



Valdez Office:  
P.O. Box 188, Valdez, AK 99686  
Phone: (907) 835-5460 / Fax: (907) 835-5410  
Email: [afervdz@alaskaforum.org](mailto:afervdz@alaskaforum.org)  
[www.alaskaforum.org](http://www.alaskaforum.org)

Fairbanks Office:  
P.O. Box 82718, Fairbanks, AK 99708  
Phone/Fax: (907) 479-6946  
Email: [aferrfbx@alaskaforum.org](mailto:aferrfbx@alaskaforum.org)

December 3, 2001

## **Discrepancies between Promises and Practices:**

### **Why “Environmentally Responsibility Development”**

### **Won't Happen in the Arctic National Wildlife Refuge**

The board of the Alaska Forum for Environmental Responsibility has over 100 years of experience overseeing the Trans-Alaska Pipeline System (TAPS), the system that delivers to market oil from all North Slope fields. TAPS includes the 800-mile pipeline, the Valdez terminal, and the fleet of TAPS tankers.

It is our opinion that the Arctic Refuge should not be opened for oil and gas development because the operators have a documented track record of failing to conduct “environmentally sound development” despite their assurances to do so. Key arguments are as follows.

**1. TAPS 2001 Status Report: TAPS is an aging line with serious operational challenges and environmental consequences.** The Alaska Forum is updating its 1996 report, *Pipeline In Peril*, a 300-page publication on TAPS systemic problems researched and written by Richard Fineberg who has followed TAPS issues from its construction. Highlights from the 2001 report include the following.

**v Vertical Support Members, or VSMS** – the pilings that hold the above-ground sections of TAPS – are at risk because of global warming. TAPS owners have failed to acknowledge the extent of this risk or present a specific plan how they will address the problem. Some 78,000 VSMS exist on the pipeline, all drilled to depths of between 15 and 70 feet. Dr. Margaret Leinen of the National Science Foundation testified before Senator Ted Stevens and the Appropriations Committee that continued global warming is expected to impact the top 30 feet of discontinuous permafrost and that the VSMS on TAPS could be dramatically affected. Evidence supplied by the TAPS owners states that they have identified 300 VSMS that are moving and may require future action. They do not cite the evidence of a Joint Pipeline Office (JPO) report from January of this year that states that 25,000 VSMS, not 300, are subject to movement. They do not mention that 84% of the heat pipes that maintain frozen ground have some degree of blockage, according to the JPO, which may diminish their performance.

**v Contingency plan (C-plan) is not a viable document, but a paper shuffle that contributed to the failed response to the bullet hole leak.** The C-plan for TAPS spills boasts that “Alyeska maintains a variety of clamps and sleeves for emergency patching or repair that can be used to stop a leak.” Those clamps include a bullet hole clamp, described as “a steel band with an attached Buna-N, rubber-type cone

which is strapped around the pipe with the cone pointed toward (or in) the hole,” as well as the much larger hydraulic clamp. None of this equipment materialized during the response to the bullet hole leak on 10/4/01. The lack of promised equipment and failed initial response was eerily similar to the failed initial response to the *Exxon Valdez* oil spill in 1989. Further, a promised training and drilling program for river protection, also a condition of the TAPS C-plan, has failed to happen, putting at risk public resources in each of the 800 river crossings along the TAPS corridor.

**v TAPS owners have failed to install promised communications and leak detection systems** as stipulated in the original right-of-way permit and in the 1972 TAPS EIS. The bullet hole leak triggered a spill about seven times larger than what the promised leak detection system should have detected. The bullet hole leak failed to trigger an immediate alarm at the TAPS operations controls center.

**v TAPS owners have failed to replace monitoring and control software with more sophisticated systems despite promises to do so after the 1993 audits.** In its 1999 report, JPO identified control and communications as a major problem. With the closing of four pump stations in 1996 and 1997, a reliable communication system is more important than ever. The Fiber Optics Cable Project was supposed to replace the outdated microwave relay system, but the new system proved unreliable and was not approved for pipeline control. TAPS is still using the outdated system, which has failed in the past, for communications.

**v Corrosion problems have been and are so severe as to require modifications to the Grant and Lease right-of-way documents to provide effective mitigation of potential above and below ground corrosion impacts.**

**v TAPS owners have failed to provide a viable Quality Control/Quality Program**, promised as a condition of the original right-of-way permit. TAPS owners have failed to provide this program or a work environment where concerned employees can report problems free of intimidation and harassment.

**v TAPS owners have consistently failed to provide adequate money for TAPS maintenance**, which is more critical now as pipeline ages. Documents show that TAPS has experienced more and more serious problems during the recent past as the system ages than during the last two decades. When Alyeska tried to restart the pipeline after its planned September shutdown, three separate crude oil spills resulted in the escape of more than 2,600 gallons into three remote pump stations. At Pump Station 3, a pump seal failed resulting in 200 gallons of crude spilled. At Pump Station 4, crude leaked through a suction valve, resulting in another 200 gallons of oil spilled. And at Pump Station 5, an open block valve caused the release of over 2,200 gallons of crude, some 200 gallons of which escaped from the pump station and leaked onto the workpad. In a typical response, Alyeska praised the responders but ignored the poor planning and maintenance that caused the incident. The TAPS record is replete with examples of cutting environmental corners to maximize profits to the owner companies.

**2. TAPS owners have failed to escrow DR&R funds as promised.** These unaccounted funds generated huge off the book profits for TAPS owners over and above the guaranteed profit on TAPS operations. All the while TAPS owners were budgeting insufficient funding for TAPS maintenance.

