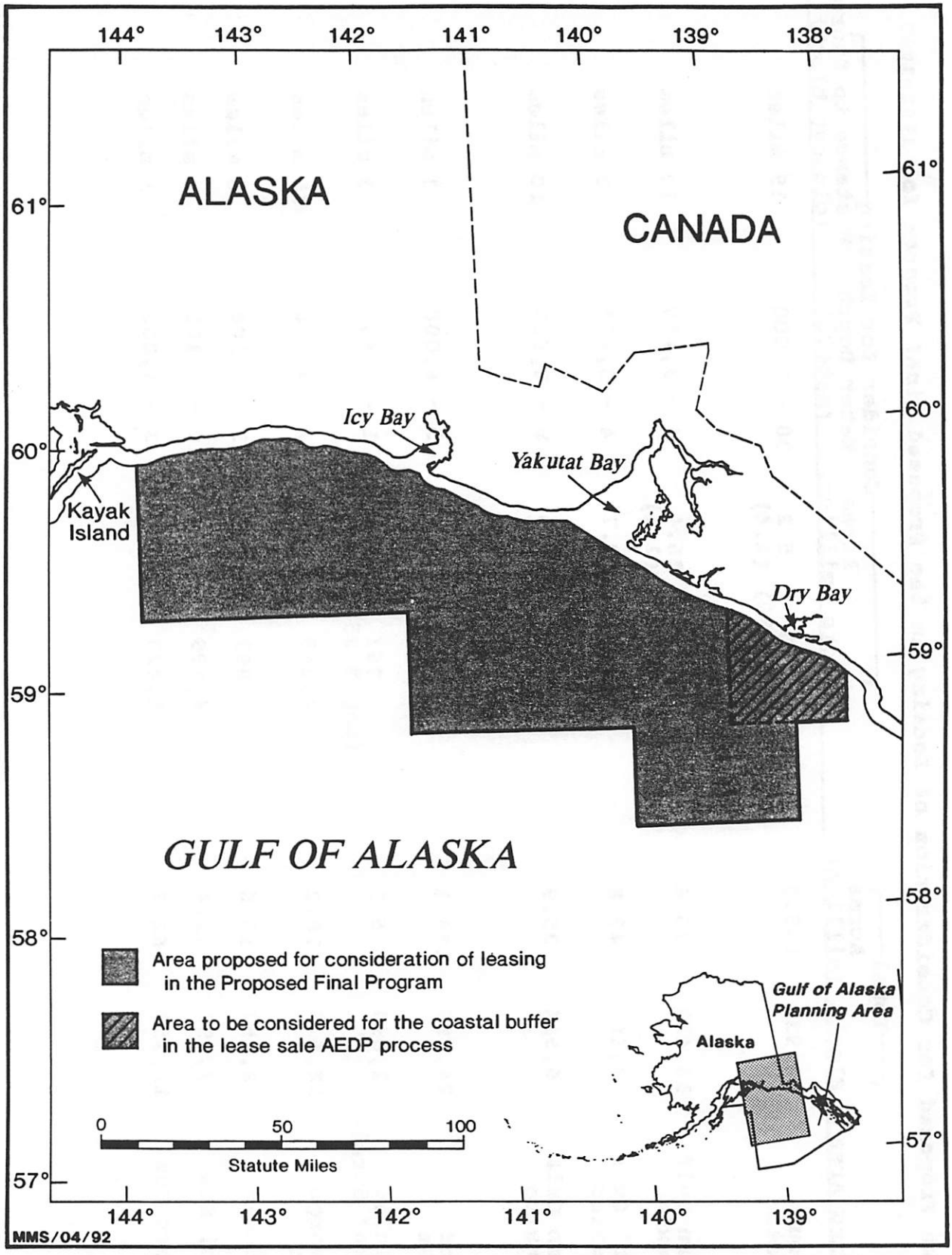
** FEIS only - the CDs for Sales 143 and 150 will be prepared in early 1993 and 1994, respectively



