"The mission of the Council is to represent the citizens of Cook Inlet in promoting environmentally safe marine transportation and oil facility operations in Cook Inlet."

April 13, 2016

Department of Environmental Conservation
Division of Spill Prevention and Response
Via email: decexerciseprogram@alaska.gov

RE: Comments on “Response Exercise Program Improvements – DRAFT”

To Whom It May Concern:

Cook Inlet Regional Citizens Advisory Council (RCAC) submits this letter on behalf of our constituents in response to the Alaska Department of Environmental Conservation’s (ADEC) request for comments on the white paper, “Response Exercise Program Improvements – DRAFT.” This letter accompanies a set of comments submitted jointly with Prince William Sound Regional Citizens’ Advisory Council, and provides comments that are additional and complementary to that document.

Cook Inlet RCAC Mission
Cook Inlet RCAC is a non-profit corporation organized exclusively for the oversight, monitoring, assessing and evaluation of oil spill prevention, safety and response plans, terminal and oil tanker operations, and environmental impacts of oil tanker and oil terminal operations in Cook Inlet under the provisions of Section 5002 of the Oil Pollution Act of 1990. Our mission is to represent the citizens of Cook Inlet in promoting environmentally safe marine transportation and oil facility operations in Cook Inlet. Cook Inlet RCAC consists of 13 members from Cook Inlet communities, as well as Alaska Native groups, commercial fishing and aquaculture, tourism, recreational and environmental interest groups that have a significant stake in the environment and resources at risk from oil production and transportation in the region.

General Comments
Cook Inlet has seen significant changes in recent years as new companies begin operations in the region. Drills and exercises are a critical tool to ensure that these new players are prepared to respond to an oil spill in Cook Inlet waters. Drills are especially relevant to operators new to Alaska. We appreciate the effort that ADEC is making to ensure that these operating companies (and their Incident Management Teams) are well versed in their Cook Inlet contingency plans. From observing recent exercises, we have noted that core response elements in Alaska, such as Geographic Response Strategies, appear to be unfamiliar concepts to some personnel. Exercises provide an important way to identify gaps in response planning and in context with Cook Inlet’s distinct operating challenges and at the same time foster an opportunity for new players to learn in an exercise rather than during an actual spill.
Objective #1-1
The attached comment document expresses concerns about the proposed reorganization of subareas in Alaska. As the Cook Inlet subarea plan is currently undergoing revision, we are concerned that months of effort will be wasted if that plan update is completed and then a major reorganization occurs.

Objective # 3-1
Cook Inlet RCAC would like to emphasize our interest in the Homeland Security Exercise and Evaluation Program (HSEEP) framework for exercise design and implementation. We provided comments to the Department of Transportation in regards to the National Preparedness for Response Exercise Program (NPREP) Guidelines, recommending that the revised NPREP Guidelines incorporate some of the core principals and methods developed through HSEEP. The HSEEP Toolkit includes an online Corrective Action Planning (CAP) application that can be used to prioritize, track, and analyze improvement to plans developed from exercises and real-world events. This information can then be used to identify reoccurring issues, highlight potential concerns, and share solutions or other lessons learned beyond those who participate in the actual exercise. Establishing something like this for Alaska, or ideally tying into the national database, could maximize the benefit to ADEC even if they do not attend an exercise, or attend only in a limited capacity.

Objective #4-3 and Objective #4-4
Cook Inlet, is home to two Primary Response Action Contractors (PRAC), CISPRI and Alaska Chadux; most if not all area operators name one or both of these PRACs in their Oil Discharge Prevention and Contingency Plans (ODCPD). We appreciate the ADEC considering the potential cost savings to the State, the PRACs, and to Industry by exploring the idea of reducing the number of deployment exercises. Sharing deployment costs among different operating companies who employ the same PRAC has the potential to reduce costs both for the operators and the State. Cook Inlet RCAC is open to this option for Cook Inlet; and further recommend that operators with similar worst case discharge planning standards be grouped together to test their ability to command and control a response of the appropriate scale. We also support the suggestion that all participating plan holders would be responsible for leading the exercise on a rotating schedule.

Thank you for considering these comments. Please contact me at 907-283-7222 if you have any questions.

