

# The Alaska Forum

◆ The Quarterly Newsletter of the Alaska Forum for Environmental Responsibility ◆

SUMMER '96

## PIPELINE IN PERIL

### Report Documents Serious Risks to Worker Safety and Environment on Aging Trans-Alaska Pipeline

*On September 11, 1996, the Alaska Forum released Pipeline in Peril: A Status Report on the Trans-Alaska Pipeline, written by Richard Fineberg of Es-ter, Alaska. Because we believe Richard's own words provide the best introduction to the purpose of the report and its conclusions, we have included an excerpt from his preface below. More about the report can be found inside this newsletter.*

**T**his report considers two conflicting versions of reality. According to one view, the nineteen-year-old Trans-Alaska Pipeline System (TAPS) is reliable and well-maintained. Its operator, the Alyeska Pipeline Service Co. (Alyeska) spares no expense to protect the land and the rivers the pipeline crosses on its 800-mile journey from Prudhoe Bay, on the Arctic Ocean, to the ice-free port of Valdez, on Prince William Sound. Recent remedial actions have won the approval of state and federal monitors of the Joint Pipeline Office, as well as praise from the congressional watchdog agency, the General Accounting Office.

In the contrasting view, the aging pipeline is an accident that has found a place to happen. Credible concerned employees, some of them banished from the pipeline for their views, report that Alyeska constantly

cuts corners on a sloppy operation. The result, they say, is that the operators of this highly profitable pipeline needlessly place human lives and the environment at risk.

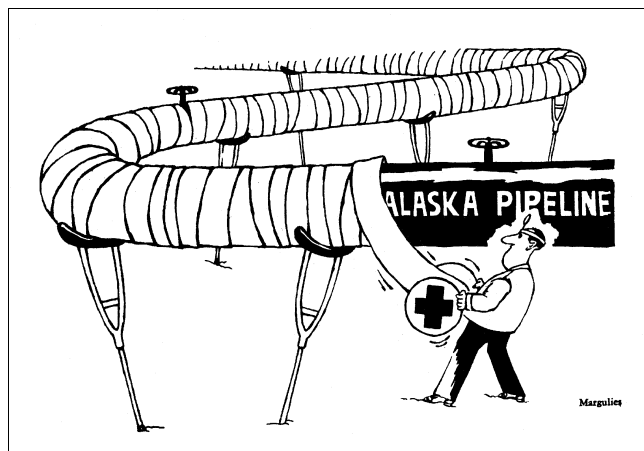
These conflicting reports prompted the Alaska Forum for Environmental Responsibility to seek its own evaluation of the condition of TAPS. They asked me to examine the condition of TAPS and the ability of its owners to honor their commitment to the people of the United States to operate a highly profitable pipeline with minimal risk to the environment and to worker and

public safety. The central question this report seeks to answer is whether Alyeska and the reconstituted state-federal Joint Pipeline Office are taking appropriate measures to correct acknowledged, persistent and serious shortcomings in the TAPS delivery system.

**T**o understand the situation, I followed the time-honored practice of gathering facts and making persistent inquiries, absorbing as much information as

possible from Alyeska, from the pipeline monitors, from AFER and from concerned TAPS employees. It was several months before a clear and compelling picture emerged. In the end, I concluded that despite recent changes up and down the line, Alaska's environment is at increasing risk as TAPS ages. Indeed, some of the changes on TAPS may render Alyeska less capable of delivering oil safely.

*(Continued on page 4)*



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### Inside

Timber Observer Program	3
Pipeline in Peril: Key Findings and Recommendations	5-6
TAPS Whistleblower News	8

## ABOUT THIS PUBLICATION

The Alaska Forum is the quarterly newsletter of the Alaska Forum for Environmental Responsibility.

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### Mission:

The Alaska Forum for Environmental Responsibility is dedicated to holding industry and government accountable to the public mandate to safeguard the environment, provide a safe and retaliation-free workplace, and achieve a sustainable economy in Alaska.

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## A Message from the President *by Stan Stephens*

### 22,000 Gallon Oil Spill at Check Valve 92 An Omen of Things to Come?

Last April, Alyeska workers performing a routine inspection discovered crude oil at the bottom of a vertical access culvert at milepost 594, approximately 90 miles north of Glenallen near the Black Rapids Glacier. The spill was eventually traced to a leaking plug in a 6" by-pass line at check valve 92.

