



BLM Serial Nos. FF-12505 & AA-5847
Federal Grant Stipulation 1.7

FINDING OF NO SIGNIFICANT IMPACT AND DECISION RECORD

Environmental Assessment No. EA-993-04-006

Proposed Reconfiguration of Trans-Alaska Pipeline System Facilities at the Valdez Marine Terminal

BLM Office: Joint Pipeline Office, Anchorage, Alaska

Proposed Action: Alyeska Pipeline Service Company and the Trans-Alaska Pipeline System (TAPS) Owners are seeking a notice to proceed approval from the Joint Pipeline Office, Bureau of Land Management, to implement a series of modifications to facilities and operations over a period of several years within the Valdez Marine Terminal located at Valdez, Alaska.

Location of Proposed Action: The entire proposal will be within the Valdez Marine Terminal on the southern shore of Port Valdez, at the northeastern end of Prince William Sound, Alaska.

Applicant: Alyeska Pipeline Service Company

Conformance with Applicable Land Use Plans: The proposal for Strategic Reconfiguration of the Trans-Alaska Pipeline System at the Valdez Marine Terminal is in conformance with the three multiple-use plans that encompass portions of the Trans-Alaska Pipeline.

Need for Proposed Action: The proposed Valdez Marine Terminal changes are intended to significantly reduce the physical structure and complexity of the Valdez Marine Terminal. The projects will extend the economic life of the pipeline through the use of the latest and best technologies and increase efficiencies while maintaining safety, integrity and environmental protection standards in the continued operation of the TAPS.

Description of Proposed Action: The proposed strategic reconfiguration modifications would take place completely within the Valdez Marine Terminal: 1) Installation of internal floating roofs on at least twelve crude oil storage tanks, 2) removal from service and isolation of the existing power vapor plant, including its boilers and incinerators, 3) replacement of the existing tanker vapor control system with new vapor combustors, 4) replacement of the existing pumped seawater firewater supply system with a gravity flow freshwater supply system, and 5) provision of electrical power by (a) connection to

the commercial power grid and installation of an on-site backup diesel power plant or (b) installation of an on-site primary diesel power plant and backup.

Description of Environmental Impacts: BLM determined that long-term environmental impacts from the proposed actions will be lessened with fewer facilities in operation and changes to remaining facilities. However, there may be short-term negative impacts associated with construction activities such as removal or conversion of the crude oil storage tanks, installation of combustors and power equipment, and creation of the freshwater firewater reservoir. Short-term, minor air quality impacts would occur because of fugitive dust emissions from earth disturbance and increased transportation. The risk of small petroleum spills would be increased during construction. Relatively small areas of vegetation that have colonized previously disturbed areas on the site will be destroyed. However, no wetlands are expected to be impacted. Other short term and minor impacts would include increases in water use, wastewater generation, noise, and hazardous and domestic waste generation. Because of the localized nature of the proposed actions on an already developed site and the short duration of the activities, any potential impacts to wildlife would be negligible. Construction activities may temporarily disturb birds and mammals that use the facility as habitat. No threatened and endangered species are known or expected to use the facility and therefore no impacts are expected.

In preparing the EA for the proposed action, BLM considered but did not analyze in detail future modifications to TAPS facilities and operations at the Valdez Marine Terminal that are conceptual, but not included in Alyeska's proposal. These projects include modifications to the Ballast Water Treatment Facility, relocation of the TAPS Operations Control Center from Valdez to Anchorage, consolidation of Alyeska facilities at the Terminal, installation of ultrasonic flow meters, and installation of a power recovery turbine on the pipeline. These future projects were not included in Alyeska's proposal to BLM, as they are in the conceptual stage and no federal authorization is being sought for these projects at this time. Although these future projects are not part of the proposed action, their probable environmental impacts were discussed in the cumulative impacts section of the EA.

DESCRIPTION OF MITIGATION MEASURES AND ADOPTED STIPULATIONS

The mitigation measures presented below are designed to reduce the potential environmental consequences specifically associated with Valdez Marine Terminal Strategic Reconfiguration as identified in Section 4.0 of the EA. These measures are in addition to existing applicable federal, state, and local laws and regulations, the requirements of the Federal Agreement and Grant of Right-of-Way, the National Environmental Policy Act, and existing Alyeska Pipeline Service Company (APSC) environmental protection plans and procedures.

Seismicity

1. Design of the internal floating roofs will consider sloshing waves and potential deformed tank walls associated with earthquakes that have a reasonable probability of occurring during the life of the Valdez Marine Terminal.