Sincerely,

[Signature]
Mike Mungel
Executive Director
Comments on “Response Exercise Program Improvements – DRAFT”

Submitted to Alaska Department of Environmental Conservation

Cook Inlet Regional Citizens Advisory Council
Prince William Sound Regional Citizens’ Advisory Council

April 13, 2016
Comments on “Response Exercise Program Improvements – DRAFT”

This document provides comments from both of Alaska’s Regional Citizens Advisory Councils (RCAC) to the Alaska Department of Environmental Conservation (ADEC) on the draft white paper, “Response Exercise Program Improvements” dated February 1, 2016.

The Cook Inlet Regional Citizens Advisory Council and Prince William Sound Regional Citizens’ Advisory Council represent their constituent communities and stakeholders to ensure the safety of oil handling and transportation in Cook Inlet and Prince William Sound.

The RCACs find that while some response exercise program improvement options proposed in the white paper streamline coordination of the response program, further details on implementation and actual cost savings are needed in order to fully understand the implications of the measures proposed. There are also recommendations – most notably the suggestion to reduce the number of subareas – that would have far-reaching implications well beyond the exercise program, and would be better addressed through a separate process.

General Comments

There are two primary purposes for ADEC’s engagement in response exercises: (1) meeting its statutory mandate¹ to ensure that oil spill contingency plan holders are able to implement their plans, including verifying access to inventories of equipment, supplies, and personnel identified in the plan, and (2) ensuring that ADEC personnel are prepared to fill their necessary roles in an actual response.

The response exercise program and any potential changes must also be considered in light of the current state budget crisis, and the charge to ADEC in HB72 (2015) to “develop a plan to reduce the costs for the state and private entities related to oil spill response drills and exercises” (with a report to the legislature due in January 2016). At the same time, we note that there has been no change to ADEC’s mandate to ensure that operators can implement their contingency plans.

If ADEC needs to reduce staff time spent on the exercise program in order to reduce costs, we suggest that staff time should focus on those activities that best achieve the purpose of ensuring compliance with contingency plans and the readiness of their own personnel. Even without data, we assume that saving costs for the state primarily means spending fewer staff hours on the exercise program. Some ways to maximize the benefit of those staff hours may be to:

1. Focus on unannounced drills.
2. Maximize the use of staff time/travel costs by conducting inspections at the same time as drills/exercises.
3. Ensure that lessons learned from exercises are tracked and incorporated into plans. Many past drills have revealed the same lessons learned over and over again.
4. Focus ADEC’s role as an exercise participant in the Unified Command and Environment Unit – as suggested in the white paper – and serving as overall evaluators to assess compliance (rather than mobilizing a full Incident Management Team, or

¹ AS 46.04.030(e)
IMT. ADEC does not need to assess compliance at every exercise, especially those that may be designed for training.

In addition to maintaining response readiness while cutting costs, there are two other themes raised in the white paper with implications that extend beyond drills and exercises:

- **ADEC’s proposal to reduce the number of subareas from 10 to three is best addressed through a separate process, as it impacts more than the exercise program.** Changing the number of subareas in Alaska has significant ramifications beyond drills and exercises. As ADEC indicates, this is not something the state can unilaterally change and it will require working with the federal agencies, tribal consultation, and revising the Unified Plan (which would entail the review process defined in Annex D). While fewer subareas would mean fewer Subarea Committees, this may not reduce the overall volume of information that is now in each Subarea Plan and which would need to be incorporated into new Subarea Plans (and updated). Certainly, the initial process of collapsing the 10 areas into three would create additional work for ADEC and other agencies in the short term, so the actual reduction in effort that such a change would yield is unclear. Since broader possible implications of reducing the number of subareas are not discussed in the white paper, it is not possible to know if they are all being fully considered. Additionally, we request that ADEC provide clarity on the geographic boundaries of the subareas and membership if each Subarea Committee.