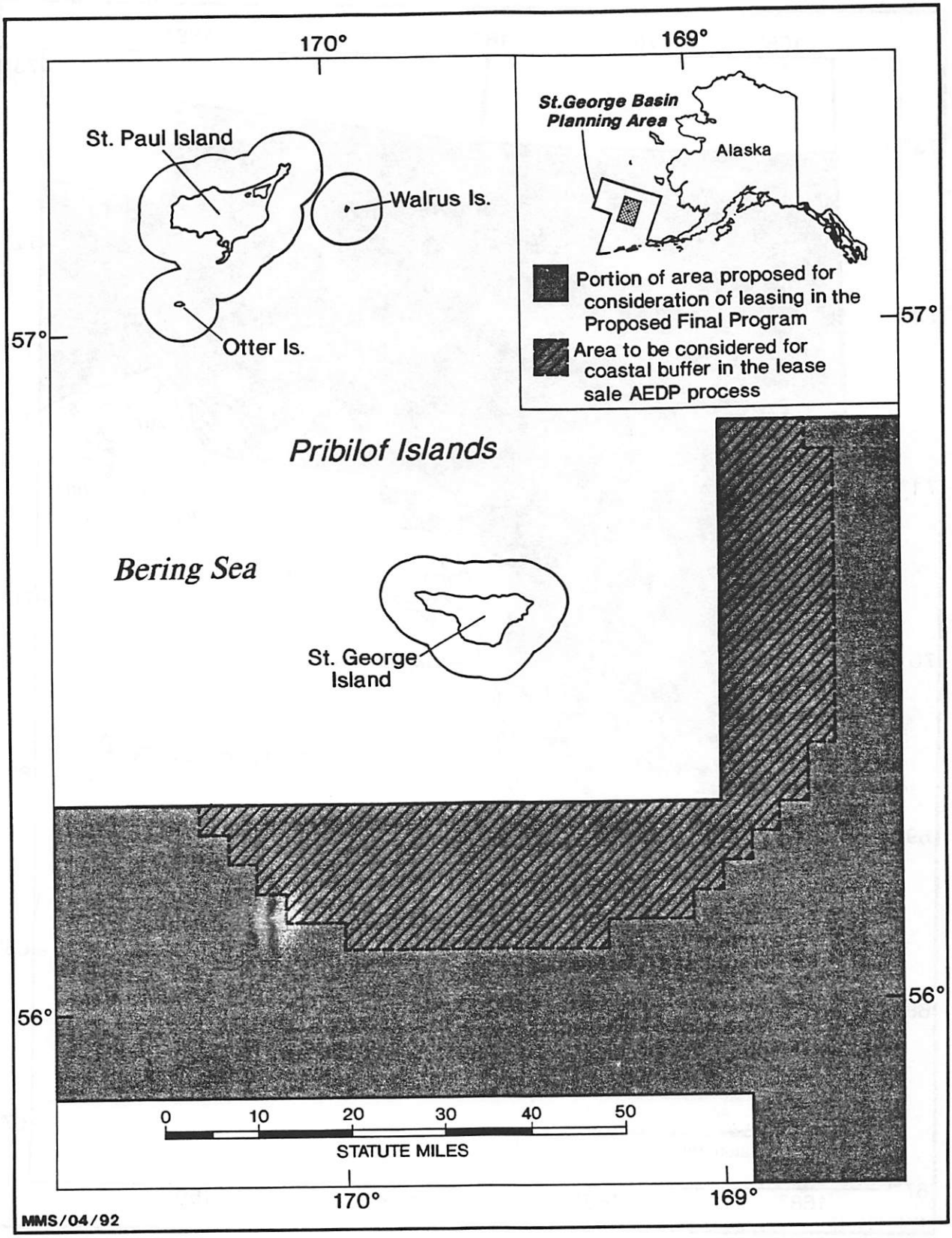

**Map 3.** Alaska Region

**Areas Proposed for Consideration of Leasing in the Proposed Final Program for 1992-1997**

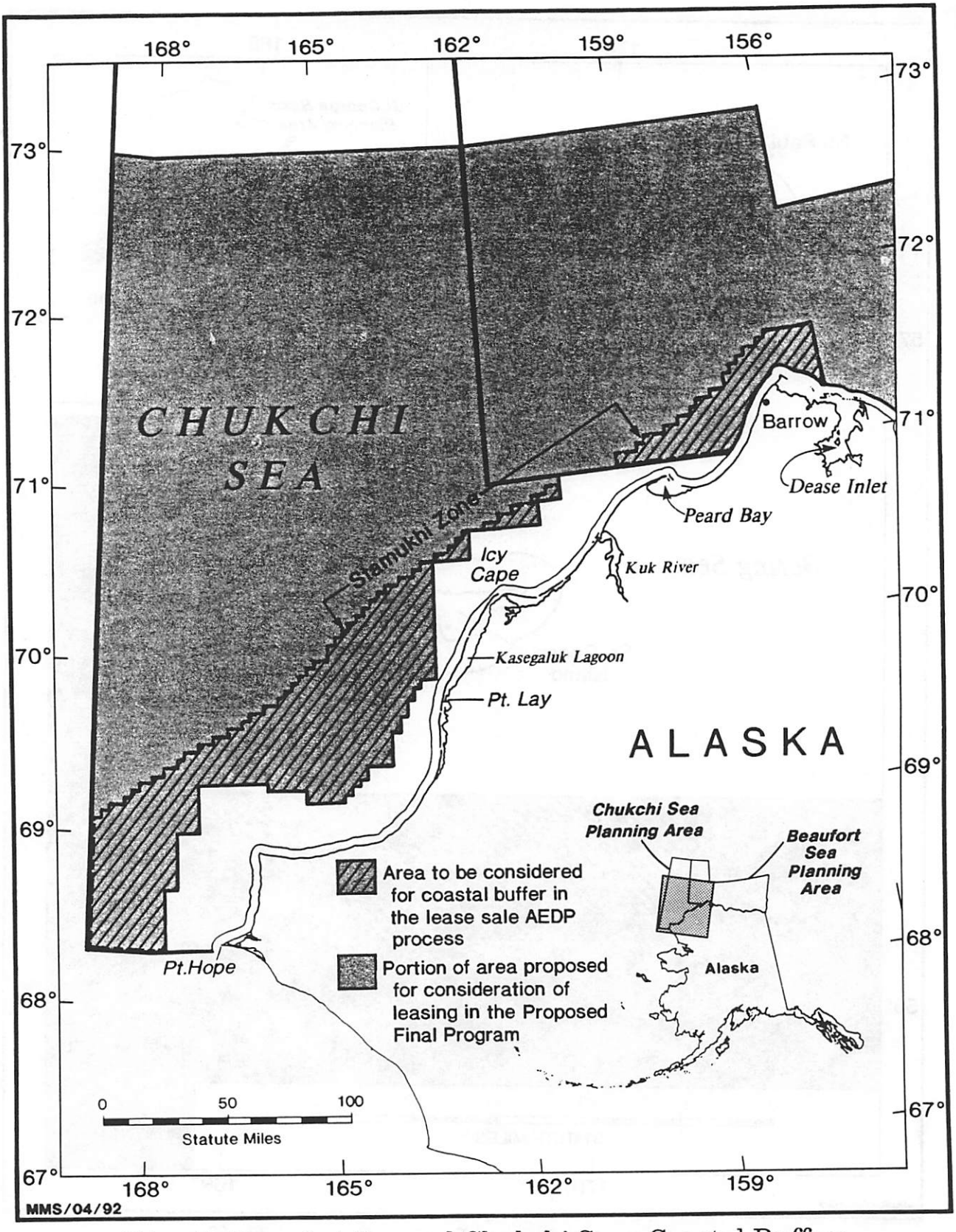
| Planning Area | Total Blocks | Total Acres (million) | Consider for Leasing Blocks | Consider for Leasing Acres (million) | Consider for Leasing Water Depth (meters) | Consider for Leasing Distance to Shore (closest block) |
|---|---|---|---|---|---|---|
| Mid/South Atlantic | 34,936 | 195.0 | 916 (cap @ 250) | 5.2 (1.4) | 30 - 3,000 | 19 miles |
| Eastern Gulf of Mexico | 13,457 | 75.6 | 6,401 (cap @ 200) | 36.4 (1.1) | 4 - 3,450 | 10 miles |
| Central Gulf of Mexico | 9,108 | 47.8 | 9,102 | 47.7 | 4 - 3,425 | 3 miles |
| Western Gulf of Mexico | 6,514 | 35.9 | 6,512 | 35.9 | 8 - 3,000 | 10 miles |
| Gulf of Alaska | 24,389 | 134.1 | 1,307 | 7.2 | 5 - 4,000 | 3 miles |
| Cook Inlet/ Shelikof Strait | 1,093 | 5.3 | 761 (cap @ 250) | 3.7 (1.4) | 1 - 400 | 3 miles |
| St. George Basin | 12,625 | 70.2 | 2,149 | 12.0 | 51 - 3,000 | 15 miles |
| Hope Basin | 2,457 | 12.8 | 897 | 4.8 | 11 - 100 | 6 miles |
| Chukchi Sea | 7,657 | 41.4 | 4,699 | 25.6 | 10 - 105 | 5 miles |
| Beaufort Sea | 11,357 | 62.3 | 5,423 | 29.4 | 3 - 4,000 | 3 miles |




