



www.pwsrcac.org

Citizens promoting the environmentally safe operation of the Alyeska terminal and associated tankers.

Members:

Alaska State Chamber of Commerce

Chugach Alaska Corporation

City of Cordova

City of Homer

City of Kodiak

City of Seldovia

City of Seward

City of Valdez

City of Whittier

Community of Chenega

Community of Tatitlek

Cordova District Fishermen United

Kenai Peninsula Borough

Kodiak Island Borough

Kodiak Village Mayors Association

Oil Spill Region Environmental Coalition

Port Graham Corporation

Prince William Sound Aquaculture Corporation

Anchorage

3709 Spenard Rd, Ste 100
Anchorage, AK 99503
O: (907) 277-7222
(800) 478-7221

Valdez

P.O. Box 3089
130 S. Meals, Ste 202
Valdez, AK 99686
O: (907) 834-5000
(877) 478-7221

March 28, 2022

Danika Yeager
Interim President
Alyeska Pipeline Service Company
P.O. Box 196660
Anchorage, AK 99519-6660
Danika.Yeager@alyeska-pipeline.com

SUBJECT: Notice of Imminent Risk of Life, Safety and Environmental Violations at the Valdez Marine Terminal

Dear Ms. Yeager:

The Prince William Sound Regional Citizens' Advisory Council (PWSRCAC) has become aware of serious safety and environmental concerns that have arisen in connection with work currently in progress at the Valdez Marine Terminal (VMT). The project is related to snow removal on the crude oil storage tank tops, in the East Tank Farm, and attempts to repair the damaged tank vents on these tanks. Based on information available to PWSRCAC, we are concerned that there is an imminent risk of an incident that could result in serious injury or loss of life for the snow removal crews and technicians while actively working on the tank tops. There also remains an active, and credible risk, that the combination of vapor releases and sparking could cause a serious explosion or fire, that could result in an oil spill. Additionally, other aspects of the situation at the VMT raise serious concerns about unauthorized environmental releases and the failure of Alyeska to manage snow removal and tank maintenance consistent with the regulations and good management risk assessment.

Our concerns are based on reports from Alyeska, the March 24, 2022 Anchorage Daily News (ADN) article titled "Snow pileup damages Alaska pipeline company's massive Valdez oil tanks," and serious concerns voiced to PWSRCAC by Alyeska employees since the situation with the damaged tank vents from snow loading was discovered. Many of these serious concerns are well known within the Valdez community and among the workforce.

We are also extremely disturbed that members of the workforce do not seem to have confidence in the internal Alyeska processes for taking timely and appropriate action on employee safety concerns and that this process is not trusted, and the fear of retaliation has returned to the culture at the company. Both of these issues were contributors to the situation at Alyeska years ago which led to incidents, accidents, and near misses, as well as Congressional hearings, lawsuits, and general interruption of Alyeska's operations.

Based on the information provided to RCAC, we believe we are obligated to both advise you and others identified in this letter of these concerns, and request that **all work on the tanks be stopped until such time as an appropriate independent and technically competent review and assessment of this situation can be made.** Some of the serious concerns that have been presented include:

- As a result of the damaged vents, it is now difficult to maintain appropriate pressure in the tanks. As a result, vapors have consistently been released to the atmosphere. Apparently, this has been ongoing since before multiple tanks were discovered by Alyeska to be leaking hydrocarbons to the environment. That discovery was observed and documented in reports internally by Alyeska employees as early as February 25, 2022. Contrary to the ADN article, hydrocarbon vapors have escaped the tank farm dike walls and pooled onto main roadways with LEL levels exceeding 13%. Volatile Organic Compounds have also been detected in high enough concentrations to require respirators and tank top evacuations. Potential vapor migration paths to buildings on the terminal have been identified. Besides the environmental violations of the Clean Air Act these releases represent, the health hazard the releases present to workers, and that each vapor release is a source of potential explosion are also serious concerns.¹ Additionally, no formal Management of Change (MOC) process has been fully developed or communicated to affected employees since this incident started.
- Snow shovelers on the tank tops are using metal traction devices (spikes) to avoid slips, but spikes can generate sparks. Alyeska had previously not allowed spikes to be used on the tank tops, even when there were not active vapors escaping from vents as is the case during this snow and ice removal work. In 2016, Alyeska had a fire in a pressure/vacuum relief vent at Pump Station 5 after a technician working on the vent dropped an adjustable wrench and it hit something hard that caused a spark. There have been numerous slips, trips and falls by the snow removal crews, and it appears that spikes are being used to reduce slips and falls at the risk of generating a spark that could cause a fire or explosion that could injure or kill workers on the tank tops.
- The tank farm emergency evacuation system is broken and has been malfunctioning for some time. On Friday, March 25, 2022, the noon test of the system failed altogether. We understand the system passed a test on March 27, 2022, but workers have been operating in the tank farm during this event with a malfunctioning or inoperable system that has been characterized as being near or having reached obsolescence.