2. APSC will monitor via Alyeska's MP-166 program the performance and integrity of the internal floating roof tanks. Monitoring will include but not limited to documentation of the frequency of internal roof movement due to a seismic event, the number of times each roof hits bottom, and documentation of any irregularities.

Water Resources

3. Prior to construction of the firewater reservoir, a sufficient number of piezometers, as determined by a professional engineer and approved as part of the Notice to Proceed Process by the Joint Pipeline Office, will be installed to determine whether any observed changes in groundwater on the slopes above the Valdez Marine Terminal result from construction of the firewater reservoir or natural changes in groundwater levels.

Recreational and Visual Resources

4. A reclamation plan that addresses site areas cleared by removal of Valdez Marine Terminal facilities will be prepared by APSC and approved as part of the Notice to Proceed Process by the BLM Joint Pipeline Office.

Emergency Response Under Reconfiguration

5. APSC will conduct an inventory trend analysis at the end of each year and provide the results as part of Alyeska's annual MP-166 System Integrity Reporting Program to the Joint Pipeline Office-Bureau of Land Management. The purpose of the analysis will be to assess inventory over the past years and demonstrate that sufficient storage capacity will remain after removal of additional crude oil storage tanks. This inventory trend analysis should also be conducted in the future if North Slope oil production increases beyond the rates estimated in the original analysis.
6. APSC will revise spill prevention and contingency plans to reflect changes in the number and capacity of crude oil storage tanks and changes in the number of on-site employees.

Consultation: BLM requested informal consultation with the U.S. Fish and Wildlife Service (USFWS) in accordance with the Endangered Species Act. The USFWS responded stating no listed species were present in the proposed area, no species have been proposed for listing, and no proposed or designated critical habitat areas are in the proposed location. USFWS stated that although a few Steller's eiders winter in Valdez, this project will have no effect on this species. USFWS concluded the requirements of Section 7 (a) (2) of the Endangered Species Act were satisfied and no further consultation pursuant to the ESA will be required for this project. BLM also consulted the National Marine Fisheries Service (NOAA Fisheries) in accordance with the Magnuson-Stevens Fishery Conservation and Management Act. NOAA Fisheries responded the described action will have no more than a minimal impact and will not result in any substantive adverse effect to Essential Fish Habitat (EFH). No further EFH assessment or consultation will be required and NOAA Fisheries did not offer any EFH Conservation Recommendations. BLM requested informal consultation with the Alaska Office of History and Archaeology State Historical Preservation Officer (SHPO) in accordance with Section 106 of the National Historic Preservation Act. SHPO responded stating that no historic

properties are affected by the proposed projects at the VMT. BLM met with the Chugach Regional Resources Commission July 1, 2004 to inform Native tribal leaders of APSC's proposal to reconfigure the VMT, and requested input on the proposed projects. In addition BLM contacted the Inter-Tribal Oil and Gas Coalition to inform tribal leaders of the Valdez scoping meeting and to solicit comments on the proposals.

ANILCA SECTION 810 SUMMARY

ANILCA Section 810(a) requires that a subsistence evaluation be completed for any federal determination to "withdraw, reserve, lease, or otherwise permit the use, occupancy or disposition of public lands." However, it should be noted that the Valdez Marine Terminal is located on private land. The EA includes the required evaluation of potential impacts to subsistence under ANILCA § 810 resulting from the Strategic Reconfiguration of the Trans-Alaska Pipeline System, Valdez Marine Terminal.

As required by ANILCA, the EA evaluated subsistence uses and potential project impacts, and reached findings on three specific issues:

1. The effect of such use, occupancy, or disposition on subsistence uses and needs;
2. The availability of other lands for the purpose sought to be achieved; and
3. Other alternatives that would reduce or eliminate the use, occupancy, or disposition of public lands needed for subsistence purposes (16 U.S.C. § 3120).

Additional information on the statutory requirements for the analysis of impacts to subsistence is found in the EA at Section 3.13.

Concerning the effect of the proposed use, occupancy, or disposition on subsistence uses and needs, the EA concluded that the effects of the Strategic Reconfiguration on subsistence fall below the level of significantly restricting subsistence uses. No significant reductions in subsistence resources are predicted to result from the Strategic Reconfiguration. Tatitlek, Chenega Bay, and Cordova residents harvest subsistence resources throughout extensive subsistence use areas centered on their communities. Subsistence uses by these three communities in the Valdez Arm area are documented, but these represent a small and remote portion of the use areas for these communities. The Strategic Reconfiguration includes the demobilization and removal of some structures and facilities, reducing noise and visual impediments and increasing access to the area. The Strategic Reconfiguration would result in minor and short-term impacts on subsistence resources and access by subsistence uses.