That was no surprise to Glen Plumlee, a former TAPS quality control inspector and whistleblower. In 1994, Plumlee and other inspectors urged both Alyeska and the Joint Pipeline Office (JPO) to dig up and fix below standard welds on check valves, including the plugs on by-pass lines. The inspectors predicted these faulty welds would eventually lead to leaks.

But Alyeska essentially ignored the inspectors' concerns. And JPO did not ask Alyeska to address the problem until February of this year — over a year after Plumlee's letter to JPO — and then approved a plan to repair the faulty valves that stretched over five years. That plan was being finalized when the spill was detected.

Initial estimates put the spill at 400 gallons. By the time we went to press, the estimate had grown to 22,599 gallons.

Unfortunately, this spill may be an omen of things to come. Richard Fineberg's report *Pipeline in Peril* (see pages 1 and 5) confirms the Alaska Forum's worst fear — the aging pipeline remains a serious risk to worker safety and Alaska's environment. Worse yet, the report's conclusions contradict the repeated reassurances of Alyeska and its monitors that all is well on the pipeline.

I urge you to read *Pipeline in Peril*. Pay particular attention to its recommendations. We believe their implementation will go a long way towards correcting the already identified hardware and management problems, improving government oversight, and restoring worker and public trust in Alyeska and its monitors. We plan to pursue many of these recommendations as our agenda over the next year.

Alyeska and its monitors should be commended for their prompt response to the CV 92 spill. But we all know that an ounce of prevention is worth a pound of cure. We were lucky the nearby Delta River was spared.

The spill at check valve 92 need not have happened. More importantly, future spills can be prevented — but only if Alyeska listens to concerned employees and JPO provides more aggressive oversight.

As Alaska prepares for another half century of petroleum production on the North Slope, we must demand the highest quality facilities, both new and old. Alaska's workers and environment deserve no less.

## THE ALASKA FORUM IS ON-LINE!

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## Timber Observer Program

### Alaska Forum Pushes for User Fees to Fund Monitoring of Timber Industry

*“Do the currently required logging practices actually protect fish and wildlife habitat? Water quality? Nobody knows. What we do know is that we cannot make sustainable forest management decisions without this information. The Timber Observer Program would fill this information gap.”*  
- Riki Ott

Last January, Riki Ott, Vice-President of the Alaska Forum, asked the state to create a Timber Observer Program -- a new program designed to get Alaska's Departments of Fish and Game and Environmental Conservation back into the field to monitor timber harvesting activities. The program would be funded by a user fee on the timber industry, based on a combination of total acreage cut and total board feet cut.

Ott outlined the need for the program at a Board of Forestry meeting in Juneau. The Board was preparing its annual report to the Legislature on the implementation of Alaska's Forest Practices Act.

“Passing the Forest Practices Act in 1990 was a major struggle. Environmentalists and the timber industry both compromised to create a workable law. But since the passage of the Act there has been little attention to its implementation on individual timber sales, where it really matters,”

said Ott.

“Do the currently required logging practices actually protect fish and wildlife habitat? Water quality? Nobody knows. What we do know is that we cannot make sustainable forest management decisions without this information. The Timber Observer Program would fill this information gap.”

Ott presented a detailed paper to the Board

of Forestry, which described the need for the Timber Observer Program and how it should be structured and financed. The paper was a joint effort of the Alaska Forum for Environmental Responsibility and United Fishermen of Alaska. Member organizations of the Alaska Statewide Forestry Network also endorsed creation of the program.

Ott's call for the new program coincided with reports to the Board of Forestry from the Departments of Fish and Game and Environmental Conservation critical of the implementation of the Act. The agencies described their inability to implement the Act, especially its monitoring provisions, without the full funding the legislature acknowledged was necessary when it passed the Act.

Fish and Game believes the current level of monitoring is inadequate to prevent negative impacts on Alaska's natural resources. According to Fish and Game's report, Alaska “can anticipate a continued degradation in the abundance, quality, and availability to humans of non-timber resources,” much like that experienced in the Pacific Northwest (*1995 Report to the Board of Forestry*; January 16, 1996; p. 2).

Fish and Game's report was so controversial that the Board scheduled an additional meeting in February to discuss problems with implementation of the Forest Practices Act. At the February meeting, the timber industry was sharply critical of Fish and Game and the Timber Observer Program and strongly objected to user fees.