**Map 4.** Gulf of Alaska–Coastal Buffer Offshore the Yakutat Area




**Map 5.** St. George Basin–Coastal Buffer




**Map 7.** Beaufort Sea and Chukchi Sea– Coastal Buffers

AGENDA C-5(c)
SEPTEMBER 1992

MMS

U.S. Department of the Interior
Minerals Management Service
Alaska OCS Region

# Fact Sheet

FOR IMMEDIATE RELEASE
August 18, 1992; #92-20

OCT 24 1992

Robin Lee Cacy
(907) 261-4070

**AREA IDENTIFICATION**
**SALE 149, COOK INLET/SHELIKOF STRAIT**
**FACT SHEET**

The Department of the Interior recently selected the area for proposed outer continental shelf (OCS) oil and natural gas lease Sale 149, Cook Inlet/Shelikof Strait, to be analyzed in an environmental impact statement (EIS). This action constitutes the administrative prelease step referred to as Area Identification. This fact sheet contains a description of the area to be analyzed, as well as background information relevant to the proposed sale. A new and more exhaustive public consultation and coordination process is being used for this sale. A description of this prelease process is also provided.

The Area Evaluation and Decision Process (AEDP) addresses the adequacy of information for decision making; is more selective by including areas with prospects for natural gas and oil discoveries while avoiding areas where the risks of development are too great; is more responsive to the views of potentially affected parties; and is better adapted to resolving conflicts among competing points of view.

AREA IDENTIFIED

*The Area Identification covers approximately 3.7 million acres of about 761 blocks.

*Distance from shore ranges from approximately 3 miles to 38 miles.

*Water depths in the planning area range from 1 to approximately 1,300 feet.

*Approximately $2.5 million has been invested to date on environmental and socio-economic studies exclusive to the area. The area selected was based upon nominations received from industry and the comments received regarding environmental and other issues. (A map of the proposed area is attached.)

LEASING HISTORY

Three sales have been held in the area: Sale CI, held October 27, 1977; Sale 60, held September 29, 1981; and Sale RS-2, held August 5, 1982. Currently, there are no active leases in the sale area.

EXPLORATION ACTIVITY

One deep stratigraphic test (DST) well was drilled in 1977 by industry to examine the geology of the area prior to the first Cook Inlet lease sale. Thirteen exploration wells were drilled on OCS leases in the Cook Inlet/Shelikof Strait Planning Area between 1979 and 1984. All have been plugged and abandoned.

EVENTS LEADING AREA IDENTIFICATION

*Sale 149 appears in the 1992 Comprehensive Program and is tentatively scheduled for September 1994.

*A Call for Information and Nominations was published in the Federal Register on February 7, 1992. It identified the area believed by MMS to be geologically favorable for hydrocarbons, and asked respondents to outline areas within the Call area that they would like included in the proposed sale. The Call requested information that would be useful in identifying potential conflicts with approved local coastal management plans, potential environmental effects and use conflicts, possible mitigating measures, and possible lease terms and conditions.

*Three companies responded to the Call indicating specific areas of interest.

*General comments were received from: the State of Alaska, other federal agencies, environmental groups, fishing groups, local and area representatives, and private citizens.

ISSUE IDENTIFICATION

The process of identifying issues to be discussed in the EIS was initiated by the publication in the Federal Register of the Call for Information and Nominations and the Notice of Intent to Prepare An EIS. The Alaska OCS Region will review information provided in response to the Call for Information for the proposed sale. Ten scoping meetings were conducted in the communities of

Port Lions, Larsen Bay, English Bay, Port Graham, Chignik, Kodiak, Homer, Seldovia, Soldotna, and Anchorage in preparation for Sale 149, and written comments were due 45 days after the Call was published in the Federal Register.

FURTHER ACTIONS REGARDING THE PROPOSED SALE

The potential effects of leasing in the area identified will undergo extensive environmental analysis in the EIS. Comments received on the Call for Information and Nominations and the Notice of Intent, and during the EIS scoping process, will be used with existing environmental data to develop alternatives to the proposed action and to design appropriate mitigating measures.

