

FISCAL NOTE

Bill Version: **HCSCSSB 273 (RES)**
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**STATE OF ALASKA
 2000 LEGISLATIVE SESSION**

Revision Date/Time (Note if correction) 04/13/2000 Dept. Affect: DCED
 Title Spill response legislation BRU ARRC
 Component _____
 Sponsor Senator Drue Pearce
 Requester _____ Component No. _____

Expenditures/Revenues Thousands of Dollars

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel						
Contractual		1,650.0	750.0	750.0	750.0	750.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	1,650.0	750.0	750.0	750.0	750.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Railroad		1,650.0	750.0	750.0	750.0	750.0
TOTAL	0.0	1,650.0	750.0	750.0	750.0	750.0

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: *(Attach a separate page if necessary)*
 Information attached outlines ARRC's proof of financial responsibility and provides estimates for oil discharge, prevention and contingency plans.

Prepared by: Wendy Lindskoog Phone 265-2498
 Division ARRC Date/Time 4/13/00 9:53 AM
 Approved by Commissioner [Signature] Date 4/13
 Agency _____

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SB 273: By Senator Drue Pearce**Alaska Railroad Corporation Financial Responsibility:**

Over the last several years, the Alaska Railroad corporation has had in place two \$10,000,000 lines of credit. One to meet self insurance requirements and one to meet operational requirements. These credit lines are with two separate national banks. They are currently for one year and are renewable annually. At this time, the lines of credit are whole and have not been drawn on.

The proposed legislation would require the Alaska Railroad to have proof of financial responsibility to respond to damages of approximately \$5,450,000. This amount is derived from a maximum of 100 tank cars per train, multiplied by 545 barrels per tank car, multiplied by \$100 per barrel. Typically, an Alaska Railroad fuel train pulls approximately 50 car loads of fuel.

It is the railroad's intent to use a portion of an existing line of credit as proof of financial ability.

The Alaska Railroad also estimates the following cost for oil discharge prevention and contingency plans:

- 1) Contingency plan development: \$250,000
Includes mapping, environmental assessment, response needs (personnel and equipment), public involvement, agency review
- 2) Risk assessment: \$400,000
Includes risk assessment and recommendations by consultants and public review
- 3) Contingency plan implementation: \$1,000,000 - first year, \$750,000 - subsequent years
Assumes cost of equipment, personnel, training, drills annually