NASSCO Environmental Instruction #5:

**Environmental Requirements for Overwater Transfers**

If your company will engage in over-water transfers of fuel, oil, oily water, or other petroleum-containing substances, it is responsible for knowing and complying with state, federal, and local regulations applicable to these activities, especially CFR 33 parts 154 and 156. Examples of regulated over-water transfer activities include, but are not limited to loading fuel or oil onto vessels, the removal of oily bilge or ballast water from a vessel, and the movement of oily water through a pipeline located over-water. All transfer activities conducted at NASSCO are required to be carefully controlled at all times to ensure compliance and protect the environment from potential releases.

For questions about these or any other NASSCO environmental requirements, call 619-544-7506.

### Before You Begin

#### NASSCO Approval
Your company may not perform over-water transfers at NASSCO without first applying for and obtaining approval from the Environmental Engineering Department to conduct this activity. Separate approval must be obtained for each ship, contract, or location. To apply for approval, a completed and signed copy of “NASSCO Environmental Form #5: Request for Authorization to Perform Over-Water Transfers at NASSCO Facility” to the NASSCO Environmental Engineering Department at envreports@nassco.com or fax to 619-744-1088. You may not begin over-water transfer activities until approval has been received from the Environmental Engineering Department.

Due to the potential risks associated with transfers occurring in the dark, NASSCO does not allow over-water transfer operations to occur after sunset without specific authorization from the Vice President of Operations, obtained in advance of the transfer activity; contact the Environmental Engineering Department for more information. NASSCO also does not allow hose connections are over water.

#### Operations Manual
Before first initiating any over-water transfers, your company must prepare and submit an Operations Manual to the Captain of the Port (COTP) of the Port of San Diego. The manual is required to contain the information specified in CFR 33 part 154.310. Over-water transfers may not be conducted until you have received a Letter of Adequacy from the COTP. You are required to have a copy of your company’s Operations Manual and Letter of Adequacy readily available for inspection any time you are performing over-water transfers at NASSCO.

#### Equipment Requirements
Federal regulations at CFR 33 Subpart C establish specific equipment requirements for over-water transfers. This regulation specifies the equipment must be used, and specific practices that must be followed when conducting over-water transfers, including requirements pertaining to the following equipment:
It is your company’s responsibility to know and follow the equipment requirements for over-water transfers specified in this regulation. All required equipment must be operated and maintained according to the regulations.

Persons in Charge (PICs)
According to Coast Guard regulations, over water transfers of fuel can only be performed under the control of specially trained designated employees known as Persons in Charge (PICs), utilizing specific transfer procedures. All PICs must carry evidence of designation when he/she is involved in transfer operations. During all transfers there must be one PIC designated to the vessel and another to the facility or other vessel. Both PICs must complete and sign a declaration of inspection before the transfer begins.

Each transfer activity must be preceded by a meeting of all parties involved. The PIC is responsible for ensuring that each involved person is aware of the details of the transfer, their specific responsibilities, and how to shut off the transfer in the event of a spill or threat of spill. Continuous communication must be maintained between each of the PICs at all times during the transfers; radios utilized for this purpose must be intrinsically safe.

Transfer Notification
At least 4 hours before each transfer to or from a vessel, your company must notify the COPT and State Lands Commission of the time, place, and amount of transfer, as well as the names of emergency contact personnel. A copy of this notification must also be transmitted to the NASSCO security, fire, and environmental engineering departments.

Contact Information Posting
Equipment used for over-water transfers (pumps, baker tanks, etc.) must be clearly and conspicuously labeled with your company’s name and “point of contact” information (name and phone number).

Requirements for Transfer
Your company is required to be aware of and comply with the requirements for transfer established in CFR 33 Part 156.120 including, but not limited to:

- Ensuring that hoses are long enough to safely move with the vessel, without straining and each hose is adequately supported
- All equipment is maintained in good condition and free from leaks or damage that could result in leaks
- Each part of the transfer system not necessary for the transfer is securely blanked or shut off
• Drain scuppers or other spill pathways have been closed by mechanical means or secured to prevent releases
• Two-way communication is maintained between the two PICs, using the same frequency and language
• All overfill devices and alarms have been tested not more than 24 hours prior to the start of the transfer
• Welding, hot work operations and smoking are prohibited on the vessel during the transfer
• Both PICs are required to complete and sign the Declaration of Inspection (DOI) as required under CFR 33 Part 156.150; a copy must be readily available for inspection by the COPT when requested

Waste Management
Some transfer activities, such as the removal of oily bilgewater, may result in the need to dispose of hazardous wastes or wastewater. Your company is required to follow all applicable laws as well as NASSCO procedures for handling, transportation, and disposal of hazardous and non-hazardous wastes. Contact NASSCO’s Environmental Engineering Department to arrange for disposal or recycling of bulk quantities of used oils and fuels. For additional information regarding hazardous waste disposal, refer to “Environmental Instruction #7: Generation, Disposal, or Transportation of Hazardous Waste.” If your activities generate non-hazardous wastewater, you will need to contact the NASSCO Environmental Engineering Department to obtain authorization to discharge this water into the sewer system or wastewater treatment plant. For further information on wastewater management, refer to “Environmental Instruction #8” Environmental Requirements for Generation and Disposal of Water or Wastewater.”

Spills or Environmental Releases
Spills and releases of oil, fuel, oily water, and any other hazardous material must be immediately reported to NASSCO Security at 619-544-8401, according to NASSCO’s spill reporting policy, as outlined in NASSCO’s Best Management Practice #102. In addition, any release of oil/fuel/oily water into the Bay must be reported immediately to the US Coast Guard National Response Center 800-424-8802 and the California Emergency Management Agency at 800-852-7550. In the event of a spill or release to the Bay, PICs and any other personnel involved must remain on-site until Coast Guard interviews can be completed. Companies working at other shipyards or Naval Installations are responsible for following that facility’s spill reporting procedure.

After the Work is Completed

Upon Completion of the Transfer
After each over-water transfer, steps must be taken to secure the equipment to prevent accidental releases:
• Close all transfer system valves
• Drain all hoses into a proper receptacle before disconnection
• Blank all transfer hoses upon disconnection and before movement out of secondary containment area
• Blank off transfer header flanges and manifolds immediately after hose removal
• Store all hoses and equipment where they are protected from the weather
• Secure storage areas (e.g., store piping, pumps, valves, and manifolds in an area where they will not be tampered with, used for the wrong purpose, and/or damaged by production operations)
• Clean up work area and ensure that all associated equipment is stowed
• Remove or disconnect electrical power and/or compressed air to transfer equipment
• Clean up all minor spilled material inside and outside of containment areas

**Reporting**

NASSCO has not established a monthly reporting requirement for over-water transfers. Unless your company performs another activity that requires monthly reporting (e.g., painting, blasting, welding, adhesive or solvent use), no monthly reports will be required.