



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

Fairbanks Office:
P.O. Box 82718, Fairbanks, AK 99708
Phone/Fax: (907) 479-6946 / Cell: (907) 322-1470
Email: aferfbx@alaskaforum.org

**TESTIMONY of Ross Coen
TAPS EIS scoping hearing
Anchorage, Alaska
9/20/01**

Good evening. My name is Ross Coen. I am the Executive Director of the Alaska Forum for Environmental Responsibility. The Alaska Forum is a non-profit group that is dedicated to holding industry and government accountable to the laws designed to safeguard the environment.

Thank you for the opportunity to testify tonight. You will be receiving detailed, written comments from the Alaska Forum, but for tonight I would like to discuss 3 basic points.

- 1) I'd like to discuss, broadly, the concept of **pipeline risk assessment**.
- 2) I'd like to point out, again broadly, **the deficiencies and self-serving slant in the "environmental report" submitted by the TAPS owners** and why the Alaska Forum believes that this panel, the writers of the government's EIS, should go further in your studies.
- 3) I'd like to recommend a **Citizens Oversight Group (COG) for TAPS**.

First, the concept of pipeline risk assessment. W. Kent Muhlbauer, in his industry standard, "Pipeline Risk Assessment Manual,"¹ writes that if you were to plot the risk of equipment failure on a graph, the curve would be bathtub-shaped. Applied to a pipeline, this means that risk is relatively high immediately upon pipeline start-up; the risk falls significantly as the so-called bugs are worked out of the system and remain low and steady throughout midlife; then the risk begins to rise again as the pipeline ages and equipment reaches the end of its design life.

This basic pattern seems to be playing out on TAPS. Upon start-up, when risk is high, there was an explosion at Pump Station 8 that killed one individual, a 210,000-gallon spill at Atigun Pass, and other spills and problems during the first years of operation.²

Then, during the 1980s and early 90s (the *Exxon Valdez* notwithstanding), routine operation set in and serious problems were few.

¹ Muhlbauer, W. Kent, "Pipeline Risk Assessment Manual," 1993.

² Fineberg, Richard A. "Pipeline In Peril," Alaska Forum for Environmental Responsibility, 1996, 2.20,22.

Now, in the first days of the new millennium, as the pipeline continues to age, one could argue that we are at that point in the risk assessment curve where the failure rate begins to rise. Was the year 2000 a precursor to that rise? The pressure hammer and pipe shift at Atigun Pass; two serious operational problems with pigs; the first worker fatality in more than a decade. We don't know if these events portend an increase in risk – a rise to the bathtub curve – and we won't until history grants us the perspective of several more years, decades perhaps. But we do know that the pipeline consists of many, many pieces of mechanical equipment that are showing their age.

Next, I'd like to discuss the “environmental report” submitted by the TAPS owners, and more specifically, its superficial and self-serving nature. To do that, I'd like to begin with an analogy. The basic premise of the TAPS owners' report is that the pipeline is safe and the right-of-way should be granted for another 30 years. The premise that the pipeline is safe is based largely on the observation that there is no oil on the ground. The illogical jump from one conclusion to the next can be explained with the following analogy.

Suppose that in 1977 I bought a brand-new Ford Pinto, the kind with the gas tank that explodes if the vehicle is rear-ended. Now if I drive that Pinto right up to the present day, does the fact that I am still alive mean that the Pinto is safe? No, it only means that I haven't been rear-ended in 24 years. The Pinto is still dangerous as hell. I hope the comparison is clear – the lack of a major accident, be it in the Pinto or on the pipeline, does not automatically translate to a safe piece of machinery. The fact that there is no oil on the ground – itself an incorrect assumption considering the millions of gallons of documented spills³ – does not mean the pipeline is safe. It only means that for 24 years they've managed to avoid the terrestrial equivalent of the *Exxon Valdez*. But accidents will happen and the crucial question is whether age has eroded the margin of safety provided by the mechanical devices that were designed and installed to prevent a major disaster on the pipeline.

And if the evidence, especially the slick package prepared by the TAPS owners, does not necessarily point to a safe pipeline, then we cannot accept an automatic 30-year renewal either.

Let's look at that evidence – the environmental report of the TAPS owners. Let's look at why the TAPS owners report is a biased, self-serving document. For that, let's look at the Vertical Support Members, or VSMS – the pilings that hold the above-ground sections of TAPS.

Some 78,000 VSMS exist on the pipeline, all drilled to depths of between 15 and 70 feet.⁴ Yet we know that changing permafrost conditions are causing some VSMS to move; sink into the ground, jack up out of the ground, or lean and tilt to one side or the other.

