

Alaska State Legislature

House Resources Committee

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Sponsor Statement

Committee Substitute for House Bill 322 (RES)

“An Act relating to penalties for discharges of oil and other pollution violations; relating to oil spill response plans for commercial motor vehicles transporting crude oil; and providing for an effective date”

Because oil spills harm Alaska's economy and environment, our statutes have for decades authorized penalties for discharges. But inflation has severely undercut those penalties since they were enacted. Spills have continued—the Department of Environmental Conservation responded to 20 in FY17—but the State's ability to penalize responsible parties has diminished very significantly.

CSHB 322 adjusts penalties per inflation, gives the department authority to levy administrative penalties, and requires trucks transporting crude to submit their federal spill response plans to DEC.

This bill mostly adjusts penalties to 2018 dollar values, but more sharply increases penalties for continuing violations. It ratchets up the maximum penalty a court *may* impose, and also doubles the minimum penalty a court *must* impose when a party is proven responsible for a spill. If DEC levies an administrative penalty, the court must subtract that from any civil penalty it hands down. Penalties would rise with inflation annually.

We now see trucks transporting crude oil via Alaska's highways, and that may increase, so this bill requires crude oil trucks to provide their federal response plans to DEC.

Water mixed with spilled oil (refined or crude) would count as oil for purposes of calculating penalties.

Holding parties responsible for spills is an integral part of the *responsible* development Alaska is known for. The House Resources Committee welcomes your support of this legislation.