Nonetheless, enough questions had been raised that the Board of Forestry was unable to finish its report to the Legislature. Instead, it created a technical committee to study ways to improve implementation of the Forest Practices Act, including its monitoring provisions. Riki

*(Continued on page 7)*

*You can read the Timber Observer Program concept paper on our Web site: <http://accessone.com/~afersa>*

(Continued from page 1)

This report contradicts the sanguine findings of the August 1995 General Accounting Office assessment of Alyeska and its monitors. It also demonstrates that Alyeska's reassuring statements may be misleading. Even in areas where Alyeska and its monitors can rightly claim progress over the last few years --such as the pipeline repair program, and Alyeska's new quality assurance plan and employee concerns programs -- there are continued indicators that things are not as they should be on the nation's largest pipeline. For example:

- ◆ Mandated repairs and improvements to components essential to safe operations are chronically and significantly behind schedule.
- ◆ The new quality program does not assure successful operations, as the April 20, 1996 pipeline oil spill near Black Rapids Glacier in central Alaska demonstrates. Moreover, the new quality program is felt by critics to contain major defects.
- ◆ Instances of continued worker harassment, slow resolution of some whistleblower complaints and turnover in Alyeska's newly-established Employee Concerns Program lead some critics to the conclusion that the new program is little more than window-dressing.

Because the same fact may be used to support divergent conclusions, analysis of TAPS requires not only facts but careful interpretation and thorough understanding of the context in which those facts occur. To assist in evaluating the significance of concerns about the condition of TAPS, this report presents both facts and the background information necessary to understand the relevance of those facts. This data-based approach is doubly necessary because the oil industry in Alaska conducts a massive, ongoing public relations campaign, in addition to contributing lavishly to political candidates in Alaska, creating an environment in

which critical questions tend to be overlooked or dismissed.

After six months of research and reflection, I believe this report represents the fruits of a balanced and independent analysis. To enable the reader to understand how I reached my conclusions, throughout this report I have provided footnotes with source references. The findings and recommendations of this study rest firmly on information that typically meet one or more of the following criteria. The data presented for consideration are:

- ◆ demonstrably representative of current conditions;
- ◆ consistent with plausible and pertinent explanatory frameworks;
- ◆ supported by the reports of credible observers; and / or
- ◆ pertinent to subjects chosen by other observers (such as the General Accounting Office, Joint Pipeline Office or Alyeska itself) to support very different conclusions.

The Trans-Alaska Pipeline System is a vital and highly profitable supply line. The remote land and river systems the pipeline crosses and nearly one-tenth of the oil this nation uses daily depend on the safe operation of TAPS. Despite the significant increase in expenditure and oversight effort, the aging pipeline is increasingly prone to accidents that could result in injury or loss of life, environmental damage and oil supply interruption. These risks are exacerbated by Alyeska's economizing measures. The clear conclusion of this report is that TAPS is a pipeline in peril.

AFER sought — and I have tried to deliver — an analysis that is both careful and independent. In evaluating this report, I hope the reader will consider his or her own preconceptions as carefully as I have attempted to consider my own.

*... the aging pipeline is increasingly prone to accidents that could result in injury or loss of life, environmental damage and oil supply interruption. These risks are exacerbated by Alyeska's economizing measures. The clear conclusion of this report is that TAPS is a pipeline in peril.*

—Richard Fineberg

# *Pipeline in Peril:* Key Findings and Recommendations

The findings and recommendations presented here are abstracted from the complete version of *Pipeline in Peril*.

## Key Findings

### Alyeska's Audit Resolution Program

In 1993-94, a series of internal and external audits produced a list of 4,920 problems that needed to be fixed on TAPS. Examination of audit item closure data indicates Alyeska has failure to meet its commitments for fixing these problems. Examples include:

- ⇒ failure to achieve its closure goal of fixing 85% of the problems by year-end 1995;
- ⇒ gross failure to achieve that goal for top-priority (P-1) items— those with the greatest impact on safe operations (27 of 96 closed, or 28%); and
- ⇒ failure to close top-priority items in areas specifically cited by the General Accounting Office (GAO) in August 1995 as examples of Alyeska's improvement since GAO's earlier, and highly critical, 1991 report on TAPS.