- **ADEC suggests moving toward exercises that focus on oil spill response organization (OSRO)/primary response action contractor (PRAC) rather than individual operators.** This change would reduce ADEC’s ability to execute their mandate to validate plan holder ability to implement their contingency plans. State statute and regulations focus on the responsibility of contingency plan holders to meet statutory requirements related to spill prevention, preparedness, and response. For those entities subject to the regulations, their operations in Alaska and on state waters are contingent on demonstrating through the state-mandated contingency plan and drills/exercises that they meet the requirements. Contingency plans are also specific to each company’s operations. Most plan holders rely on a limited number of local Primary Response Action Contractors (PRAC) for many aspects of their response preparedness, most particularly and importantly those related to ensuring adequate equipment and personnel for response operations. While the PRACs bring the benefit of local knowledge and are typically the “doers” in a response, ultimately it is the plan holder that participates in the Unified Command and makes decisions guiding the response. Many aspects of contingency plans focus on considerations for response decision-making, so testing compliance must by necessity include plan holders. In cases where a PRAC has demonstrated the relevant competence, this does not necessarily need to be

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2 Annex D of the Unified Plan describes the process for both minor and major updates to the Unified Plan. Major updates may include tribal consultation and/or public comment. Subarea plan updates involve the Local Emergency Planning Committees. See: https://dec.alaska.gov/spar/prr/plans/uc/Annex%20D%20%28Dec%2015%29.pdf
Comments on Approach to Changes in Exercise Program

Based on the principles listed at the beginning of the white paper, it is clear that ADEC is seeking ways to cut costs while maintaining (or improving) response readiness in Alaska. Making “deliberate, structured, and measurable improvements” (p. 1) is worthwhile, but this requires both metrics and data to assess changes to costs and changes in preparedness resulting from exercise program modifications.

With no proposed means of assessing the impact of proposed changes to spill response preparedness, the RCACs are concerned that changes will be based only on cost figures. Many of the activities proposed in the white paper (some of which, as indicated in Appendix A, are apparently already underway) will require ADEC staff time to implement. When considering costs, we hope that ADEC will estimate the time (and associated costs) that would be spent implementing changes and to determine which ones will have the greatest benefit in the long-term. The costs of any reduction in spill response preparedness should also be considered, since reduced preparedness may mean greater damages if a large spill occurred.

The Overview section of the white paper explains that the recommendations have been developed with input from industry and consideration of “stakeholder” priorities, with an assurance that the discussion about these recommendations will continue with “the response community.” The RCACs welcome the general intent to engage diverse parties in considering potential changes that may affect response preparedness, but we seek clarity on who is included in the “response community” and “stakeholders” and how the process will proceed from this point. Both RCACs welcome the opportunity to participate in this process going forward.

Comments on Specific Goals

This section describes our specific comments related to the Goals and Objectives offered in the white paper.

Goal #1: Strengthen Area Committees’ roles in response exercises.

The problem that this goal seeks to address is unclear. Subarea Committees today do not play a prominent role in drills and exercises, and increasing that role may or may not reduce costs. Subarea Committee membership is also somewhat variable, and requires further clarification. The U.S. Environmental Protection Agency and U.S. Coast Guard, as the other members of the Subarea Committee Executive Committee with ADEC, do not have any responsibility or role regarding oversight of state-approved contingency plans.

The Subarea Plans provide general guidance and information about each subarea, while the industry operator’s Oil Discharge Prevention and Contingency Plan (ODPCP) approved by ADEC is an operational document that explains how an operator would prevent, prepare for, and respond to an oil spill, and the response resources they will use. In Alaska, it is the state-mandated industry plans that are the primary drivers for key response elements such as the quantity and location of equipment, numbers of personnel, and availability of supporting resources such as CISPRI’s or SERVS’ fishing vessel programs. These plans are also the only
place where a plan holder’s ability to meet the state response planning standard is described, and testing a plan’s guidance is the only way to verify that an operator can meet that planning standard.

**Objective #1-1: Reduce the number of Subareas.**

As noted above, reducing the number of subareas in Alaska would significantly re-organize the state’s response structure. This would require rewriting the Unified Plan and Subarea Contingency Plans and reorganizing Subarea Committees. This should be considered as a separate issue, not just related to drills and exercises.