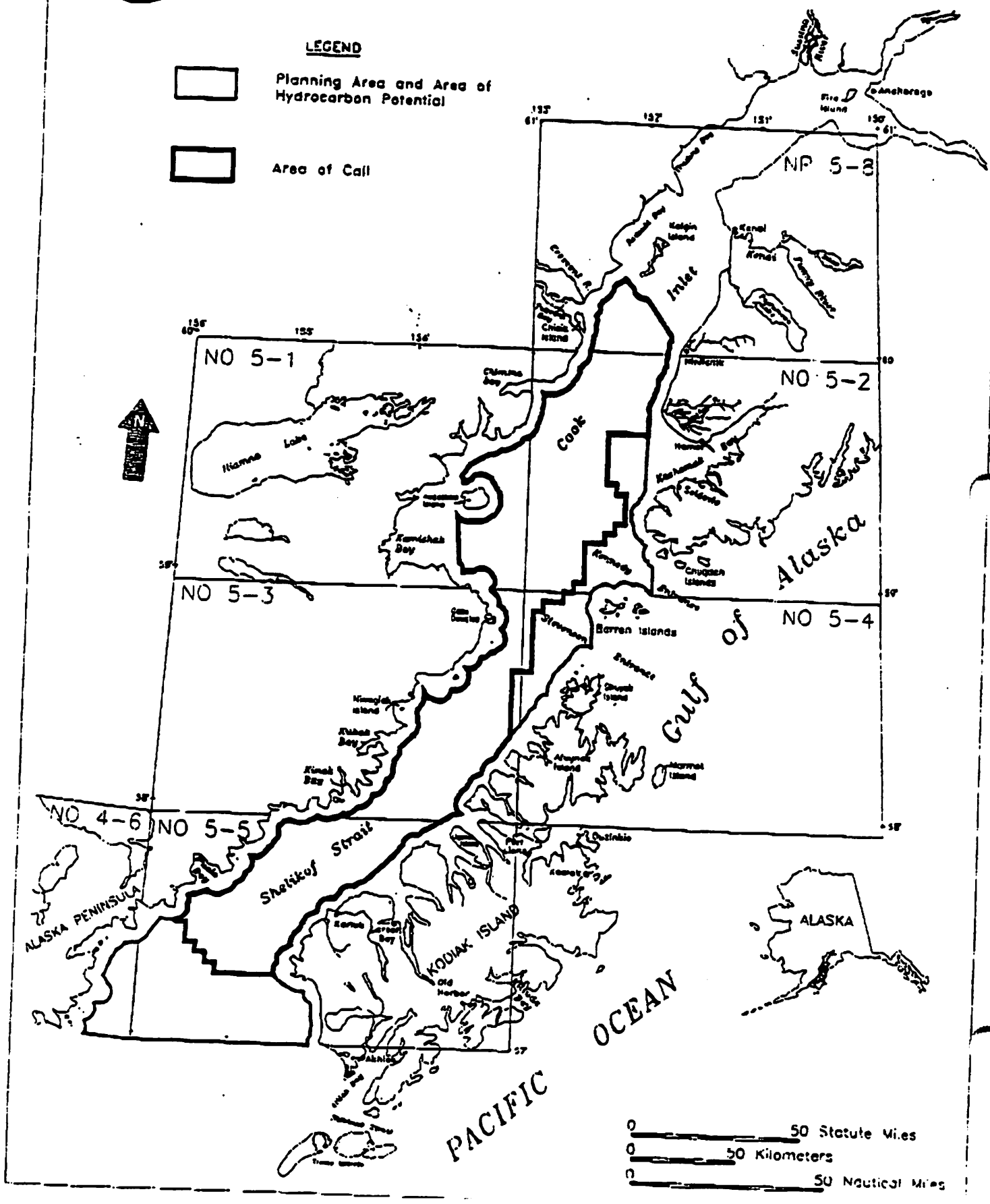
*After a draft EIS is issued in July 1993, public hearings will be held. Comments received will be used to develop the final EIS which is planned for release in April 1994.

*A decision on whether to issue a proposed Notice of Sale will be made in conjunction with the issuance of the draft EIS. If issued, it will present a proposed decision on blocks to offer; what special mitigating measures will be used to protect human, coastal, and marine resources in the area offered; and other conditions and terms that will apply to the leases. The Governor of Alaska will be asked for his recommendations on the size, timing, and location of the proposed sale. After careful consideration of the Governor's comments, the Secretary of the Interior will make a final decision.

The final Notice of Sale will be issued at least 30 days before bids are opened.

--MMS--

# COOK INLET/SHELIKOF STRAIT
# SALE 149



MMS

U.S. Department of the Interior
Minerals Management Service
Alaska OCS Region

# News Release

FOR IMMEDIATE RELEASE
August 18, 1992 #92-19

Robin Lee Cacy
(907) 271-6070

## MMS ANNOUNCES AREA IDENTIFICATION FOR COOK INLET/SHELIKOF STRAIT SALE 149

The Minerals Management Service (MMS) has announced the area to be studied for possible inclusion in the next federal outer continental shelf (OCS) lease sale offshore Alaska in Cook Inlet/Shelikof Strait. The sale is tentatively scheduled for September 1994.

The area includes 761 blocks encompassing 3,7 million acres. Requests from industry to enlarge the sale area based on new geological and geophysical information resulted in an enlarging of the sale area. Area residents requested changing the name of the Cook Inlet Planning Area to Cook Inlet/Shelikof Strait Planning Area. Although the size of the area which may be offered for lease was increased, the number of leases that can be issued in Sale 149 will be limited to no more than 250.

Water depths in the area range from one to about 1,300 feet. A draft Environmental Impact Statement (EIS) to be prepared by MMS which will discuss the proposal for oil and gas leasing in Cook Inlet/Shelikof Strait. The draft EIS is scheduled for completion in July, 1993. This will be the fourth OCS lease sale held in the area.

Copies of the Area Identification map for Sale 149 are available from the MMS Library, Anchorage, or by writing to the Minerals Management Service at the above address.

--MMS--

MMS

U.S. Department of the Interior
Minerals Management Service
Alaska OCS Region

# Fact Sheet

FOR IMMEDIATE RELEASE
August 27, 1992, #92-22

Robin Lee Cacy
(907) 271-6070

## SALE 158, GULF OF ALASKA/YAKUTAT CALL FOR INFORMATION AND NOMINATIONS AND NOTICE OF INTENT TO PREPARE AN ENVIRONMENTAL IMPACT STATEMENT

The Department of the Interior (DOI) has issued a Call for Information and Nominations and Notice of Intent (CALL/NOI) to Prepare an Environmental Impact Statement (EIS) for an offshore oil and gas lease sale tentatively scheduled for mid-1995 in the Gulf of Alaska near Yakutat. This fact sheet contains a description of the area included in the CALL/NOI, as well as relevant background information.

**PURPOSE OF THE CALL**

The CALL/NOI is an early information-gathering step to ensure that all interests and concerns regarding the specific sale are communicated to the Minerals Management Service (MMS) for future decision in the leasing process. This CALL/NOI does not indicate a preliminary decision to lease in the area described below.

Information submitted in response to this CALL/NOI, as well as information collected during the Information Base Review conducted in early 1992, will be used for several purposes:

*To assist in the decision on whether to proceed with the leasing process;
*To further identify areas of potential for oil and gas development to be considered for proposed leasing;
*To initiate the scoping process used in preparation of the EIS designed to involve Federal agencies, State and local governments, and other interested parties in aiding MMS in determining significant issues and alternatives to be addressed in the EIS.

Comments may be used in developing lease terms and conditions to ensure safe offshore oil and gas activities and to identify potential conflicts between offshore oil and gas activities and the State's Coastal Management Plan (CMP).

GENERAL INFORMATION

*The Call for Information covers approximately 7.2 million acres or approximately 1307 blocks.
*Distance from shore ranges from 3 miles to approximately 70 miles.
*Water depths in the planning area range from 165 to more than 13,000 feet.
*Approximately $8.9 million has been invested to date on environmental and socio-economic studies applicable to the area.