### Alyeska's Quality Program

- ⇒ In December 1995, JPO and Alyeska agreed on seven standards by which the quality program would be judged. JPO unconditionally approved Alyeska's new quality program on April 8, 1996, despite its acknowledgment that Alyeska failed to meet at least three of those standards.
- ⇒ Reports from the pipeline indicate Alyeska leaders warned employees not to criticize the quality program to JPO evaluators.
- ⇒ Pronouncements by Alyeska President David Pritchard and other Alyeska officials indicate that one of Alyeska's primary motivations for pursuing the quality program was to satisfy JPO and thus avoid more vigorous government scrutiny.

### Shutdowns

TAPS shutdowns are occurring with increasing frequency. According to Alyeska data:

- ⇒ Between mid-1979 and the end of 1993, TAPS averaged about two shutdown incidents per year.
- ⇒ In 1994 and 1995, the shutdown rate exceeded 8 per year.

### Potentially Serious Incidents

During 1994 and 1995, a potentially serious incident occurred somewhere along the line on the average of three times a month, or once every ten days. Reported incidents included:

- ⇒ 9 crude oil spills;
- ⇒ 14 other spills;
- ⇒ 7 fires;
- ⇒ 25 shutdowns or slowdowns due to communication problems; and
- ⇒ 20 leaks in the Vapor Recovery System piping at the Valdez terminal.

### Leak Detection

Before construction, Alyeska promised that it would be able to detect leaks as small as 750 barrels (31,000 gallons) per day (bpd). By late 1995, its leak detection system approached that accuracy on approximately one day out of 30. In late 1995, on average, the system was capable of sounding an alarm at a spill rate of 1,000 bpd less than one hour per day.

### Remote Gate Valves

Originally installed as a safety device, TAPS' 62 remote gate valves (RGVs) have become something of a two-edged sword. In 1994 and 1995, RGV communication loss or malfunction occurred on the average of once a month. Eleven of those failures occurred on the south slope of the Brooks Range, where special handling of oil flow is required to avoid build-up of excess pressure that could rupture the line as the oil toboggans downhill from Atigun Pass, the highest point on the line. Effects of a major spill along this stretch could impact the environmentally sensitive Koyukuk and Yukon River watersheds.

### Electrical System Repairs

Electrical system repairs are the largest activity in Alyeska's audit resolution program. By 1994, Alyeska had identified at least 31,000 electrical system problems on the pipeline and at the Valdez Marine Terminal that needed to be fixed. In 1994 and 1995, several credible inspectors charged that Alyeska's electrical system repair activities were a paper-shuffling subterfuge that allowed it to avoid the requirements of state law and placed pipeline workers and the environment

*(Continued on page 6)*

You can read the Executive Summary of *Pipeline in Peril* on our new Web page:

<http://accessone.com/~afersea>

Copies of the complete report are also available for \$12.50 (including postage) from the Alaska Forum. Copies of the Executive Summary alone are free.

(Continued from page 5)

at risk. Three of these inspectors no longer work on the pipeline. Two case studies examined in this report failed to provide credible evidence that electrical system repairs were conducted safely. The consistent recurrence of work performed in violation of code and/or work procedure requirements should make government monitors and the public concerned about the safety of TAPS electrical systems. These problems, in turn, have serious ramifications for operational safety and control of the pipeline.

### Concerned Employees

Despite the U.S. Department of Labor's initial findings in favor of 11 out of 15 TAPS employees who blew the whistle, only one has been re-employed. Alyeska has attempted to solve its "whistleblower problem" in part by public pronouncements and in part by shooting enough messengers that those remaining may keep their heads down to preserve their jobs.

### Monitoring TAPS

Despite some important progress over the last several years:

- ⇒ JPO frequently supports Alyeska publicly, despite a documentary record that would appear to warrant a more critical stance;
- ⇒ by virtue of its behind-the-scenes strategy, JPO frequently gives the appearance of inappropriate collaboration with Alyeska;
- ⇒ JPO is often unduly reliant on Alyeska for the information on which its evaluations are based;
- ⇒ JPO relies for technical expertise on consulting and engineering firms also under contract to Alyeska and/or its owners; and
- ⇒ JPO appears slow to recognize and acknowledge whistleblower concerns, or to address the chilling effects of retaliatory action.

