

U.S. seeks inlet navigation plan

by Mary Scarpinato
Times Writer

The federal government is prepared to strike a bargain with those who use Cook Inlet.

Share the costs of the latest in computerized tide and current charting and monitoring programs, federal officials say, and "we'll make Anchorage one of the premier technology ports of the U.S."

That offer was presented by John G. Hayes, director of oceanography and marine services for the National Oceanic and Atmospheric Administration (NOAA), at a Wednesday gathering here of state and local government, industrial and commercial representatives.

With a pricetag range between \$1 million and \$2 million, and an annual operating expense around \$250,000, the program could be installed within the year, Hayes said.

But agency budgetary limitations would require some cost-share agreement with benefiting users. And agreement would need to be reached by early spring in order to gain the summer work season.

Port of Anchorage officials said they will canvass inlet users as to their interest in such an arrangement.

Complaints of incomplete or outdated tide and current data are not uncommon among users of the inlet, which has a "tremendous tidal range and very strong currents," Hayes noted.

Ship pilots at Wednesday's meeting said vessels have run aground on occasion where charts had indicated sufficient depth for passage. A sand shoal west of Fire Island that is calculated as shifting 160 feet a year causes particular problems, the pilots said.

Lack of more accurate information also can hurt development prospects and delay response to oil or chemical spills within the waterway.

Where depth is uncertain, shipping lanes must be gauged on the side of caution, Hayes said, which can cost the larger cargo vessels \$10,000 for every inch of hull draft that must be lightened, according to safe passage estimates.

In the event of a major spill, more precise data on tides and currents (as well as on circulation and salinity, which can also be factored into the computer program) can quickly assess the spill's expected flow and spread effects, Hayes said.

The program could be designed to calculate and predict any range of affecting conditions, such as wind speeds, wave levels and sediment accumulation.

If the program is installed here, small but sophisticated instruments would be planted on the inlet floor to collect the new data and then transmit it on to both locally stationed computers and NOAA's central computer system in Washington, D.C.

Of prime importance to users is that high-speed relay techniques can feed such data back to requesting program participants over their own computers.

For a pilot attempting to navigate a difficult course, or a shipping office attempting to assess the conditions affecting time and costs, the computer relay system far outweighs referral to years-old charts, said Hayes.

"You get the information where you want it when you need it," he said.

by Bruce Bartley
Associated Press

Opponents of year-round drilling in the Beaufort Sea say a fuel spill in Cook Inlet illustrates their fears about cleanup capabilities, but the oil industry says there is no analogy.

State officials take the middle ground, agreeing that the situations are very different but saying lessons learned from the Anchorage spill will be considered when deciding whether to lift seasonal drilling restrictions in the Beaufort.

A Greek tanker, the Cepheus, ran aground Jan. 21 as it maneuvered for a berth at the Port of Anchorage. By the time authorities realized the extent of the problem, an estimated 180,000 gallons of jet fuel had poured into the inlet.

The Coast Guard and state Department of Environmental Conservation (DEC) officials said because of the broken ice conditions, high tides and strong currents, the fuel was dispersed quickly and could not be cleaned up.

Fearing that similar circumstances could produce the same result in the Beaufort Sea, the North Slope Borough has opposed state plans to allow the oil industry to drill year-round.

Critics have been especially fearful of a spill during the spring breakup when the sea is littered with ice which would hamper containment and cleanup operations.

"It certainly is analogous," says Bill DuBay, a long-time observer of the Arctic environment. "The borough is watching it very carefully."

Broken ice moving back and forth in Cook Inlet with the tides is very similar to the shifting ice floes in the Beaufort, says DuBay, who edits one of the borough's official publications.

Storms in the arctic have the

potential to make the situation even worse, he says. And yet in sub-arctic waters like Cook Inlet, authorities "just kind of shrug their shoulders" and say nothing can be done, DuBay says.

"That's exactly what people who live in the Arctic have been saying," he adds.

But Bill Hopkins, executive director of the Alaska Oil & Gas Association, says the situations in the two areas are so different that there's no real analogy.

He says Cook Inlet's tides and currents are much stronger than the Beaufort's. And he says jet fuel is much lighter and disperses much more rapidly than the crude oil which would come from offshore drilling operations.

"You're not really talking about the same environment," says Hopkins. "We just don't think they're comparable situations."

The fact that it's harder to clean up jet fuel also means it's likely to cause less environmental damage, says Hopkins, calling it a "physiological trade-off."

"There is, I suppose, some analogy ... but very limited," says Paul O'Brien, oil pollution control program manager for the DEC.

He agrees with Hopkins that the jet fuel would evaporate, dissipate and dissolve much more quickly, and that the Cook Inlet tides and currents are stronger.

But also notes that there can be extremely powerful ice movements in the Beaufort, depending on the wind.

Another difference is that the Cook Inlet spill came from a moving ship while Beaufort spills are more likely to originate from fixed locations like gravel islands, he says.

"A tanker spill is one of the toughest spills to take care of," he says.

"We've been tracking the spill, trying to learn any new information that will help us in any analysis of cleanup capabilities in these conditions," says O'Brien. "What we learn will be applied...there might be some extrapolation."

Part of the problem with the Cook Inlet spill is that the tanker did not follow DEC guidelines for such shipments, O'Brien says. Every petroleum handler is required to show it has a contingency cleanup plan, and the DEC grants approval to operate based on the adequacy of that plan, he explains.

The Cepheus did not notify the DEC that it was on its way to the Port of Anchorage, and did not demonstrate it had a contingency plan, he says.

"The responsibility for spill response lies with the spiller," says O'Brien. At the same time, the public must realize "it is simply not possible to clean up every single spill," he says.

Many of the companies working in Cook Inlet belong to the Cook Inlet Response Organization, which would be called out if there were a spill resulting from one of their operations, O'Brien says.