LEASING HISTORY

Three sales have been held in the area: Sale 39, held April 13, 1976; Sale 55, held October 21, 1980; and Sale RS-1, held June 30, 1981. Two other sales were planned but not held.

EXPLORATION ACTIVITY

One deep stratigraphic test well has been drilled by industry to examine the geology of the area. Twelve exploration wells have been drilled on OCS leases in the Gulf of Alaska Planning Area. All have been plugged and abandoned.

WHERE TO SEND COMMENTS

Comments are sought from all interested parties about particular geological, environmental, biological, archaeological, or socio-economic conditions or conflicts, or other information which might bear upon the potential leasing and development of this particular area. Comments, including the original CALL map with indications or interest, should be submitted to:

Minerals Management Service
Alaska OCS Region
Regional Supervisor, Leasing and Environment
949 East 36th Avenue
Anchorage, Alaska 99508-4302
(907) 271-6080

The standard Call map outlines the CALL area and shows the area identified by MMS as having potential for the discovery of oil and gas. The map is available, free of charge, from:

Minerals Management Service
Alaska OCS Region
Records Manager
949 East 36th Avenue, Room 502
Anchorage, Alaska 99508-4302
(907) 271-6621

ENVIRONMENTAL IMPACT STATEMENT

*As required by the National Environmental Policy Act of 1969, the MMS also is announcing its intent to prepare an Environmental Impact Statement (EIS) for the Gulf of Alaska Sale 158. The Notice of Intent also serves to initiate the scoping process, involving other Federal, State, and local

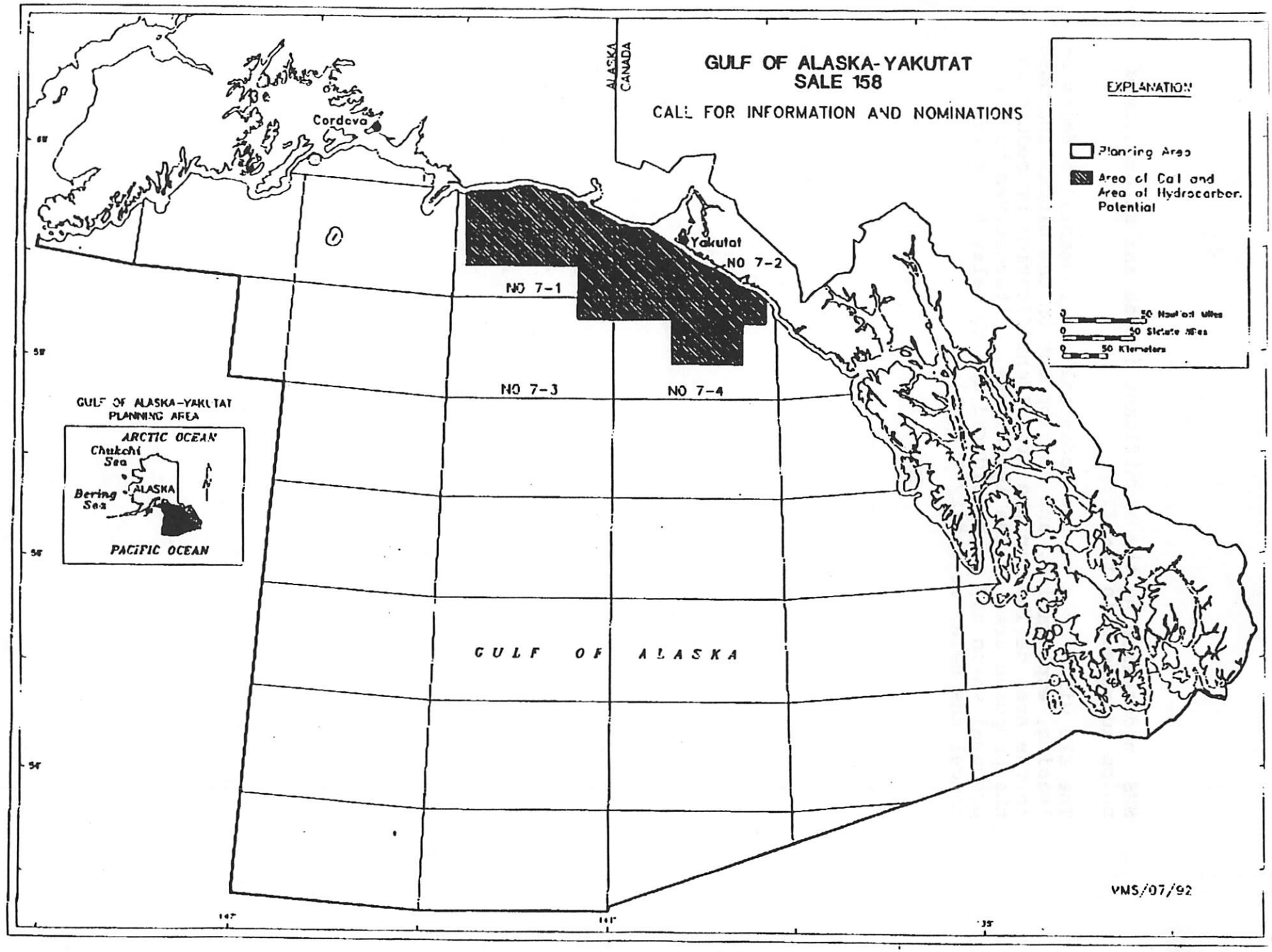
(more)

governments, and other interested parties in the aiding of

MMS in determining the significant issues and alternatives to be addressed in the EIS.

The EIS will focus on the potential environmental effects of leasing, exploration, and development on the blocks included in the area defined in the Area Identification procedure as the proposed area of the lease sale. Alternatives to the proposal which may be considered are to delay the sale, cancel the sale, or modify the sale.

--MMS--


GULF OF ALASKA-YAKUTAT
SALE 158
CALL FOR INFORMATION AND NOMINATIONS
ALASKA
CANADA
EXPLANATION
Planning Area
Area of Call and Area of Hydrocarbon Potential
50 Nautical Miles
50 Statute Miles
50 Kilometers
Cordova
Yakutat
NO 7-1
NO 7-2
NO 7-3
NO 7-4
GULF OF ALASKA
GULF OF ALASKA-YAKUTAT
PLANNING AREA
ARCTIC OCEAN
Chukchi Sea
Bering Sea
ALASKA
PACIFIC OCEAN
VMS/07/92

from the Alaska Energy Authority until the outstanding loan is paid.