The Alaska Department of Environmental Conservation (ADEC) -- a member agency of JPO -- has also failed to take strong, timely action in several important areas: vapor recovery system leaks, the need for tractor tugs to escort tankers through Prince William Sound, and Alyeska's efforts to economize on oil spill response personnel.

## Recommendations

Despite recent anguine assessments by TAPS' government monitors, this report documents a pattern of instances in which resolution of TAPS operating problems has been characterized by serious shortcomings and/or chronic delays in abatement plans. The following recommendations are designed to:

- ◆ ensure effective resolution of problems that have already been identified;
- ◆ significantly improve the ability of Alyeska and the TAPS monitors to perpetuate safe transportation of ten per cent of the nation's daily oil supply;
- ◆ guide and assist the owners of TAPS in honoring their commitments to ensure worker safety and minimize environmental risks to the land TAPS crosses; and
- ◆ provide better public information so that citizens can make informed judgments about the pipeline.

The importance of implementing these recommendations is underscored by the oil industry's recent confirmation that North Slope production will continue for 30 more years, combined with Alyeska's clear predilection for cost-cutting. Both of these facts increase the threats to the environment and worker safety posed by the aging pipeline system.

- Recommendation #1:** Immediately Implement a Presidential Task Force on TAPS
- Recommendation #2:** Strengthen State of Alaska Oversight
- Recommendation #3:** Assure Adequate State Funding for the Joint Pipeline Office
- Recommendation #4:** Strengthen the JPO Executive Council by Including Public Participation
- Recommendation #5:** Strengthen JPO's Mandate
- Recommendation #6:** Amend State of Alaska Whistleblower Laws To Provide Protection for Private Sector Employees
- Recommendation #7:** Create a Credible JPO Employee Concerns Program and Convene a Whistleblowers Conference
- Recommendation #8:** Develop a System to Track and Trend Data on TAPS Shutdowns and Potentially Serious Incidents
- Recommendation #9:** Improve Tracking of Key TAPS Issues
- Recommendation #10:** Devote a Portion of Already Collected Dismantling, Restoration, and Removal (DR&R) Funds to Ensure Safe Operation of TAPS

**For actions you can take to help fix the problems on the pipeline, see page 11.**

(*Timber, Continued from page 3*)

Ott was appointed to the committee, which will report back to the Board of Forestry in late August 1996.

Governor Knowles also appointed an interagency task force to look into problems with the Act, working on a similar timeline.

**F**ish and Game was hit hard by budget cuts in the last legislative session.

According to Ott, this has heightened interest in the Timber Observer Program, particularly the concept of a user fee to fund monitoring. The Knowles Administration is now seriously considering a user fee.

“The fishing industry already pays for several independent Fisheries Observer Programs that make sure it complies with the law,” said Ott. “Alyeska reimburses the state for some of the costs of operating the Joint Pipeline Office, the lead pipeline oversight agency. Why shouldn’t the timber industry pay for a program designed to ensure it is protecting water quality and fish and wildlife habitat, public resources valued by all Alaskans?”

A recent editorial in the *Anchorage Daily News* (6/23/96) supported the user fee concept. As the editorial put it, “. . . the state is going to have to come up with more money [for monitoring and enforcement]. The most logical place to turn is the very industry that creates the need for the expense. Some sort of user fee should be levied on timber operations . . .”

**S**ome in the timber industry hope to turn the current funding crisis to their advantage. They have urged the state to turn monitoring and enforcement over to private companies hired and paid by the timber industry.

“Here we go again — the fox wants to guard the hen house,” said Ott. “User fees should go to Fish and Game and Environmental Conservation to fund their own monitoring and enforcement programs, independent of the timber industry. This is the only way to ensure public and scientific credibility.”

*“. . . the state is going to have to come up with more money [for monitoring and enforcement]. The most logical place to turn is the very industry that creates the need for the expense. Some sort of user fee should be levied on timber operations . . .”*  
- ADN Editorial,  
June 23, 1996

More responsible members of the industry get this point. “If you have someone enforcing the law who doesn’t have credibility with the public, you’re not gaining a whole lot,” said John Sturgeon of Koncor Forest Products (*ADN*, 6/23/96). Sturgeon represents the timber industry on the Board of Forestry.

Ott will once again make the case for an independent Timber Observer Program at the late August meeting of the Board of Forestry. (No new news as we went to press.)

