



THE STATE
of **ALASKA**

GOVERNOR SEAN PARNELL

Department of Environmental
Conservation

DIVISION OF SPILL PREVENTION &
RESPONSE
SPAR Director's Office

555 Cordova Street
Anchorage, AK 99501
Main: 907.269-7604
Fax: 907.269-7687

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The Honorable Dan Saddler, Co-Chair
House Resources Committee
Alaska State Capitol, Room 104
Juneau AK, 99801

The Honorable Eric Feige, Co-Chair
House Resources Committee
Alaska State Capitol, Room 126
Juneau, AK 99801

Dear Representatives Saddler and Feige:

During the March 17th House Resources Committee hearing on House Bill 325, several questions were asked by committee members regarding uses of the Oil and Hazardous Substances Release Prevention and Response Fund (the Response Fund) and the Prevention Account, within the Response Fund. The following are responses to the questions the department has not yet answered.

How many spills are reported each year vs. how many historical contaminated sites are there?

The Department receives approximately 2,000 spill reports each year. All but about 100 of those are addressed and closed out. Those 100 spills are transferred to the Contaminated Sites Program for long term remediation needs. There are 2,334 known, open contaminated sites. The Department works on contaminated sites based on a risk-based prioritization.

What costs associated with cleaning up spills and contamination are not recovered?

The Division of Spill Prevention and Response (SPAR) spends about \$10 million/year from the Prevention Account to respond to spills (Emergency Response) and oversee the cleanup of historic spills (contaminated sites). The remaining activities conducted by SPAR include \$3.5 million to prevent spills from occurring (Industry Preparedness), which includes review of oil industry discharge prevention and response plans, training, inspections, and spill response drills, and \$1.5 million in administrative costs (cost recovery, accounting, budgeting, and information technology including improvements to databases and the cost tracking system).

Of the roughly \$10 million in SPAR expenses for spills and contaminated sites, the Department bills responsible for parties for \$3 to \$3.5 million and recovers \$1.5 to \$1.9 million. The Department is in the process of revamping its cost recovery system and data tracking mechanisms to improve cost recovery rates and better inform decisions.

Does the Division separate costs by spills and product type?

On January 30th, the Department provided to the House Resources Committee a report of spills that occurred during the last fiscal year. The same report is included again with this letter. In summary, the majority of spills (by number) that SPAR responds to are petroleum products spilled by a variety of industries and private citizens. At this time, SPAR cannot break down Department expenses by product type, but hopes to do so in the future.

Typically, the most expensive contamination to cleanup (and for DEC to oversee) is solvents that have migrated to groundwater which are used by a variety of industries. Cleanup of these solvents take longer and are more difficult to cleanup. Contaminated sites typically have more than one contaminant. To simplify, we have provided the main contaminant of concern by percentage for the 2,334 known, open contaminated sites:

- 81% Petroleum compounds
- 15% Metals (lead, arsenic, chromium, cadmium, copper, antimony, mercury, manganese, nickel, barium, selenium, zinc, silver)
- 12% Chlorinated Solvents (TCE and PCE and primary breakdown product Vinyl Chloride)
- 5% PCBs and Dioxins
- 2% Unexploded Ordinance
- 1% Pesticides (Aldrin, DDT, Dieldrin)

The percentages vary little from year-to-year as sites are closed and new sites are discovered. However, SPAR is expecting an increase in the number of chlorinated solvent sites as old dry cleaner operations are assessed. For example, there are now 260 open PCE and TCE sites compared to three years ago when there were just over 200.

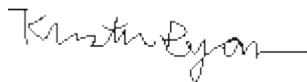
The majority of contaminated sites initially identified by the state were associated with federal activities, oil and gas exploration, and mining. Today, the majority (about 50%) of contaminated sites are still federal facilities. While the Division strives to recover costs associated with federal sites, it often takes years.

Other than federal sites, about 30% are in private ownership (oil and gas, mining, gas stations, and home heating oil), while state and local governments consist of the remaining 20%, which includes airfields, vehicle maintenance facilities, and bulk fuel storage.

There also seems to be concern expressed by some committee members that the Department may be using the Response Fund for ineligible activities¹. The legislative history of the Response Fund indicates there was much discussion on the use of the Fund, specifically about using the Response Fund to address long-term, non-crude oil cleanup activities. While the Department has curtailed use of the Response Fund for certain activities to help preserve the balance in the Response Fund accounts, we believe all expenditures from the fund have been eligible under the statutorily allowed uses.

If you have additional questions, please don't hesitate to ask.

Respectfully,



Kristin Ryan
Director

¹ Department response to Legislative Intent language contained in the Operating budget (CH 14, SLA 2013 (HB 65)) Ch 14, SLA 2013, Page 13, line 19

Enclosure: FY 13 Annual Summary of Oil and Hazardous Substance Spills
Annual Summary of Oil and Hazardous Substance Spills, Fiscal Year 2013

cc: Representative Cathy Muñoz
Representative Peggy Wilson
Representative Mike Hawker
Representative Craig Johnson
Representative Kurt Olson
Representative Paul Seaton
Representative Scott Kawasaki
Representative Geran Tarr
Trevor Fulton, Staff to Representative Saddler
Linda Hay, Staff to Representative Eric Feige
Christopher Clark, Staff to Representative Muñoz