The evidence supplied by the TAPS owners states that they have identified 300 VSMS that are moving and may require future action.⁵ They do not cite the evidence of a Joint Pipeline Office report from January of this year that states that 25,000 VSMS, not 300, are subject to movement.⁶

³ Alyeska Pipeline Service Company, “FACTS,” 57. David Wight, the Alyeska CEO, stated (incorrectly) in an April 24, 2001, speech to Commonwealth North that the pipeline hasn't had any “significant” spills since start-up. Wight had been in Alaska less than a year at the time of his remarks.

⁴ *Ibid.*, 76.

⁵ Trans Alaska Pipeline System Owners, “Environmental Report for Trans Alaska Pipeline System Right-of-Way Renewal DRAFT,” 2/15/01, 4.3-3.

⁶ Lusher, et al, “Comprehensive Monitoring Program Report: TAPS Maintenance Program 1999/2000,” Joint Pipeline Office, January 2001, 15.

The TAPS owners acknowledge that temperatures over the next 30 years are likely to increase, but they claim that those increased temperatures will have a negligible impact on pipeline operations. The evidence cited for this conclusion? That heat pipes on the VSMs will continue to maintain frozen ground and that their continued monitoring will fix any problems.⁷ They do not mention that 84% of those heat pipes have some degree of blockage, according to the JPO, which may diminish their performance.⁸ They also do not cite the warnings of Dr. Margaret Leinen of the National Science Foundation, who 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.⁹

If you were to perform a word search in this document for every mention of “VSM” or “vertical support member,” then read the sections in which they appear, you will find diagrams of VSMs. You will find a description of what they are designed to do. You will even find a mention of raven and gyrfalcon nests atop some VSMs.¹⁰

What you will not find is a detailed description of how the TAPS owners intend to maintain VSM integrity for the next 30 years, save this oblique statement: “All of these [VSM] impacts have been, and will continue to be, mitigated through Alyeska’s routine monitoring and maintenance program.”¹¹

One sentence. One sentence in this 600-page document is supposed to assuage any doubts about VSM integrity? One sentence is supposed to sufficiently summarize all reports on Alyeska’s program that ostensibly assures VSM integrity? One sentence is supposed to be enough for this panel to accept that VSM integrity is assured?

Let’s look at another example of the superficiality of this document: it’s bibliography.

In 1996, the Alaska Forum for Environmental Responsibility published “Pipeline In Peril,” a 300-page report on TAPS researched and written by Richard Fineberg, a longtime oil industry observer and critic. In 1997, the Alaska Forum published a short update to “Pipeline In Peril,” also authored by Fineberg. The Joint Pipeline Office, in its 1996 annual report, and Alyeska Pipeline Service Company, in a 1997 publication, both devote significant attention to Fineberg’s findings, conclusions, and recommendations.¹² The Alaska Forum believes that it is no exaggeration to say that “Pipeline In Peril” and its 1997 update raised many of the issues that became the focus of TAPS oversight in subsequent years.

Thus one would expect in the TAPS owners environmental report, one that purports to be a “comprehensive environmental analysis,”¹³ that some mention would be made of “Pipeline In Peril” and its update. Exactly one reference is made, not to the full 1996 report, but to the 1997 update. That single reference in the TAPS owners’ environmental report is the following statement: “Some TAPS critics have expressed concern that spills may be more likely in the future.”¹⁴

⁷ Trans Alaska Pipeline System Owners, 4.3-34.

⁸ Lusher, et al, 15.

⁹ ‘Scientist: Warming climate may affect pipeline stability’ *Fairbanks Daily News-Miner*, June 2, 2001, A-1.

¹⁰ Trans Alaska Pipeline System Owners, 4.2-4; 2.1-3,4; 4.3-39.

¹¹ *Ibid.*, 4.3-3.

¹² *Joint Pipeline Office 1996 Annual Report* [Report #BLM/AK/AE97/016+2800+990], 13. and Alyeska Pipeline Service Co., “Trans Alaska Pipeline System Briefing Document” (prepared for R.A. Malone by A.L. Brown and D.R. Schmidt with assistance from Lukin Publications, October 23, 1997), 21.

¹³ Trans Alaska Pipeline System Owners, iii.

¹⁴ *Ibid.*, 4.1-11.

