

COOK INLET RISK ASSESSMENT PROJECT

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

**Submitted by Nuka Research and Planning Group, LLC (Nuka Research)
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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 – January 31, 2014, 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

The Glosten Associates completed their analysis of the availability of tugs of opportunity and an assessment of the potential for a drifting vessel to self-arrest. Nuka Research shared this information with the Management Team on a January 24, 2014 conference call. As directed by the Management Team, Captain Jeff Pierce of Safeguard Marine reviewed the studies and provided comments. The Advisory Panel reviewed the tug of opportunity study. Extensive comments were received and the Facilitation Team is now reviewing them. Nuka Research has developed an approach to summarizing and putting these two studies in context, but in light of the extensive comments this has been paused temporarily while the Facilitation Team and Management Team consider the best way forward.

Construct Cross-Inlet Pipeline from Drift River to Nikiski

The Glosten Associates estimated 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, promised by Tesoro in a December meeting. After several follow-up efforts, Tesoro has committed to provide the information under a confidentiality agreement now being developed.

Enhance Situational Awareness by Transmitting Weather Information via AIS

Nuka Research prepared a preliminary list of interview/survey questions and summary materials for this task. However, the Marine Exchange of Alaska indicates that most vessels' AIS software does not support receipt of the broadcasts. The Management Team directed that this task should be concluded with a summary of the issue and potential opportunity, but no evaluation is possible at this time. This will be included in an overall project summary.

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 for the past three years has been conduct ice monitoring in Barrow for the Beaufort Sea using a Furuno radar. Risk assessment project team members met with Dr. Andy Mahoney to discuss the feasibility and potential benefits of establishing ice radar for Cook Inlet. Follow-up discussion with UAF, the Alaska Ocean Observing System and NOAA Ice Forecaster are planned with the goal of developing a scope of work and budget to conduct a trial of ice monitoring radar during the 2014-15 ice season.

Encourage Third Party Inspections or Audits of Workboats

Based on input from the Advisory Panel member who suggested this item, a revised letter and survey questions were developed and are being distributed to operators around Cook Inlet in early March. The Management Team directed that this be conducted by the end of the second quarter of 2014.

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

Pearson Consulting developed a preliminary process for the establishing a Harbor Safety Committee, in coordination with CIRCAC. Pearson Consulting will prepare a list of key players, and talking points/questions for interviews. Pearson Consulting will work with the Management Team in scheduling these interviews. Cook Inlet Harbor Masters and Port Directors will be contacted as part of this effort. Interviews will be conducted by the end of the first quarter 2014.

Convene Webinars to Update AWIOS and Coast Pilot

The Management Team directed that these webinars be held by the end of the second quarter of 2014. Initial contacts are being made with NOAA to initiate this process.

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.