According to Reft, the former tribal council, replaced last May,

See Karluk oil, Page 2

## Not exactly garden variety veggies

fresh vegetable collected in the garden of [illegible] parents, Mary Kay Blair and Doug Stewart. Chiniak garden boasts some of the finest produce around, neighbors say.

# State planning oil lease sale in Shelikof

By JOHN PFEIFER
Staff Writer

Responding to increased interest from oil companies, the State of Alaska has proposed its first-ever oil and gas lease sale for Shelikof Strait.

The Alaska Department of Natural Resources, Division of Oil and Gas, is proposing the addition of an oil and gas lease sale for Cook Inlet and Shelikof Strait to its Five-Year Oil and Gas Leasing program.

According to documents from the Division of Oil and Gas, Lease Sale 85 is tentatively scheduled for July 1996. It would include "uplands, tide and submerged lands in the Cook Inlet and Shelikof sedimentary basins."

The proposed area wraps around the coastline on both sides of Shelikof Strait. On the east side, it includes most of the waters within three miles of the shoreline from Shuyak Island southward to Low Cape at the opposite end of Kodiak Island.

The area on the west side includes everything from Chiginagak Bay northward.

Although this would be the first lease sale in state waters, other such sales have been held in federal waters, outside the three-mile limit.

In fact, the U.S. Minerals Management Service is tentatively scheduling a lease sale for Shelikof Strait in Sept. 1994.

Apparently, some of the same oil companies that have expressed an interest in exploring for oil in federal waters have also expressed an interest in the state's lease area.

Division of Oil and Gas Land Manager Joe Joyner said, "we've had one or two companies express interest in the state-owned acreage."

Joyner would not identify the companies, saying "state law prohibits us from releasing the names of companies nominating acreage."

Joyner did say that "one of the reasons we went ahead and proposed Sale 85 in Shelikof Strait is to take advantage of the proposed seismic programs and hopefully get them extended onto state acreage."

At least two companies—Western Geophysical and Arco Alaska, Inc.—have been conducting seismic and geophysical exploration in the straits this summer.

Local officials were somewhat surprised by the news of a proposed lease sale in state waters.

Kodiak Island Borough Community Development Director Linda Freed said she, at first, overlooked the notice because it was listed as "Sale 85, Cook Inlet," with no reference to Shelikof Strait. Only by looking further down in the document does one discover that the proposed area includes Shelikof Strait.

Although the official comment period ended Aug. 21, Freed still plans to send a letter to the state.

"I was going to suggest, at the very least, that it's very misleading to only call this a Cook Inlet sale."

According to the Division of Oil and Gas, "additional opportunities for comment will occur at several intervals during the leasing process. These opportunities include two calls for comments issued about 36 and 18 months prior to the sale."

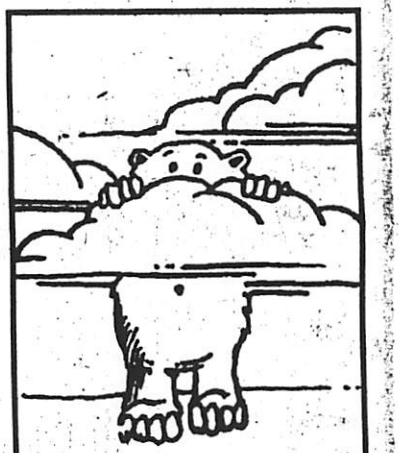
Joyner expects to finish drafting the five-year oil and gas lease schedule in October or November and publish it in January 1993.

## Feds to discuss their sale

Officials from the U.S. Minerals Management Service (MMS) have scheduled a trip to Kodiak Sept. 24-25 to meet with local government leaders and other parties interested in MMS's proposed oil and gas lease sale 149.

Environmental Impact Statement Project Manager Paul Dubsky, said he has scheduled meetings with city and borough officials, the Kodiak Area Native Association and the local Business and Industry Council.

Dubsky said the meetings will be "informal," and no public hearings are planned.



**Partly cloudy tonight with northwest winds to 10 mph and a low near 40. Cloudy Thursday with a high near 60. Record high and low temperatures for this date are 70 in 1983 and 37 in 197 Sunset, 9:06 p.m. an sunrise, 7:16 a.m.**

September 22, 1992

# Presentation to NPFMC
# Vessel Location and Oil Spill Response

Svend Brandt-Erichsen
Regional Administrator, ADEC

Good afternoon. My name is Svend Brandt-Erichsen, and I am the Department of Environmental Conservation's Regional Administrator for the Southcentral Region. My region includes Southwest Alaska, the Aleutians and Kodiak, as well as the Kenai Peninsula, Anchorage and the Mat-Su and Prince William sound areas.

I appear before you to address two matters which my department believes are or should be of mutual concern to the Council and to the State. These are proper handling of fish processing wastes and fuel oil spills.

## Fish Processing Wastes

We have identified some significant environmental impacts resulting from fish processing, with our greatest concern being fish wastes and waste water. Other concerns are oil spills, which are discussed below, and air emissions. Accumulations of fish wastes can cause significant localized problems, degrading water quality and destroying bottom life, particularly in shallower waters. Due to the potential for degradation, and some past problems, our agency has applied increasingly strict standards to in-shore processing facilities. These measures have been necessary to correct problems which have developed over time, and to counter the increased volume of waste in some specific locations.

Floating processors primarily operate under a much less restrictive general permit issued by EPA. Only a few areas are excluded from the general permit -- the various bays around Dutch Harbor, waters immediately around Kodiak, and the Kenai, Kasilof and Alsek rivers. There is also a volume restriction for processing in Akutan Harbor of 310,000 pounds per month. Other than these areas, the discharge of processing wastes is allowed, as long as it has been ground to the size of 1/2 inch.

When processing vessels are underway, or when in deep water, this standard appears to work well. However, when discharges occur in protected or shallow waters, and particularly when a number of processors are operating in the same area, there is real potential for fish waste accumulations which could be very detrimental to water quality and ocean life. Problems can be exacerbated by violations of the permit conditions, basically the discharge of unground or partially ground waste.

Outside of established harbors, our evidence of water quality problems is at this time mostly anecdotal. We do not have good information because it has been very difficult to determine localized impacts occurring as a result of what is by its nature a very mobile activity. However, we are also concerned that the lack of scrutiny in the past has encouraged some processors to ignore permit requirements, to the detriment of some near-shore areas.