The industry has a similar team on the North Slope known

as the Alaska Beaufort Sea Oil Spill Response Body.

The DEC can activate the response teams only if the spiller refuses to cooperate, or the source is unknown. In the case of the Cepheus, the owners have been cooperating and have agreed to do whatever is necessary to resolve the problem, he says.

O'Brien says he doesn't know if the borough plans to raise the Cook Inlet spill at negotiations scheduled Thursday on the seasonal drilling restrictions.

Greek ship must keep cargo here

by Anne Willette
Times Writer

The Greek tanker that spilled 180,000 gallons of aviation fuel into Cook Inlet may not transport its cargo to anywhere else in the state unless it secures \$20 million in insurance, a Superior Court judge ruled Wednesday.

Judge Brian Shortell said he might allow the Cepheus to go to Seattle without insurance, but until such a request is made the ship must stay in the Port of Anchorage.

The Cepheus ran aground Jan. 21 at Cairn Point across Knik Arm from Anchorage. It was carrying 8.5 million gallons of jet-A aviation fuel owned by Mapco Petroleum Co. of Fairbanks.

The state sued the ship, its owners, operators and master, charging that the spill damaged the environment. Assistant Attorney General Madeline Levy argued Wednesday that the ship should not be allowed to leave Anchorage until the state has a guarantee its owners will pay for the damage.

State law says tankers planning to unload oil in the state must have a \$20 million certificate of responsibility with the Department of Environmental Conservation. The Cepheus failed to comply with that law, Levys said.

Ron Bliss, attorney for the ship's owners, operators and master, said the Cepheus had never been to Alaska before and its owners did not know about the law. He offered the state a \$20 million letter of indemnity from the Cepheus's insurance company in the Bahamas, but the state would not accept it.

Bliss said it would be impossible for the Cepheus to get the insurance required by the law because it does not have any Alaskan assets.

The Cepheus had planned to take the fuel that had been mixed with seawater to Nikiski where it could be refined. Once out of the icy Port of Anchorage, the Coast Guard was going to inspect the damage to the ship. Then the ship, escorted by tug boats, was going to go to Seattle for repairs.

Longshore chief vows to fight barge firm

By CHUCK KLEESCHULTE
Daily News business reporter

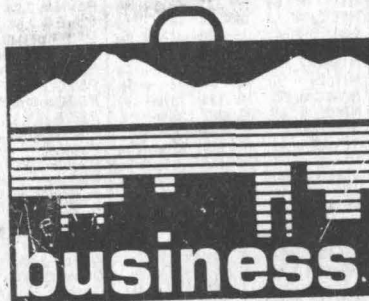
The head of the Alaska longshoremen's union has pledged to continue "through all legal and political means" to fight the introduction of nonunion barge service to Alaska.

SeaWay Express, a new \$60 million shipping line based in Seattle, plans to dock its first barge in Seward on April 12 and unload it with nonunion workers.

"This is a fundamental issue. We'll go toe to toe with SeaWay. This is going to be a wide-ranging battle," said Larry Cotter, president of the Alaska local of the International Longshoremen's and Warehousemen's Union.

He declined to say what steps his union is considering to prevent the start of the barge line's service.

Cotter spoke Wednesday after the Seward City Council the night before refused to



ask the U.S. Army Corps of Engineers to force SeaWay to stop building a floating ramp in Seward.

The union is seeking a way to slow the arrival of SeaWay's first barge. It wanted the city to request work on the barge unloading ramp be halted until a hearing could be held on the project's design.

Ron Garzini, Seward city manager, said Thursday the city council is willing to consider the ramp issue at its meeting April 9.

But Cotter said his union will launch a petition drive to

force an earlier meeting because the ramp probably will be completed by April 9.

Cotter said the union opposes the ramp's design and placement. The ramp may affect the use of the railroad's dock by other vessels, he said.

Garzini said Thursday the city has tried to be an advocate of a new business "to help Seward get back into the shipping business." But he said the city doesn't want to take sides in the labor dispute.

"Our concern has been that the railroad support new business, but it's not our business to get telling anybody how to handle their labor affairs," Garzini said.

Except for the ramp, all steps seem in place for SeaWay to start service to the state from Seattle next month.

Union officials have said they fear the line will undercut the jobs of about 140 union longshoremen working in Seward.

Pact reached in Ketchikan mill buy out

By DEAN FOSDICK
The Associated Press

JUNEAU — Agreement was reached Wednesday on an employee buy out plan for the estimated \$90 million in Alaska assets of Louisiana-Pacific Ketchikan.

But legislation that would guarantee half the \$45 million loan needed to float the deal is facing a "major uphill battle," a sponsor of the measure says.

Louisiana Pacific Corp., a Fortune 500-listed company

based in Portland, initiated the buy out proposal in September.

Assets include a hemlock mill in Metlakatla, a chip mill in Seward, a spruce mill in Ketchikan, the huge Ward Cove pulp mill, some logging camps and long-term timber contracts.

L-PK is the largest employer in the Ketchikan area, with a workforce of about 800 people and a \$23 million annual payroll.

Wally Kubley, a lobbyist

for L-PK and a 28-member panel handling the purchase, said the agreement will go through if a Wall Street investment firm finds it feasible.

Under terms of the proposal, employees will own 55 percent of the company and have five of seven board seats, he said.

"A \$45 million loan from one state and four large outside banks will be the up-front payment for L-P," he said.

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"We're asking that the state guarantee 50 percent of the \$45 million loan," Kubley said.

"It would make the loan more salable and they might get it at a rate of 1 percent less with the state guarantee," he said.

Among the clouds over the sale is a tentative denial by a federal agency of L-PK's request for a variance from new wastewater treatment standards.