

Good morning Chairman Hersman and Members of the Board. Thanks for the opportunity to be here to discuss oil spill response plans as required of the maritime industry.

Twenty-five years ago, the *Exxon Valdez* oil tanker ran hard aground on Bligh Reef in Alaska. The impact ruptured its hull causing a spill of almost 11 million gallons of Prudhoe Bay crude into pristine Prince William Sound. At the time, it was the largest oil spill to occur in U.S. coastal waters. It spurred Congress to pass the Oil Pollution Act of 1990, which fundamentally changed the way industry and government prepare for oil spills in the marine environment. A key element of OPA 90, which amended the Federal Water Pollution Control Act, was a requirement for vessels carrying oil as cargo and operating in U.S. waters to prepare and submit a plan for responding to a worst case discharge.

In 1993, the Coast Guard implemented its corresponding regulations in 33 CFR 155, Subpart D, which required the owners or operators of thousands of tank vessels to submit oil spill response plans. The law also included similar requirements for fixed marine-transportation related shoreside facilities. For the purpose of today, I will focus on Vessel Response Plans. I'll discuss what's required to be in them, how the Coast Guard scrutinizes their contents, and how the planning and exercise program validates how they will perform in an emergency.

The framework for our National Response System and under which maritime spill response plans reside is the National Contingency Plan or NCP. The NCP designates the Coast Guard as the lead federal agency or Federal On Scene Coordinator for directing the removal & mitigation of oil spills from waters & adjoining shorelines of the coastal zone. Maritime Response Plans are a major pillar of the National Response System.

Plan holders must submit Vessel Response Plans to the Coast Guard for review & approval 60 days before they intend to operate and on a 5-year submission schedule.

Vessel Response Plans must be written to be consistent with the National Contingency

Plan as well as Area Contingency Plans that cover the local, captain of the port zones where a vessel will operate. The goal of this multitier approach is enhanced planning and coordination among federal, state, local, tribal and industry stakeholders.

There are a number of elements required in an approved Vessel Response Plan – they must include: notification and shipboard spill mitigation procedures, training and exercise protocols, and plan review and update measures. They also include geographic-specific appendices as well as lists of key contacts, among other things.

Some of the most vital elements are as follows: Plans must identify a "qualified individual" – a person who is immediately available and who has full authority to implement removal actions on behalf of the plan holder. Congress wanted a qualified individual to act as a liaison to communicate directly with the Federal On Scene Coordinator; to have full authority to call out contracted spill response resources without delay; and to obligate funds – a check writer – to carry out all necessary response activities. This is a critical element of these plans.

But perhaps the lynchpin of a viable Vessel Response Plan is its ability to identify and ensure the availability of private personnel and clean up equipment necessary to effectively address a worst case discharge. The Oil Pollution Act of 1990 defines worst case discharge for a tank vessel as loss of the vessel's entire cargo in adverse weather.

Ultimately, requiring access to pre-positioned equipment and clean up personnel in plans has represented the key success of the maritime spill response program. It guarantees that vessels carrying hundreds of thousands of barrels of oil on U. S. waters maintain under contract or other approved means clean up contractors on standby to provide an immediate response to an oil spill with the right equipment and within specified timeframes to best mitigate the damage.

In reviewing and approving Vessel Response Plans, the Coast Guard determines each plan's sufficiency by verifying and ensuring a plan holder has response capability to effectively respond to oil spills.

We do this by maintaining a classification system that assesses the capability of clean up contractors throughout the United States. This process includes evaluation of a vessel's desired operating zones. We look at the location of contracted resources in relation to those operating zones and determine if response times are achievable.

The Coast Guard also maintains an inventory of response equipment maintained by these contractors – it verifies response capabilities & equipment listed in Vessel Response Plans.

Oil spill response contractors who seek to be classified by the Coast Guard must enter their resources into that inventory.

The Coast Guard then conducts Preparedness Assessment Verifications throughout the nation. We visit oil spill contractors onsite to inspect and test their response equipment, review training records, check equipment maintenance records & conduct an overall inventory. These visits ensure that the data in our Response Resource Inventory accurately reflects what each contractor maintains as available to plan holders. Preparedness Assessment Visits are conducted on a three-year cycle.

Finally, the Federal On Scene Coordinator validates that Vessel Response Plans can be activated and are effective in actual spills or during spill response exercises. During real spills, the responsible party is expected to use the contractor or contractors listed in their plan. Spill response exercises afford a similar opportunity to the Federal On Scene Coordinator.

In fact, Preparedness Drills & Exercises play a key role in validation of response plans. The Preparedness Response Exercise Program or PREP is a coordinated exercise program administered in accordance with the Oil Pollution Act of 1990. Government

partners operating under the PREP Guidelines include the Coast Guard, the EPA, the Bureau of Safety and Environmental Enforcement and the Pipeline and Hazardous Material Safety Administration. This program is designed to identify weaknesses in the response system and mitigate the risks of oil spill response through periodic drills and exercises.

PREP outlines government & industry minimum levels of exercises for compliance. It includes exercises and drills of notification and emergency procedures, the spill management team, equipment deployment, large annual government and industry-led area exercises, & government-initiated unannounced exercises.

This last program - unannounced exercises – have been an effective tool for local Coast Guard units to test response plan holders periodically and without notice –using a small spill scenario. Plan holders must initiate response to a 50-barrel spill, activate their oil spill contractor, and meet specific timeframes for bringing equipment to bear. When a plan holder successfully passes an unannounced exercise, they won't be tested again for three years.

As mentioned above, a critical piece to ensure alignment between government and industry planning priorities is the requirement that industry spill response plans must align with

Government Area Contingency Plans. These Area Plans are developed jointly at the Federal, State, local, & tribal levels, with industry stakeholder involvement. Coast Guard Federal On-Scene Coordinators facilitate the process at the local area committee level & gain consensus on the plan, including an area's worst case discharge scenario. Vessel Response Plans are expected to reflect the priorities captured in these Area Plans.

Conclusion:

Ultimately, the Vessel Response Plan program has proven its success over the past 20 years. Oil spills present many challenges. The best approach is preventing them in the first place. The Coast Guard oversees a rigorous inspection program on tank vessels,

and the number and size of spills has reduced considerably under the Oil Pollution Act of 1990. But spills will occur, and when they do, Vessel Response Plans ensure that maritime oil companies have been more prepared to respond and ultimately more effective in mitigating environmental damage and risk to the public during these events.

We continue to look for ways to improve the program and response planning process. New oil transportation trends and higher volumes of products moving along and adjacent to our nations waterways has certainly raised the potential for increased spills. The Coast Guard is the Federal On Scene Coordinator for any spills that impact or threaten to impact navigable waters in the Coastal Zone whether from ships, pipeline or rail.

We continue to work closely within the National Response System, with our interagency partners at the federal, state and local level and with industry to evaluate those risks and work to address gaps.

That concludes my comments. Thanks again for the opportunity.