Concerning the availability of alternative lands, the proposed Strategic Reconfiguration is intrinsically linked to the existing Valdez Marine Terminal, which is located on private land. As a result, no alternative lands for the proposed activity are relevant.

Finally, as for alternatives that would reduce or eliminate the need for lands used for subsistence, the EA noted that Strategic Reconfiguration would consolidate and reduce the existing infrastructure at the Valdez Marine Terminal related to efficient transportation and storage of current level of oil production. No alternatives that further reduce the land use are feasible.

Considering the three factors together, the effects of the Strategic Reconfiguration on subsistence uses fall below the level of significantly restricting subsistence uses and needs. The Strategic Reconfiguration would not substantially reduce subsistence resource populations or their availability to subsistence users. The proposed action would not substantially limit access by subsistence users to resources.

As for cumulative impacts, the TAPS EIS concluded that the operations and maintenance changes and upgrades, such as the Strategic Reconfiguration were "not significantly distinguishable" from existing operations for the purposes of environmental review. Thus, the cumulative impacts analysis provided in the TAPS EIS already examined and reached conclusions on cumulative impacts on on-going TAPS operations and maintenance. The Strategic Reconfiguration at the Valdez Marine Terminal is an indistinguishable part of the operations already analyzed. The current EA is tiered from, and incorporates by reference the cumulative effects analysis of the previous TAPS FEIS. As a result, cumulative impacts to subsistence uses have already been identified, and compliance with the notice and hearing, and determinations requirements of Section 810 has already been assured.

With the conclusion that the proposed Strategic Configuration will not significantly restrict subsistence uses, no further steps are required for compliance with Section 810. Specifically, the BLM is not required to provide notice and hearings, under Section 810 (a) (1) and (2). Similarly, the BLM is not required to reach the determinations required under Section 810 (a) (3).

Preparer: ENSR International for the Joint Pipeline Office

Finding of No Significant Impact: Based on an analysis of the environmental impacts contained in the attached environmental assessment, I have determined that overall impacts to the human environment are not expected to be significant and an environmental impact statement is not required for the reasons stated below under Rationale.

Decision:

The attached environmental assessment is tiered off of the final environmental impact statement, *Renewal of the Federal Grant for the Trans-Alaska Pipeline System Right-of-Way*, BLM-AK-PT-03-005+2880+990, November 2002, which concluded there would be no significant adverse environmental impacts from reconfiguration of the Trans-Alaska Pipeline System facilities. BLM evaluated two alternatives in this EA, 1) the proposed action of strategic reconfiguration of TAPS at the Valdez Marine Terminal, and 2) no action. The preferred alternative is the proposed action of TAPS reconfiguration at the Terminal.

BLM has determined long-term environmental impacts from the proposed action of strategic reconfiguration will not be significant, nor will they affect the safety, integrity, and security of TAPS. Therefore, no EIS will be prepared for the proposed reconfiguration of the Trans-Alaska Pipeline System at the Valdez Marine Terminal.

Rationale for Decision: The Environmental Assessment for Reconfiguration of the TAPS at the Valdez Marine Terminal was prepared and tiered off of the TAPS FEIS to identify and evaluate any additional or probable environmental impacts of the TAPS reconfiguration project. The Environmental Assessment analyzed the overall environmental impacts. The probable environmental impacts of the TAPS ROW renewal were initially analyzed in the TAPS FEIS, which provides a thorough and recent environmental analysis. The Environmental Assessment for Reconfiguration of the TAPS at the Valdez Marine Terminal incorporates by reference relevant sections of the FEIS, which concluded impacts from reconfiguration would not be significant.

1.0 CONTEXT AND INTENSITY

The Environmental Assessment was analyzed in several contexts such as society as a whole in terms of the affected region, the affected interests, and the community of Valdez, Alaska; the affected region at the Valdez Marine Terminal and the Valdez area, affected interests such as the City of Valdez and Alaskan Native interests in the Valdez area and the local community of Valdez itself.

1. Impacts that may be both beneficial and adverse.

The operation of the new equipment after reconfiguration would reduce overall environmental impacts of continued operation. In the long term, air emissions would be reduced, leading to air quality improvements. Impacts associated with the proposed action are generally positive; however, there may be short-term negative impacts associated with construction activities such as removal of equipment, or conversion of tanks, installation of vapor combustors and power equipment, and the construction of a freshwater firewater reservoir. Short-term, minor air quality impacts would occur because of fugitive dust emissions from earth disturbance and increased transportation. The risk of small petroleum spills would be increased during construction. Relatively small areas of vegetation that have colonized previously disturbed areas on the site will be destroyed; however, no wetlands are expected to be impacted. Other short-term and minor impacts would include increases in water use, wastewater generation, noise, and hazardous and domestic waste generation. Because of the localized nature of the proposed actions on an already developed site and the short duration of the activities, any potential impacts to wildlife would be negligible. Birds and mammals that use the facility as habitat may be disturbed during construction activities.