## Thank You!

**O**ver the last year, the Alaska Forum has received financial support and in-kind contributions from respected foundations, individuals, and organizations in Alaska and across the nation. Thank you all for your generosity and support.

**Foundations:** Acorn Foundation, Alaska Conservation Foundation, Beldon Fund, Brainerd Foundation, Environmental Support Center, Hugh and Jane Ferguson Foundation, Kongsgaard-Goldman Foundation, Rockefeller Family Fund, Stern Family Fund, Strong Foundation for Environmental Values, and the Town Creek Foundation.

**Individuals:** Because many of our members have requested confidentiality, we do not to publish our membership list. Nonetheless, a general thank you goes out to all — you made a big difference. We also thank Dyan Oldenburg and Pam McAllister for their time and support; both provided critical and constructive *pro bono* services. Dyan provided strategic planning assistance and Pam gave us nonprofit legal advice.

**Organizations:** Finally, we would like to thank the Board and staff of the Government Accountability Project (GAP). GAP guided our organizational development and helped us raise money. We look forward to our continued collaboration.

## TAPS Whistleblower News



### Larry Coffman

According to the US Department of Labor, Larry Coffman “was subjected to harassment and intimidation while working as an electrical inspector at the Valdez Terminal.”

Nevertheless, Coffman recently left the pipeline under a settlement agreement that bars his future employment with Alyeska or its contractors. Coffman is the eleventh pipeline worker in the last four years the Department of Labor has found to have been intimidated or harassed by Alyeska.

Coffman was employed by Alyeska as an electrical inspector at the Valdez Marine Terminal from 1991 to 1996. In his complaint to the Labor Department, Coffman alleged that he was repeatedly harassed, intimidated, and humiliated by Alyeska and its contractors for pointing out numerous electoral code violations at the Valdez Marine Terminal.

Coffman warned Alyeska management that electrical problems were so dangerous that stop work orders should be issued to prevent serious worker injury.

Both Alyeska’s internal investigation and the Department of Labor investigation verified Coffman’s allegations of intimidation, harassment and retaliation. The Department of Labor ordered Alyeska to pay Coffman’s attorney fees and prevent any recurrence of retaliation and harassment or face additional penalties.

As Stan Stephens, President of the Alaska Forum put it, “Larry Coffman tried to do the right thing. But instead of supporting him, Alyeska tried to block him every step of the way.”

Ted Owen, Alyeska’s Business Practices Officer, acknowledged that Coffman had initially been mistreated.

But, Owen’s claimed, things had improved after Coffman was first removed from and later returned to the Marine Terminal. (Anchorage Daily News, 3/1/96).

Despite this admission by Owen, Alyeska still appealed the Labor Department’s initial ruling. Alyeska finally agreed to settle Coffman’s case in April, just as it was going to trial.

Coincidence? Not according to Coffman’s attorney, Billie Garde.

“Like many of the whistleblowers before him, Larry had a clear cut case. He was harassed and intimidated and Alyeska did little to stop it,” said Garde. “Coffman’s case was a classic example of how not to treat an honest employee.”

In our opinion, Larry Coffman is a hero. We need more TAPS workers to speak up like Larry did.

Alyeska will one day finally learn its lesson and stop mid-level managers and others from intimidating and harassing conscientious employees. How about firing the harasser rather than the harassee?

*Coffman is the eleventh pipeline worker in the last four years the Department of Labor has found to have been intimidated or harassed by Alyeska.*

### Gerald Newton



### Gerald Newton, a former state electrical inspec-

tor, claims his June layoff was direct retaliation for refusing to ignore safety violations at the Valdez Marine Terminal and elsewhere along the 800-mile Trans-Alaska Pipeline System.

Newton filed a whistleblower complaint against the Alaska Department of Labor (ADOL), his former employer, on July 10, 1996. Newton’s complaint -- filed with the US Department of Labor under the whistleblower provisions of several federal environmental statutes -- seeks reinstatement with back pay and benefits as well as a guarantee that the retaliation will stop.

The state says Newton was laid off because of a funding shortage.

(Continued on page 9)

(Newton, continued from page 8)

“Newton’s treatment by the State of Alaska has been outrageous,” said whistleblower attorney Billie Garde. “It’s obvious that ADOL considers itself entrusted with the authority to keep Alaska safe for the oil industry.”

