

MEMORANDUM OF AGREEMENT

Between the

ALYESKA PIPELINE SERVICE COMPANY

and the

U. S. COAST GUARD

CONCERNING THE APPLICATION OF CHEMICAL DISPERSANTS FOR OIL SPILL RESPONSE WITHIN THE SEVENTEENTH COAST GUARD DISTRICT'S AREA OF OPERATIONS

SECTION I

PURPOSE AND AUTHORITIES

The parties to this Agreement are the United States Coast Guard and Alyeska Pipeline Service Company.

This Memorandum of Agreement (MOA) establishes the cooperative framework for the joint utilization of Alyeska Pipeline Service Company (APSC) and the Seventeenth Coast Guard District (USCG) equipment and personnel that will expand the capability of applying dispersants to oil spills in Alaska waters.

This MOA also provides for the discretionary use of USCG aircraft, APSC oil dispersants and application equipment in the early hours of an oil spill to augment and supplement industry's dispersant response.

This MOA is not a contract. It does not create legal rights or remedies. It does not alter the legal obligations of either party imposed by any state or Federal law or regulation.

This Agreement is authorized under the provisions of 14 U.S.C. §93(a)(4), 14 U.S.C. §93(a)(12) and 33 U.S.C. §1321.

SECTION II

ARTICLES OF AGREEMENT

ARTICLE I: USE OF USCG AIRCRAFT.

(a) The USCG has five, C-130 Hercules aircraft assigned to Coast Guard Air Station Kodiak (AIRSTA KODIAK) that are primarily tasked with search and rescue, law enforcement and logistical support. During an oil spill, operations permitting, and upon request from APSC, the USCG may provide a C-130 aircraft during the early stages of an oil spill response to load APSC's Aerial

Dispersant Delivery System (ADDS) and dispersants. This C-130 aircraft would apply dispersant under the operational control of the Federal On Scene Coordinator (FOSC).

(b) The USCG acknowledges and understands that APSC must obtain prior consent from both the USCG and the Alaska Department of Environmental Conservation (ADEC) to release ADDS. APSC reserves the right not to provide the ADDS in the event that either ADEC or USCG condition that limit any tanker traffic or port operations based on the ADDS removal.

ARTICLE II: COMPETITION WITH PRIVATE INDUSTRY.

The USCG, through this MOA, has no intention of competing with private industry with regards to dispersant application and does not relieve the responsible party from their obligations. This MOA is intended to provide USCG aircraft capable of deploying the airborne dispersant system at the FOSC's discretion in the absence of sufficient commercial or other agency aircraft. In responses where USCG aircraft are requested, APSC or its agents must contract with commercial aircraft within 72 hours to relieve the USCG of the need to augment the dispersant response. This time may be extended by the USCG at its discretion for good cause.

ARTICLE III: PAYMENT FOR USE OF USCG C-130.

a) For a TAPS affiliated tank vessel spill, the responsible party will be charged the standard rate for use of USCG C-130 aircraft during the dispersant application mission. This chargeable time, determined by the FOSC, will be in accordance with all Coast Guard policies.

b) For a non-TAPS tank vessel spill, APSC agrees to make dispersants and ADDS available to the USCG, operations permitting, and such associated costs will normally be reimbursed through the Oil Spill Liability Trust Fund.

ARTICLE IV: TRAINING.

Both APSC and the USCG agree to train their personnel in the use of the ADDS under mutually agreed upon circumstances. USCG will participate in APSC's semiannual exercises, at the discretion of the USCG and operations permitting. Neither the USCG nor APSC will charge one another for costs incurred for participation in training and during exercises.

ARTICLE V: DAMAGE AND LIABILITY.

Any claim for damages to APSC's ADDS shall be governed by the applicable provisions of the Federal Tort Claims Act, Title 28, U. S. Code Sections 2671-2680, and Title 28, code of Federal Regulations, Part 14.

ARTICLE VI: AMENDMENTS AND EFFECTIVE DATE.

a) This MOA is intended to remain in effect until modified or terminated as described below. This MOA may be amended by written agreement by both parties upon 30 days written notice by either party. This MOA can be terminated in writing for any reason and at any time by either party.

b) This MOA is effective upon the signature of the Commander, Seventeenth Coast Guard District, for the U. S. Coast Guard and the SERVS Director of Alyeska Pipeline Service Cooperation.

ARTICLE VII: POINTS OF CONTACT

The parties to the MOA are:

a) For the USCG:
Seventeenth Coast Guard District (drm)
District Response Advisory Team
709 West 9th Street
Juneau, AK 99802
(907) 463-2806/2807

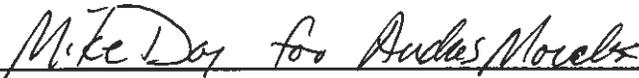
b) For APSC:
Alyeska Pipeline Service Company
Alyeska Contract Representative
P.O. Box 300
North Harbor Road
Valdez, AK 99686
907-834-6810



Rear Admiral Thomas P. Ostebo
Commander, Seventeenth Coast Guard District

1/11/2013

Date



Andres Morales
SERVS Director

1/24/13

Date