**Objective #1-2: Facilitate a Statewide charter that establishes baseline response exercise roles and responsibilities for Area Committees.**

Overall, having a charter that clarifies everyone’s roles in exercises seems beneficial, though it is hard to assess the merits and potential ramifications without information on what those roles would be if changes were made. All agencies will still need to meet their statutory mandates regarding preparedness, and the differences in agency requirements may at times still demand different exercises or drills.

This section refers to the Subarea Committees’ “involvement in scheduling, designing, implementing, and evaluating response exercises.” This provides some insight into what ADEC envisions for a Subarea Committee’s role in response exercises, though how this relates to ADEC’s regulatory mandate, or efforts described later in the white paper to streamline scheduling, etc. is unclear. More information is required to understand how Subarea Committees will be given “structure” and yet “flexibility” in playing a very new role as the “point of coordination for all response exercises in their areas.” (p. 3)

As in other places in the whitepaper, it is unclear here who will be involved in the process (in this case the development of the charter). If the On-Scene Coordinators Workgroup, which includes the same individuals as the Subarea Committee Executive Committees, takes the lead in developing the charter, we request clarification on how input from other Subarea Committee members or interested groups will be incorporated into the charter.

**Goal #2: Develop a response exercise guidance document.**

A response exercise guidance document has the potential to support ADEC’s mandate to verify compliance by clarifying expectations for plan holders and ensuring consistency statewide, especially as new operators arrive in Alaska and ADEC staff turns over and shifts to new roles due the reorganization. However, no information is provided to indicate how this will save money for the state or private entities, or to identify what has been costly about not having such a document in place. We would like further information on how this document will be developed, and who will participate.

**Objective #2-1: Identify and evaluate selected response exercise programs for applicability in Alaska.**

ADEC is already considering approaches used in other states for exercise programs. Looking to other places is appropriate, but we also recognize that many other places have looked to Alaska’s
state program as a model in the past. It is important that the State of Alaska does not diminish its own robust program for the sake of making changes to match another state’s program.

There are many aspects of a response exercise program, including: exercise objectives, frequency, scope, evaluation methods, role of the oversight agency in assuring that objectives are met, and how lessons learned are documented and applied to improve response preparedness. The scope of the document ADEC envisions is not clear, nor is the type of “innovative approach” that ADEC has already identified (as indicated, p. 4) or would like to encourage. Without more information on both the scope of this proposed guidance and the innovations ADEC has already identified, it is difficult to comment on the merits of this recommendation.

The RCACs strongly encourage ADEC to consider the established and widely-used Homeland Security Exercise and Evaluation Program (HSEEP) framework from the Department of Homeland Security. This approach is being used in other states, including California, for oil spill exercises, and by the U.S. Coast Guard’s Preparedness for Response Exercise Program (PREP) exercises. A recent project funded by the federal government to consider best practices in oil spill response exercises pointed to HSEEP as a standard approach to exercise design, conduct, evaluation, and improvement. The report also highlights best practices in exercise programs, some of which may be of interest to ADEC as well.

**Objective #2-2: Create guidance for jointly planning response exercises with industry to develop exercise objectives and reduce redundancy of exercise requirements.**

Guidance that clarifies ADEC’s expectations for jointly planning response exercises could be very beneficial. When such guidance is clear and specific, and is developed with consideration of the input from affected parties, it can help all groups involved to be more efficient and focused.

HSEEP can be applied by all participants in an exercise, and provides a shared framework that can be used by industry and agencies to develop exercise objectives. Following HSEEP will align parties on the process used to establish objectives jointly, though neither it nor any other document can resolve the fact that sometimes there are different needs for an exercise.

In cases where objectives cannot be fully aligned, assuming ADEC is concerned about staff hours expended, the Department should consider whether it is worth participating in the exercise at all (or whether they engage only as exercise participants in the roles discussed below in Objective #2-3).

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3 Both RCACs have advocated for the U.S. Coast Guard to adopt HSEEP for the PREP exercise program through comments on that program’s guidelines since 2012.
Objective #2-3: Determine the right level of ADEC participation in response exercises.

The RCACs agree that ADEC should focus their activities on their mandate to verify plan holder compliance and on ensuring that their own personnel are prepared to contribute to a response. Sometimes an exercise will not serve either of these purposes, in which case it is appropriate for industry to continue to conduct their own exercises without an ADEC presence.