**3. TAPS oversight is inadequate.** Earlier this year the Interior Department’s Inspector General released a report on JPO operations that was less than flattering:

“...we assessed JPO’s systems of internal controls applicable to inspecting and tracking prior pipeline deficiencies and monitoring compliance with Federal and State regulations and found weaknesses relating to tracking and reporting compliance issues... JPO needs to establish an internal quality control review process to ensure that information presented in its Comprehensive Monitoring Program reports is accurate and supported.”

Due to political pressure, government oversight is consistently inadequate and cannot realistically be expected to improve, given the political climate. Citizen oversight in the form of Regional Citizens' Advisory Councils as established under the Oil Pollution Act of 1990 has proven effective at monitoring terminal and tanker operations. A similar form of citizen oversight needs to be instituted for all North Slope operations and TAPS operations.

**4. Double hull tankers are proving elusive yet were promised as an original condition of right-of-way permits.** Some TAPS owners have consistently substituted younger single hull tankers to replace older tankers, or taken other measures to avoid the expense of double hull tankers, in an effort to run out the deadline of 2015 in OPA 90. Congress should insist on a compliance schedule to replace remaining single hull tankers with double hull tankers to meet the requirements of OPA 90.

**5. TAPS owners failed to abide by the promise of NOT exporting North Slope crude.** Instead they lobbied Congress to lift the export ban, which it did in 1995. It is disingenuous of TAPS owners and their allies to argue that North Slope oil, including Arctic Refuge oil, is critical to domestic security when this oil can – and most likely will – go overseas if the market dictates.

**6. North Slope operators have failed to conduct operations in an environmentally responsible manner.** Recently in the news (*Wall Street Journal*, *Washington Post*), severe problems have been exposed regarding deferred maintenance and valves safety. These reports follow exposure of illegal disposal practices of hazardous wastes, for which at least one operator was caught and fined (*Poisoning the Well*, AFER 1997). These instances, brought to public light by action of concerned employees and citizens, indicate the appalling lack of government oversight of North Slope operations.

**7. TAPS owners and Congress have failed to integrate societal lessons from the Exxon Valdez Oil Spill with public policy and, by failing to do so, are not adequately considering risk from oil development to public resources, people, and communities at risk from oil spills.** In brief, key EVOS legacy findings include the following.

**v Oil is much more toxic to fish and wildlife than previously thought.** Ecotoxicity models from the 1970s are outdated and inadequate to gauge risk to wildlife and fish populations. We now know polycyclic aromatic hydrocarbons (PAHs) cause reproductive impairment in birds, fish, and mammals at levels of 1-10 parts per billion; federal water quality standards for PAHs are 300 ppb. Yet risk management is still based on 1970s models and short-term effects to single species, instead of the 2000 models and long-term population-level effects to entire ecosystems. All baseline data on North Slope oil effects on wildlife and fish should be reassessed using current 2000 models.

**v Oil spills cause community-level emotional trauma that has long-lasting effects.** Public policies fail to recognize and address this as a risk and consequence of oil development, thereby exposing fishing and native communities to enormous social and economic consequences of our nation's oil dependency. Prolonged litigation stemming from the *Exxon Valdez* Oil Spill, and the *Amoco Cadiz* before this, only exacerbates and prolongs the emotional trauma. Corporate advantage in spill litigation should be balanced with laws banning spillers from access to new fields that could potentially place at risk the same victims until past debts are adequately resolved.

**v Hazardous waste cleanup laws are not adequate to protect oil spill cleanup workers.** As far as we know, oil is the only substance that is designated as hazardous only after it is spilled. As was recently reported in the media (*Los Angeles Times* 11/5/01), many cleanup workers from the *Exxon Valdez* Oil Spill are still suffering long-term health problems from chemical poisoning during the cleanup. This is in large part because the federal government failed to adequately oversee the spiller, a practice which is guaranteed to continue under current policies.

## **Environmentally Sound Development should Include:**

v The political will to provide a comprehensive energy policy, based on extensive public input, that includes a spectrum of energy sources, a plan for conservation of nonrenewable resources, and a plan for a gradual transition to renewable sources with a timeline and penalty structure for failing to follow that plan.

v Conditional approval of all oil and gas development and operating permits with substantial fines and penalties for failure to comply with schedules as it is unrealistic to expect TAPS or any of the North Slope fields to be shut down. One of the conditions should be satisfactory completion of an evaluation, including a technical review and audit every five years, to assure that operators employ best available technology and have the fiscal and management systems in place to address any problems may be encountered expeditiously and competently. Another should be a provision establishing and ensuring a viable Employee Concerns Program with all operations. Another provision should include citizen oversight councils for TAPS and North Slope operations. Another should be a compliance schedule for meeting the OPA 90 requirements for double hull tankers.

v A guarantee that all future spills will be federalized as is done in Norway with expenses reimbursed by the spiller. The backwards approach used in the US, which allows the spiller to remain in charge of the cleanup, places at risk worker health and public resources.

v A guarantee that new oil and gas development will be banned where outstanding debt from past spills is unresolved and where the new development could potentially place at risk the same victims from a new spill.

In summary, there is absolutely no indication that North Slope operators and TAPS owners are doing, have done in past, or intend to do in the future environmentally sound oil development. Political pressure such as we are experiencing right now to open the Arctic Refuge is a clear indication that economic considerations will always carry more weight than socially or environmentally sound development issues. We simply do not have public policies in place to ensure we as a nation are committed to protecting our public resources, worker health, people, and communities at risk from oil spills. Therefore, at this time, we urge you to oppose opening the Arctic National Wildlife Refuge to oil development.

Sincerely,

Riki Ott      Dave Lacey      Dan Lawn      Stan Stephens      Walter Parker  
President

Board of Directors  
Alaska Forum for Environmental Responsibility