Newton originally filed a complaint under state law in 1994. Garde said she turned to the federal system after his case languished for 22 months. Newton’s complaint is the

*Confidentiality is fundamental to the credibility of a whistleblower hot line. Without it, [a hot line] is of no use, [it is] just more window dressing.*

—Billie Garde

first time an Alaska state employee has filed a complaint against his employer under the federal statutes, although at least 16 private sector employees have done so since 1991.

Newton’s complaint alleges that Al Dwyer, Newton’s former supervisor at ADOL, would not permit him to require Alyeska to comply with state electrical codes which, if disregarded, could result in injuries and explosions.

Newton was assigned to the Joint Pipeline Office in 1993 and 1994, the state-federal agency which oversees the pipeline.

Dwyer, now state Director of Labor Standards and Safety, denied the charges.



## State Gives JPO Hot Line Files to Alyeska

Concerns registered by Alyeska employees through JPO’s whistleblower hot line are now in the hands of the oil industry.

State Assistant Attorney General Beth Kerttula said that TAPS’ owner companies obtained some of the files

(Continued on page 10)



## Alaskans Await Results of Investigation of Illegal Waste Dumping on North Slope by Doyon

The US Attorney’s office in Anchorage is still investigating illegal dumping of toxic waste on the North Slope by Doyon Corporation.

Last January, the *Anchorage Daily News* (1/20/96) reported allegations by a Doyon employee that the company had illegally dumped several thousand gallons of chemical wastes over a five year period. Doyon is a contractor for BP Exploration (Alaska) Inc. at the Endicott oil-field.

Neither EPA nor the US Attorney’s office has been willing to comment publicly on the on-going criminal investigation. Initial indications are that, as soon as it learned of the illegal dumping, BP did the right thing and reported it to state regulators. So far, there are also no indications of whistleblower retaliation.

But Alaskans won’t know the full story until the investigation is complete and its results made public. And the longer that takes, the more one wonders if there is more to the story than we have heard so far.

We can only speculate about what motivated Doyon to disobey the waste disposal rules. One clue, however, may be the company’s “bottom line” — its 1995 profits were \$9.4 million, up 37% from the previous year (*Anchorage Daily News*, 2/8/96).

*It was risky for the unnamed Doyon employee to expose his company’s wrong practices. But it was clearly the right thing to do. This whistleblower put his career on the line. By coming clean, he took a step that will keep Alaska clean.*

— Editorial, ADN, 1/1/966

## TAPS Owners Want State to Help Pay \$400 Million Electrical Repair Bill

The oil companies that own the pipeline -- British Petroleum, Exxon, Arco, and several others -- want the State of Alaska to pay one quarter of the \$400 million bill for fixing electrical problems at the Valdez Marine Terminal and along the 800-mile pipeline.

TAPS owners claim the work was routine or emergency maintenance and was therefore a "prudent" expense that should be included in the 1995 tariff fees owed to the pipeline's owners by the state.

The Alaska Attorney General's office disagrees. State Assistant Attorney General Beth Kerttula says that Alyeska and its owners knew about the thousands of electrical violations and other deficiencies and did nothing long before Congress forced them to be repaired in 1993. Therefore the owners alone should pay for the repairs, argues the state, as the repairs were neither prudent nor emergency maintenance.

A federal administrative law judge will settle the dispute some time next year after a hearing in Washington D.C. in October 1996. The state filed an objection to the 1995 tariff with the Federal Energy Regulatory Commission, the federal agency responsible for setting tariffs for petroleum product pipelines. According to a complex tariff formula agreed to by the state and the owners in 1985, the state pays one-quarter of the costs of operating the pipeline, including maintenance.

The electrical system repair project began in 1994 after whistleblowers testified to Congress about numerous system-wide electrical code violations on TAPS. The whistleblowers testified that the industry knew about the problems since the mid-1980s but had done nothing.

An independent audit later con-

firmed the the whistleblower allegations, describing electrical system problems as the most serious threat to the environment. The list of electrical system deficiencies eventually grew to over 31,000 line-wide.

Whistleblower information may figure prominently in this case, helping identify what Alyeska knew and when. Despite the fact that the Alaska Attorney General's office turned over supposedly confidential whistleblower hot line files to the oil industry as part of the discovery process of this case (see previous story), we still hope the state wins. In these times of tight budgets and cuts to a host of government services, including environmental protection and worker safety compliance programs, \$100 million is a lot of money.