We agree with ADEC’s suggestion that, in the future, ADEC staff should focus their participation in response exercises on playing the role of Environment Unit (EU) Leader, participating in the Unified Command, and a few other positions as they deem critical. The Environment Unit Leader is a particularly appropriate application of ADEC’s expertise, and, although no cost information is provided, focusing ADEC participation on filling a few positions strategically rather than standing up a full IMT has the potential to significantly reduce the number of personnel hours expended. If properly trained personnel from other agencies can fill these roles, that will save ADEC staff time though not necessarily costs to the state overall if they represent other state agencies.

ADEC participation in exercises should be considered separately from ADEC evaluation of exercises. In supporting the more focused role of ADEC as exercise participants, we do not intend that this should be ADEC’s only role. (It is not clear from the white paper whether this is ADEC’s intention or not.) For exercises where ADEC believe the objectives and activities undertaken will be useful for verifying compliance, one or more evaluators should attend as well. The number needed will vary depending on the scale and duration of the exercise.

One of the best tools available to ADEC for evaluating plan holder compliance is the ability to call unannounced drills. Unannounced drills serve a dual purpose: they give the most realistic results since actual spills are inherently “unannounced,” and they can enhance readiness if plan holders and PRACs know that unannounced drills are likely to occur. We encourage ADEC to increase the number of unannounced drills it calls, even as it may reduce overall staff time spent at drills/exercises. Unannounced drills do not necessarily have to involve full mobilization, but could be call-out or table top exercises, or equipment inspections.

Goal #3: Establish multi-year response exercise scheduling for use by the response community.

This section states that ADEC is not allowed to hold more than two exercises per year for a regulated entity; however, the regulations exempt this limit if “an exercise demonstrates...a plan holder’s failure to implement the plan effectively.” It is unclear what costs are currently involved in scheduling or what costs would be involved in developing a scheduling tool to fairly compare the cost savings benefits. However, it cannot be denied that effective scheduling should minimize unproductive personnel time and maximize opportunities, yielding a savings in time and therefore in cost as well.

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7 18 AAC 75.485(a)
Objective #3-1: Establish an interactive multi-year response exercise scheduling tool that will be used by all regulated operators in Alaska and all oversight agencies that are members of Area Committees.

The primary intent of the scheduling tool appears to be to ensure that ADEC has opportunity to participate in developing exercise objectives. This could also have the benefit of ensuring that exercises are spread throughout the year to facilitate participation. It is reasonable to coordinate scheduling for the purposes mentioned, especially when dealing with multiple operators or operators with multiple programs such as Exploration, Production and Pipelines (both subsea and on shore). Each plan for each operation has distinct differences that require verification of response capabilities. If all parties use the HSEEP framework, this will also support the goal of aligning objectives across operators or industry sectors. HSEEP provides a methodical approach to developing objectives that tie to core competencies and designing capability-based, objective-driven exercise plans.

If an online tool is already being developed, this could also be an opportunity to develop a simple database for tracking lessons learned from exercises. By aligning with the HSEEP framework, a standard approach to After Action/Improvement Planning could tie future preparedness activities to exercise objectives and could help to maximize the benefits from exercises conducted whether or not ADEC attends. This would also create a framework for sharing lessons learned across operators.

Goal #4: Maximize preparedness value of response exercises while reducing the cost to state and industry.

Maximizing preparedness while reducing costs is prudent in the current economic climate. Without cost data it is impossible to evaluate the relative costs and benefits of any action being taken or proposed. There is also no indication of how the goal of “maximizing preparedness” will be evaluated, or how the value of exercises will be maximized. This is of particular concern because reducing the number of exercises may have wide-ranging unintended consequences, including fewer opportunities for responders to train in their duties, fewer opportunities to test individual plans, and fewer opportunities for oversight of equipment condition. We are particularly concerned that PRACs maintain sufficient personnel to cover multiple shifts during a major spill, and that everyone is adequately trained and exercised.

Objective #4-1: Gather economic data from industry and government to determine the cost of response exercises.