¹ We remind you that the source of the terrible explosion in 2005 at the BP Texas City Refinery was a truck driving into an unknown vapor cloud that then ignited the vapor, killing 15 people, injuring 180 others and destroying the facility. <https://www.csb.gov/bp-america-refinery-explosion/>

- There are reports that respirators are not consistently being worn by the snow removal crews on the tank tops, who are being exposed to the leaking hydrocarbon vapors. Instead, it was reported that respirators are only being worn voluntarily if near the vents, and all others just need to be “within reach.” If crude oil vapors are actively venting from damaged tank vents, and there is benzene present in those vapors, respirators should be worn by all personnel working on those tank tops clearing snow and ice or repairing pressure vacuum valves.
- The snow removal crews are apparently wearing passive hydrocarbon badges that are not reliable. Alyeska has had problems with these passive badges, and they were not officially implemented by Alyeska prior to this incident. The badges are passive, meaning the readings are not real time. It has been reported that due to a shortage of Alyeska safety employees, minimal active, real-time monitoring of hydrocarbon vapors is being conducted while workers are actively working on the tank tops.
- Apparently, tankers are being loaded from tanks with damaged pressure vents, including vents that have been completely sheared off, making it challenging to regulate tank pressure and avoid an oxygen rich explosive atmosphere inside the tank using the terminal’s inert gas system. The entire vapor system is one system, so if the vapor system at the tanks is compromised, it affects the system for loading tankers at the loading berths.

Based on these serious concerns that pose an imminent threat to life, safety, and the environment, combined with the apparent breakdown of the Alyeska internal employee concerns program and the fear of retaliation by the workforce, the PWSRCAC requests that all work be stopped until such time as these safety concerns can be assessed and appropriately addressed.

As you know, the Oil Pollution Act of 1990 and the contract between PWSRCAC and Alyeska Pipeline Service Company recognizes the Council’s role and Alyeska’s agreement to support the citizens’ advisory council process to include monitoring and advisory functions regarding actual and potential environmental impacts of Valdez Marine Terminal and oil tanker operations, oil spill prevention, safety, and emergency response. We take this role very seriously.

The PWSRCAC recognizes that Alyeska is going through a change in leadership which is hard for any organization. However, as you or anyone else who reads the concerns expressed above will understand, this set of problems is potentially extremely serious and will take immediate attention and action by those in charge of operations and ownership of the company to remedy.

PWSRCAC will help Alyeska in any way possible to succeed in rectifying these deficiencies for the sake of people who are your employees, the general public, and the environment of

the region around the tanks, as well as our nation's national and economic security that would be adversely affected by any further serious failure at the Valdez Marine Terminal. Together, we have worked hard to prevent another major oil spill. This is but the latest threat that must be faced to prevent such a tragedy. We are standing by to assist through consulting with your leadership and staff or otherwise. And this organization is pulling for you to get these problems rectified as soon as possible for the sake of all.

Thank you for your consideration of this request and we would appreciate a response at your earliest convenience.

Sincerely,



Robert Archibald
Board President



Amanda Bauer
Board Vice President



Donna Schantz
Executive Director

Cc: Andres Morales, Alyeska Pipeline Service Company
TAPS Owner Committee Representatives:
Ben Stevens, ConocoPhillips Alaska, Inc.
Steve Yatauro, ExxonMobil Pipeline Company
Sean Kolassa, Harvest Alaska
R. Reid Olson, Bureau of Land Management
CDR Patrick Drayer, U.S. Coast Guard
Torri Huelskoetter, US EPA Alaska Operations
Allison Natcher, AK Dept. of Environmental Conservation
Robert Guisinger, Pipeline and Hazardous Materials Safety Administration
Keith Holloway, National Transportation Safety Board
Hillary Cohen, U.S. Chemical Safety Board
Chief of Enforcement, AK Occupational Safety and Health
All PWSRCAC Board of Directors