

COOK INLET RISK ASSESSMENT PROJECT

Monthly Progress Report for Contract #HSCG84-12-C-B17024

**Submitted by Nuka Research and Planning Group, LLC (Nuka Research)
December 3, 2013**

This is a Monthly Progress Report submitted to the U.S. Coast Guard for the Cook Inlet Risk Assessment Project (#HSCG84-12-C-B17024). This report includes an account of the work completed from September 15, 2012 – November 30, 2013, as well as identification of any problems encountered or anticipated. Wherever necessary, we also discuss any budget or scheduling impacts and proposed remedies.

Overview

The U.S. Coast Guard contracted Nuka Research to provide procedural expertise and project management during the preparation of the Cook Inlet Risk Assessment. This project began on September 15, 2012. The final project deliverable will be a report presenting recommended risk reduction options for vessel traffic in Cook Inlet.

On September 5, 2013, the U.S. Coast Guard approved Nuka Research's request for a no-cost extension of the contract until September 30, 2014.

Task Details

This section provides an update on the status of the eight project tasks identified in the contract. The tasks are sequential and build directly on each other.

Task 1: Plan and Conduct Consequence Analysis Workshop

This task is now 100% complete.

Task 2: Develop Consequence Analysis Report

This task is now 100% complete.

Task 3: Solicit and Describe Risk Reduction Options

This task is now 100% complete.

Task 4: Estimate the Benefits of Risk Reduction Options

The Management Team met on August 13, 2013 and approved the proposed steps to evaluate the risk reduction options that were slated for additional analysis or consideration. The next steps essentially incorporate estimating the benefits of the proposed options (Task 4), costs (Task 5), and ease of implementation (Task 6) as appropriate for each proposed risk reduction option.

The risk reduction options are summarized below.

Towing Analysis

Nuka Research provided The Glosten Associates with the necessary environmental and vessel capacity/location data from 2012 (purchased from the Marine Exchange of Alaska) to conduct this analysis. Completion of the analysis is on track for December 2013, with presentation of the data to be developed in January 2014.

Construct Cross-Inlet Pipeline from Drift River to Nikiski

The Glosten Associates revised their estimate of the reduced probability of an oil spill based on reducing the number of tanker transits across the Inlet based on input Nuka Research received from Capt. Jack Jensen of Tesoro (an Advisory Panel member). Nuka Research has identified a method for developing a spill rate estimate from the proposed pipeline, but this requires additional information from the pipeline operator, which is being sought through scheduling a meeting, which is now on track to be held in December 2013. (The meeting will also be used to obtain other information for the Benefit Cost Analysis.) Northern Economics, Inc. will use this information to conduct a benefit-cost analysis.

Enhance Situational Awareness by Transmitting Weather Information via AIS

Nuka Research checked in with the Marine Exchange of Alaska for an update on the launch of their program to broadcast weather information via AIS. Initial transmittals were started, but then halted. Transmissions are expected to start again by the end of the year. A preliminary list of data points to be collected from mariners was developed.

Improve Ice Monitoring Capability

Research will be conducted to determine the best way to improve upon the ice monitoring procedures already established in Cook Inlet. The University of Alaska-Fairbanks conducted an ice-monitoring study in the Beaufort Sea using a Furuno radar; the next step will be to learn what equipment they have used, for what purpose, and how well it worked. In addition, the project team will be contacting Buccaneer Alaska LLC who's considering setting up a Sigma-6 ice radar near Anchor Point, Cook Inlet to monitor ice in the south-central location, which is typically the southern extent for ice in the Inlet.

Encourage Third Party Inspections or Audits of Workboats

Pearson Consulting requested information from the Alaska Department of Environmental Conservation to obtain a list of workboat operators in Cook Inlet. This will be used to develop a list of individuals or companies to contact for this part of the project. Nuka Research is developing the necessary background information for the survey design.

In addition, the following tasks were identified from the risk reduction options slated for sustained or immediate implementation.

Launch Harbor Safety Committee for Cook Inlet

Leslie Pearson attended the West Coast regional Harbor Safety Committee meeting and is developing a plan for the launch of a committee for Cook Inlet based on that experience and other research.

Convene Webinars to Update AWIOS and Coast Pilot

These webinars are planned for February 2014.

Depending on the results of the ice detection research, additional work may be done in this area to implement a system based on that research.

Task 5: Estimate the Costs of Risk Reduction Options and Develop Cost-Benefit Ratios

This task relates directly to the work described in Task 4, as noted above. Northern Economics, Inc. will conduct a cost-benefit analysis for the proposed cross-Inlet subsea pipeline. Nuka Research reviewed the process and data needs with them on a September 30 conference call. In November, Nuka Research convened a call with Northern Economics and the USFWS's Regional Coordinator of Natural Resource Damage Assessment and Restoration to discuss options for data points on the dollar value of spill damages.

Task 6: Assess the Ease of Implementation of Risk Reduction Options

This task relates directly to the work described in Task 4, as noted above.

Task 7: Assess Unintended Consequences of Risk Reduction Options

This task relates directly to the work described in Task 4, as noted above. The Advisory Panel will also be asked to consider potential unintended consequences of the proposed risk reduction options.

Task 8: Prioritize Risk Reduction Options, Develop Recommendations, and Prepare Final Report

The risk reduction options have been organized into those slated for immediate or ongoing implementation and those that require further consideration (based on the research and analysis described above). The Advisory Panel and Management Team will further refine this prioritization. The final recommendations and report will be based on the outcome of Tasks 4-7. Work on the final report has not yet begun.