Gathering cost data is critical to identifying means of reducing costs and evaluating whether cost-cutting measures are effective. Information collected should be shared publicly, including industry data (which could be aggregated to protect individual operator privacy). The cost data also need to be specific enough that they can be used to develop priorities, assess results, and inform future budgeting.8

8 In its “Good Practice Guidelines for the Development of an Effective Exercise Programme,” (2014) IPIECA identifies the importance of detailed exercise budgets and some of the types of expenses that may be involved. Retrieved from: http://oilspillresponseproject.org/sites/default/files/uploads/Exercises_Planning_GPG.pdf
Objective #4-2: Establish a tiered response training and exercise approach to address different scales of industry in Alaska.

This is reasonable in principle, but more information is needed to understand what the tiers will be based on. (One option could be to tier operators by spill risk based on a measure such as tanker or tank volume.) This is another area where the adoption of HSEEP would provide a structure for distinguishing exercises, as HSEEP offers a continuum from discussion-based exercises such as workshops or table tops, to operational exercises that may range from a small drill targeting a specific operational capability to a full-scale functional exercise that includes an Incident Management Team and field operations.

The type and scale of an exercise may be selected based on the operator’s potential environmental threat and/or response readiness. Smaller exercises should require less effort, though smaller operators do not necessarily warrant less rigorous exercising, especially when they may represent new operators to the state.

Objective #4-3: Identify opportunities for collaboration with Primary Response Action Contractors (PRACs) and industry on equipment testing and training.

This section appears to combine three separate issues: training, equipment testing, and the role of PRACs vs. plan holders. It may be helpful to consider them separately.

(1) **Training.** Agencies, industry operators, and response contractors all need to train personnel. If trainings can be combined, such as the Hazardous Waste Operator training mentioned, this is fine. It may or may not save money, depending on who conducts the training and how much it costs. However, any shared training must be driven by State’s needs and requirements before the plan holders’ to ensure state personnel are training to the State’s needs and requirements, not the operators’ preference and desires.

(2) **Equipment testing.** This is different from exercises, but equally important. Any method employed must ensure that appropriate quantities of the necessary equipment are maintained in a state of operational readiness. Additional details are needed to effectively evaluate current equipment inspection or testing costs and evaluate potential opportunities for cost reduction.

(3) **Sharing deployments.** Sharing deployment costs among different operators employing the same PRAC would save costs to the operators and reduce costs to the State by reducing the amount of equipment deployments to be observed. We provide some considerations related to this approach under Objective #4-4, below.

ADEC may use training, exercises, and equipment inspections to assess plan holder compliance. However, we suggest that there is a substantial difference between this oversight role and having agency and industry personnel participating together in a Hazardous Waste Operator course. Additional clarification on this objective is needed.

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9 AS 46 04.030(e)
Objective #4-4: Develop a “mutual aid” concept for testing multiple Plan holders at once.

As noted in the white paper, response requirements are structured around plan holders and the contractual relationships they establish with response contractors (and sometimes other plan holders) to meet those requirements. We agree that such established relationships should be tested as part of ensuring that a company’s contingency plan can be implemented as described. The “mutual aid” exercise example from the North Slope given in the white paper also does not appear to be problematic, since, as described, different plan holders are tested each year even though all of them use the same PRAC. However, the benefit to preparedness is unclear, unless those operator companies would work together in the same way in an actual response. If the intent is to allow one operator’s exercise to serve as a proxy for other operators in the region, this is problematic and may result in diminished preparedness. As noted above, it is also important that sufficient PRAC and plan holder personnel to sustain multiple shifts for a major spill are exercised regularly.

Goal #5: Prepare regulation revisions as necessary to accomplish the improvements to the response exercise program.

This section does not suggest any specific changes to ADEC’s current policy or regulations, which underlie a robust oil spill prevention, preparedness, and response program. Once ADEC has refined their concept for improving the drill program, we assume that draft regulations would be developed and circulated to implement any changes. When available, the costs associated with implementing any changes should be considered along with their long-term oil spill preparedness benefits to determine whether there is a return on this inevitable upfront investment in staff hours to develop a guide for exercises including seeking stakeholder input, establishing an on-line scheduling tool, collecting and analyzing cost data, and any other activities that may result from this effort.

As noted, the RCACs welcome the opportunity to contribute to ADEC’s process going forward on this issue.