I would like to mention in passing the issue of bycatch, which the council often has wrestled with. We are very supportive of efforts to reduce waste from bycatch, and ask for the Council's help in identifying the best approaches for accomplishing this.

As a step toward evaluating existing permit conditions, and also as a tool to improve permit compliance, we have been researching methods for tracking offshore fishing and seafood processing vessels. We are prepared to conduct a volunteer pilot project, to examine the feasibility and the technological capabilities of systems for remotely tracking the position of floating processors within Alaska waters. We have already identified what we hope will be some promising approaches.

We would like to ask the Council to assist DEC in identifying five floating seafood processor vessels to voluntarily participate in a three month pilot program at no cost to their operation.

Our ultimate goal is a continuous tracking system, which will provide information valuable to the Council, federal agencies, as well as the State. In addition to waste water, we also see benefits in identifying the sources of orphan oil spills, and in addressing air emissions from larger vessels, particularly processors, which may be impacting on-shore air quality.

The voluntary pilot program is designed to track vessels representative of industry activity throughout Alaska coastal waters. Ideally, we would like to have:

2 vessels operating in waters associated with the Bering Sea,
1 vessel operating in waters associated with Bristol Bay and the Alaska Peninsula,
1 vessel operating in waters associated with the Gulf of Alaska,
1 vessel operating in the waters of Southeast Alaska.

Participating volunteer vessels will be outfitted with at least one, and possibly two transmitters that regularly send a signal to a satellite. The signal contains data capable of identifying the vessel, its location, speed and direction. The data is sent from the satellite to a ground-based receiver where it is processed into useable information and then accessed remotely, via telephone, by the Alaska Department of Environmental Conservation. Information will be recorded at least daily and plotted to a computer generated map. Vessel identification, position, speed and direction will be available for review by agency staff.

The pilot program will evaluate vessel tracking for both the technical requirements and feasibility for implementation of a full-scale vessel tracking program. Issues such as

transmitter reliability, software utility, communications, data access and interpretation, software utility and operator training will be evaluated.

## Requirements of Floating Seafood Processor Volunteer Participants:

- Prepared to start December, 1992.
- Commit to a three month continuous test duration.
- With instruction install a lightweight, compact, integrated antenna and transmitter on the exterior of the vessel in an unobstructed location. The transmitter is operated off shipboard DC power supply. Depending upon weather conditions, sometimes the transmitter is best mounted in the wheelhouse and the antenna is mounted outside, preferably on the upper deck, to minimize obstruction.
- The vessel will operate largely within Alaskan Coastal waters during the three month trial period.
- The vessel operator will report any difficulties with the installation, operation or other operational difficulties that the hardware generated while onboard their vessel.

In addition to this pilot project, we are pursuing remote sensing technology, capable of finding oil spills, unusual exhaust plumes or other environmental impacts at sea. This is a longer term effort, but one we hope to coordinate with a vessel tracking program.

We believe the information derived from this pilot program could be very useful, not just to DEC, but also to the Council and to federal agencies. Obviously, tracking information could be used for several different purposes. If this technology proves out, it is a relatively cost effective way to track these vessels. This is a first step toward a bigger effort, which we hope can be undertaken jointly by the State and the Council.

## Oil Spills

The other matter I want to discuss with you is oil spills from the fishing fleet and support vessels. The State of Alaska has invested significant efforts in the last few years in improving spill prevention and response among both crude and non-crude bulk carriers. As a result of the Exxon Valdez experience, Alaska has probably the strictest oil spill laws in the nation.

State spill rules have had the greatest significance in protecting the waters of Prince William Sound, Cook Inlet, and those inland waters or shipping routes frequented by fuel barges. However, the greatest threat of oil spills in the fishing grounds of the Bering Sea and the Gulf of Alaska are from fishing vessels, processors and support vessels.

Historically, the most significant spills in these waters have been from vessels involved in the fishing industry.

Here is a short list of the largest spills or near-spills of the recent past involving fishing vessels or vessels serving the fishing industry:

* F/V Makaka - Grounded near Craig, August 1990. 10,000 gallons fuel lightered off by Coast Guard.

* M/V Milos Reefer - Grounded at St. Matthews Island, November 1989. Estimated 235,000 gallons fuel oil spilled.

* M/V Ocean Pacific - Sank in Tongass Narrows, August 1989. 15,000 gallons of fuel oil on board, most of which successfully salvaged and recovered.

* M/V Swallow - Ran aground at Ulatka Head, Amaknak Island, releasing 30,000 gallons diesel, February 1989. Vessel lightered and refloated. 89,000 gallons fuel oil were on board.

* M/V Aoyagi Maru - Ran aground at Lost Harbor, with approximately 113,000 gallons No.6 and diesel oil on board, December 1988. Vessel was burned, consuming fuel on board.

* F/V Tae Wong #603 - Ran aground at Uliaga Island with 145,000 gallons of diesel, May 1987. Vessel explosively burned.

* M/V All Alaskan - Grounded at St Paul Island with 141,000 gallons of diesel and 2,500 gallons of fuel oil on board, March 1987. Fuel was lightered off.

* M/V Shin Yan Ho - Sank in Bristol Bay after colliding with a Japanese vessel with 70,000 gallons of fuel oil on board.

Others of note were the F/V Terminator and the M/V Chil Bo San.

Oil spills and slicks resulting from accidents such as these, fuel transfers and bilge pumping, particularly in near shore areas, may have a significant impact on fish and wildlife habitat. This is particularly true when spills involve persistent fuels, such as bunkers, lube oils or sludges. While impact studies to date are limited, water quality in harbor areas, such as those around Unalaska, have been significantly degraded by chronic fuel transfer spills and bilge pumping.

This last summer, DEC responded to reports of tar balls on the outside of Kayak, Middleton and Montague islands. Samples indicated most of the oil was weathered bunker fuels. While tar balls routinely wash up on these beaches, this year was particularly bad. While concentrations were not great enough to warrant clean up, in some areas the oil presented a threat to nesting areas and to wildlife.

With prevailing currents, the source of these tar balls could have been as far away as Asia. However, boats operating in or transiting the Gulf of Alaska are the likely source. This is just one example of the persistence in the environment of heavy fuel oils. Non-persistent fuels, such as diesel, while rapidly dispersed, do have the potential for significant localized effects.