That single reference puts Fineberg's extensive work on TAPS on an equal footing with the following citations to background studies that have little or nothing to do with TAPS:

- ?? 'Coal Resources of Alaska' by F.F. Barnes, published in 1967;
- ?? 'Eskimo Prehistory in the Vicinity of Point Barrow' by J.A. Ford, published in 1959;
- ?? 'Report of a Reconnaissance of the Yukon River, Alaska Territory' by C.W.C. Raymond, published in 1871.¹⁵

I do not question the merit of the work of Barnes, Ford, and Raymond. But something is drastically wrong with a reading list on a "comprehensive environmental analysis" that devotes as much attention to 19th Century academic studies on esoteric issues as it does to the work of Fineberg whose publications on TAPS, all of which can be found at the State Library, comprise a stack of documents nearly a foot high.

It would appear that two explanations exist for the omission of Fineberg's research from the TAPS owners' environmental report:

- (1) *The various people who prepared and assembled the Draft Environmental Report for the TAPS owners made a careless set of mistakes; or*
- (2) The research in the TAPS owners report is slanted – that is to say, the subjects and the facts presented were deliberately screened and presented (or omitted) to leave the reader with a certain impression.

I suggest to you that this document submitted by the TAPS owners as part of their renewal application is so superficial and glosses over, or outright ignores, so many vital issues that it is virtually useless in this environmental review. The owners have very clearly attempted to draw a road map for this Environmental Impact Statement – one that steers you away from any topics they know are damaging to the image they have carefully nurtured for the cash cow known as the Trans-Alaska Pipeline. I urge you, members of this panel, to not simply accept their report as the final word. I urge you to go further and perform your own thorough studies on every substantive issue on TAPS.

Finally, I'd like to discuss the concept of a Citizens Oversight Group.

The need for formalized citizens oversight of Alaska's oil industry was established when the *Exxon Valdez* taught us a couple of things: (1) the less local control you have, the more things are likely to go wrong; (2) those with an interest – and not a financial interest – in the safety of their communities and their environment should have a formal role in oversight of that industry.

Do these citizens oversight groups work? It is widely acknowledged – even within the industry – that one of the reasons marine oil transport in Prince William Sound is today much, much safer than it was in 1989 is citizens oversight. Would the creation of a citizens oversight group at the time of pipeline start-up have alleviated a catastrophe like the *Exxon Valdez*? Maybe, maybe not, I don't know. But would Prince William Sound be as safe as it is today without the citizens advisory council? No. For example, the tractor tugs that now escort vessels in and out of Port Valdez came about because citizens pushed and prodded both Alyeska and government regulators into making that investment.

¹⁵ Trans Alaska Pipeline System Owners, 8-7,23,51.

ARCO president Thornton Bradshaw stated in 1973: “Early in the game environmentalists blocked us for very good reasons indeed...We did not know how to make an environmentally-safe line...We learned a great deal from them.”¹⁶ What more ringing endorsement is there for citizens oversight than the president of one of the TAPS owners admitting that common, everyday citizens provided “a great deal” of valuable input.

When asked about citizens oversight, I suspect that the oil industry will say that TAPS is already the most regulated pipeline in the world and the Joint Pipeline Office will tell you that they have things well under control. To the TAPS owners I would say this: The fact that TAPS is the most regulated pipeline in the world still does not translate to a safe pipeline. This is not a question of how much oversight exists, but what kind of oversight is needed. Regarding the JPO, I would simply note that earlier this year the Interior Department’s Inspector General released a report on the JPO’s operations that was less than flattering. I quote from that report:

...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.¹⁷

If the *Exxon Valdez* has taught us anything, it is that local citizens who hold an interest in their safety and their environment should have a formal role in oversight and in protecting that interest. I urge this panel to study the concept and the necessity of a Citizens Oversight Group for TAPS.

I would like to stress, before closing, that any attempt to label the Alaska Forum for Environmental Responsibility, or the Alaska conservation community as a whole, as extremist, obstructionist, or just trying to shut the pipeline down, is patently false and completely misrepresentative of our position. We seek only what we were promised by the TAPS owners and Congress – a safe pipeline, economic fairness, and environmental protection.

Thank you for the opportunity to testify. The Alaska Forum will be coming back to you with more detailed discussion and analysis of the Trans-Alaska Pipeline and also recommendations for dealing with its many problems.

Thank you.

**Ross Coen, Executive Director
Alaska Forum for Environmental Responsibility**

¹⁶ Coates, Peter A. “The Trans-Alaska Pipeline Controversy: Technology, Conservation, and the Frontier,” 1991, 237.

¹⁷ “*Survey Report: Oversight Activities of the Trans-Alaska Pipeline System, Bureau of Land Management*” (U.S. Department of the Interior, Office of Inspector General, Report No. 01-I-206, February 2001), 6-8.