The people of Alaska should not be required to pay for Alyeska's attempts to ignore worker safety and environmental protections.

(Continued from page 9)

through the discovery process of a current tariff dispute between the State of Alaska and the owners. (See next story.) Kerttula and JPO claim that names were redacted, or "blacked out," to prevent identification of the individuals who called the hot line.

The Alaska Forum, however, is not as confident that the nearly two dozen files will remain anonymous.

"I think it's outrageous that the state turned over these files," said whistleblower attorney Billie Garde. I represent a lot of people who use the hot line and I think they are easily identifiable merely by the issues they raise. The promise that these workers have confidentiality is fiction." Garde added that some of her clients are considering legal action.

Rob McWhorter, spokesman for the JPO, confirmed that in at least some

(Continued on page 11)

*We hope the state wins its case. In these times of tight budgets, \$100 million is a lot of money. The people of Alaska should not have to pay for Alyeska's attempts to ignore worker safety and environmental protections.*

# Call to Action!

## What You Can Do to Help Fix the Pipeline

Write to Alyeska, government monitors, and key elected officials (see the list below). Tell them that you are appalled by the condition of the pipeline, the lax monitoring from government agencies, and continued harassment and intimidation of concerned employees. Stress the importance of the Alaska Forum's call for an immediate, independent and thorough audit of the pipeline. Tell them that there is simply too much evidence of serious risks to worker safety and Alaska's environment to trust the recent sanguine assessments of TAPS by government monitors.

### Federal Officials

Robert Armstrong, Assistant Secretary  
for Land & Minerals Management  
U. S. Department of Interior  
1849 C Street N.W., MS 6628-MIB  
Washington, DC 20240

Mr. Tom Allen, State Director  
Bureau of Land Management  
U.S. Department of Interior  
222 West 7th. Ave., # 13  
Anchorage, AK 99513

Gary Reimer, Acting Authorized Officer  
Joint Pipeline Office/BLM  
411 West 4th Avenue  
Anchorage, AK 99501

Donald E. Young, Chariman  
Committee on Resources  
U.S. House of Representatives  
1324 Longworth HOB  
Washington, DC 20515

### Alyeska

Bob Malone, President and CEO  
Alyeska Pipeline Service Company  
1835 S. Bragaw Street, MS-528  
Anchorage, AK 99512

### State Officials

Tony Knowles, Governor  
State of Alaska  
Third Floor, State Capitol  
P.O. Box 11001  
Juneau, AK 99811-0001

Jerry Brossia, State Pipeline Coordinator  
Joint Pipeline Office/ADNR  
411 West 4th Avenue  
Anchorage, AK 99501

*(Continued from page 10)*

cases industry can identify people without their names.

"But we're not stupid," McWhorter told the Valdez Vanguard. "If we see a very specific issue that could have come from only one person, we're going to address it in such a way that it doesn't point the finger."

Former whistleblower Glenn Plumlee said this confirms his original skepticism about the confidentiality of information shared with JPO. Plumlee was one of the five whistleblowers who testified about industry harassment of whistleblowers at Congressional hearings in 1993, hearings which led to creation of the hot line.

Garde agrees with Plumlee. "There have been several other events recently which lead me to the conclusion that JPO does not protect the confidentiality of concerned employees. This just confirms my worst fears," said Garde. "Confidentiality is fundamental to the credibility of a whistleblower hot line and all other components of an employee concerns program. Without it, these programs are of no use, just more window dressing."



P.O. 188  
Valdez, AK 99686

## In This Issue...

**Pipeline in Peril:** Report Documents Serious Risks to Worker Safety and Environment on Aging Trans-Alaska Pipeline



## Please Join Us in Our Efforts to Sustain Alaska's Future.

The Alaska Forum needs your help. Your membership dues directly support our work to protect the rights of conscientious employees to speak the truth about threats to worker safety, and the environment in Alaska. Please join by filling out the membership form below and returning it to us. The Alaska Forum is a 501(c)(3) nonprofit corporation. Donations in excess of benefits are tax deductible to the extent allowed by law.

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Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ E-mail: \_\_\_\_\_

*Thank you! Please mail this form with your check to: Alaska Forum, P.O. Box 188, Valdez, AK 99686.*

**Because some of our members are concerned about maintaining their confidentiality,  
we do not share our mailing list with other organizations.**