This is a matter which we feel should be of concern to the Council. Oil spills, particularly of persistent fuels, can have a significant impact on water quality. The location of a spill will determine just how long lasting the impact may be. Because the fishing fleet and its support vessels are a significant source of spills, as well as the group most likely to feel the adverse effects of a major spill in these waters, we would like to encourage Council action in this area.

The State's authority to require improved spill preparedness and better efforts to prevent avoidable spills is limited by our jurisdictional reach. Also, Alaska's oil spills laws do not currently extend oil spill contingency planning requirements to fishing vessels. This is, in part, our purpose in presenting this issue to the Council. We believe it is appropriate for the Council to adopt certain minimum oil spill requirements as manager of the fisheries in the North Pacific.

Currently the State of Washington requires all vessels over 300 gross tons, including fishing vessels, to have an oil spill contingency plan or be covered by the State plan. We are not currently advocating the extension of a contingency plan requirement to fishing vessels operating in Alaska waters. However, we do believe some less onerous requirements are appropriate.

There are several contractors capable of responding to oil spills in Gulf or Bering Sea waters. We would like to see those vessels which present the greatest risk of significant spills obtain standby contracts with response action contractors. We would suggest that requirement apply to vessels over 300 gross tons, or to smaller vessels carrying persistent fuels.

Due to the logistical problems of responding to spills in or near the Aleutians, it is probably not practical to set clean up standards -- requiring the capability to clean up or contain a certain volume within a limited time. However, we believe there would be benefits from assuring that response contractors would be available in the event of a spill. As I have indicated, this is probably only a practical requirement for larger vessels.

For smaller vessels, the greatest oil spill risk appears to be oily bilge pumping and fuel transfers. This is most serious in protected waters, such as harbors, or when a large number of boats congregate, such as before an opening. Our department has increased its attention to sloppy fuel handling practices, particularly at Dutch Harbor. We will be doing more to try to discourage these practices. If the Council were to take some action relating to oil spills, some spill prevention provisions, aimed at both large and small vessels would be appropriate. We really need all of the help we can get to encourage better handling of fuel and oily bilges.

To conclude my remarks, we would like to encourage the Council to adopt minimum oil spill prevention and response requirements, and would suggest that vessels over 300 gross tons participating in the fishery be required to sign stand by contracts for spill response. We would also like to ask for your cooperation in identifying participants in the tracking pilot program I have outlined, and work toward a joint continuous location reporting system for offshore fishing and seafood processing vessels. I would be glad to answer any questions.

# SUMMARY

## ADEC Proposal, Vessel Location and Oil Spill Response

Vessel Tracking

* Seafood processing and some fishing vessels produce a number of environmental impacts. Most significant to the State is fish waste and associated waste water, although oil spills and air emissions are also of concern.

* The State's ability to monitor imacts on water quality or other environmental effects is limited due to our inability to closely track vessels operating in the fishery.

* Improved vessel tracking would provide a number of benefits to ADEC, including better waste water enforcement, identifying the sources of 'orphan' oil spills. We believe it would also benefit other State and federal agencies and the Council.

* ADEC is prepared to conduct a pilot study to test one or two vessel tracking systems. The details of this proposal are attached.

* ADEC requests the Council's assistance in identifying 5 seafood processing vessels to participate in the pilot program.

Oil Spill Response

* Alaska has put substantial effort into curtailing the risk of oil spills from crude tankers and fuel barges. While Alaska law prohibits the spilling of oil, we do not currently impose spill prevention or response requirements on fishing vessels.

* Fishing vessels present a significant threat of oil spills, either through accidents or neglect in handling fuel transfers and oily bilges. Chronic small spills, such as from bilges or fuel transfers, as well as larger spills resulting from major vessel accidents, can have a significant impact on the near shore environment.

* Alaska's ability to require spill response capabilities is limited by our jurisdictional reach. As a result, we believe this is an ideal area for a cooperative effort between the State and the NPFMC.

* PROPOSED ACTION -- ADEC requests the Council adopt minimum oil spill preparedness requirements, and consider requiring fishing vessels over a certain size to obtain stand-by contracts for oil spill response.

# Floating Seafood Processor Tracking
# Volunteer Pilot Program

**Purpose:** The purpose of the Volunteer Pilot Program is to develop the feasibility and demonstrate the technological capabilities to remotely track the position of floating seafood processors within Alaskan coastal waters.

**Objective:** To request the North Pacific Management Council to assist the Alaska Department of Environmental Conservation to identify five (5) floating seafood processor vessels. These five vessels would voluntarily participate in a three (3) month pilot program at no cost to their operation.

**Description of Pilot Program:** The volunteer pilot program is soliciting a total of five (5) floating seafood processor vessels representative of industry activity throughout Alaskan coastal waters. Ideally, we would like to have:

2 vessels operating in waters associated with the Bering Sea,
1 vessel operating in waters associated with the Bristol Bay and the Alaska Peninsula,
1 vessel operating in waters associated with the Gulf of Alaska,
1 vessel operating in waters associated in Southeast Alaska.

Participating volunteer vessels will be outfitted with at least one, and possibly two transmitters that regularly send a signal to a satellite. The signal contains data capable of identifying the vessel, its location, speed and direction. The data is sent from the satellite to a ground-based receiver where it is processed into useable information and then accessed remotely, via telephone, by the Alaska Department of Environmental Conservation. Information will be recorded at least daily and plotted to a computer generated map. Vessel identification, position, speed and direction will be available for review by agency staff.

The pilot program will evaluate vessel tracking for both the technical requirements and feasibility for implementation of a full-scale vessel tracking program. Issues such as transmitter reliability, software utility, communications, data access and interpretation, software utility and operator training will be evaluated.

## Requirements of Floating Seafood Processor Volunteer Participants:

- Prepared to start December, 1992.
- Commit to a three month continuous test duration.
- With instruction will install a lightweight, compact, integrated antenna and transmitter on the exterior of the vessel in an unobstructed location. The transmitter is operated off shipboard DC power supply. Depending upon

weather conditions, sometimes the transmitter is best mounted in the wheelhouse and the antenna is mounted outside, preferably on the upper deck, to minimize obstruction.

- The vessel will operate largely within Alaskan Coastal waters during the three month trial period.

- The vessel operator will report any difficulties with the installation, operation or other operational difficulties that the hardware generated while onboard their vessel.