



THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

**Department of Environmental
Conservation**

DIVISION OF ADMINISTRATIVE SERVICES

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February 5, 2013

The Honorable Les Gara
House of Representatives
State Capitol Room 400
Juneau AK, 99801

Dear Representative Gara:

Following the House Finance Committee hearing on January 25, you requested that the Department of Environmental Conservation provide you with "a projection of the surcharge increase necessary to sustain the Prevention Account of the Oil & Hazardous Substance Release Prevention & Response Fund through FY2022." That projection is enclosed.

I note that the Department is not proposing an increase to the surcharge. In developing the FY2014 budget, the Department worked with the Office of Management and Budget to review the fund balance and general funds that may be needed in the future to cover spill prevention and response activities until such time as there are improvements in oil production revenues. The fund balance will be evaluated annually.

If you would like any additional information, please let me know.

Sincerely,

A handwritten signature in blue ink, appearing to read "T. Cherian".

Tom Cherian
Director, Division of Administrative Services

Enclosure: Projection of Increases to Surcharge Revenue to the Prevention Account of the Oil & Hazardous Substance Release Prevention & Response Fund, FY2013 - FY2022;

Cc: Representatives Austerman and Stoltze, Co-Chairs, House Finance Committee
David Teal & Danith Watts, Legislative Finance Division