2. The degree the proposed actions affect public health and safety.

In the longer-term, changes resulting from Strategic Reconfiguration would reduce overall environmental impacts when compared to impacts of continued operations under the current configuration. Installing internal floating roofs, taking the Power/Vapor Plant out of service, and installing a new tanker vapor control system would reduce total air emissions at the Valdez Marine Terminal and improve air quality. Simplification of terminal operations, reduction in the complexity of the physical infrastructure, and elimination of up to six crude oil storage tanks should reduce the potential for large spills. Water use for normal Valdez Marine Terminal domestic and industrial uses would be reduced, but a new water use would be established for the freshwater firewater reservoir.

Domestic waste generation would be reduced since fewer personnel would be on the terminal. Non-hazardous and hazardous waste generation would be reduced since there would be fewer facilities and equipment to be maintained.

3. Unique characteristics of the area; proximity to ecologically critical areas, etc.

Sawmill Creek, the proposed water source for the firewater reservoir, supports salmon spawning runs. Mitigation measures were prescribed to assure that salmon spawning and rearing in Sawmill Creek and essential fish habitat would not be adversely impacted by the water withdrawals. All proposed projects would take place inside the confines of the Valdez Marine Terminal and would not affect adjacent Prince William Sound.

4. Effects on quality of human environment with potential to be controversial.

The overall socioeconomic impacts of SR would be positive in the short-term at the local level due to increased employment and spending during the construction phase through 2007, and positive in the long term at the state and national levels because the useful life of Trans-Alaska Pipeline System would be extended. Locally, simplification of the Valdez Marine Terminal will result in a phased reduction and redistribution in the Valdez Marine Terminal workforce resulting in a loss of jobs and related economic and social effects, which could include reductions in personal income, increased unemployment, and decreased demand for goods and services. There should be no long-term effects on subsistence or subsistence resources. No high or disproportionate impacts on minority or low income populations were identified.

Amendments have been made to the *Trans-Alaska Pipeline System Pipeline Oil Discharge Prevention and Contingency Plan*. APSC submitted amendments to the plan to the Alaska Department of Environmental Conservation and the Joint Pipeline Office July 1, 2003, and the amendments were conditionally approved on December 31, 2003. The plan is a critical element to reconfiguration of the Trans-Alaska Pipeline System at the Valdez Marine Terminal.

5. Effects on human environment that could be uncertain or involve unknown risks.

No uncertain or unknown risks are expected to occur, that would have an affect on the human environment. The proposed modifications are intended to reduce the physical structure and complexity of TAPS operations at the Valdez Marine Terminal, improve operating efficiency, and extend the useful life of TAPS. The intended outcome is to reduce environmental impacts and risks associated with normal TAPS operations through long term reductions in air emissions, water use, wastewater generation, energy consumption, solid and hazardous waste generation, and the risk of oil spills.

6. The degree which the action establishes a precedent for future actions.

This environmental assessment will be a precedent for future NEPA analyses on other Valdez Marine Terminal projects requiring Notice to Proceed approvals from BLM, namely the re-design of the Ballast Water Treatment facility.

7. Whether the action is related to other actions with individually insignificant but cumulatively significant impacts.

Cumulative impacts for this proposed action and other reasonably foreseeable actions would be minor and local, with no significant synergistic effects. The primary unavoidable disturbances resulting from the proposed action would be related to construction activities occurring within the boundaries of the terminal. The impacts would be short-term, confined to the Valdez Marine Terminal, minor, and readily mitigated. Mitigation measures for unavoidable impacts are suggested.

8. Adverse effects on highways or other structures, scientific, cultural or historical resources.

No historic properties or cultural resources are affected by the proposed projects.

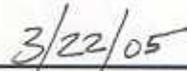
9. Degree of adverse effect on T&E species.

No threatened and endangered species are present in the proposed area, no species have been proposed for listing, and no proposed or designated critical habitat areas are in the proposed location.

10. Whether the action threatens violation of Federal, State or local law or requirements for protection of the environment.

The action does not threaten violation of any Federal State or local laws protecting the environment.


(Signature) *for*


(Date)

Rebecca W. Watson
Assistant Secretary, Land and Minerals Management
Department of the Interior

1 Attachment:

Environmental Assessment – Proposed Reconfiguration of the Trans-Alaska Pipeline System at the Valdez Marine Terminal, November 2004