

**ALASKA STATE LEGISLATURE
HOUSE RESOURCES STANDING COMMITTEE**

April 3, 2002

1:10 p.m.

MEMBERS PRESENT

Representative Beverly Masek, Co-Chair
Representative Hugh Fate, Vice Chair
Representative Joe Green
Representative Mike Chenault
Representative Beth Kerttula

MEMBERS ABSENT

Representative Drew Scalzi, Co-Chair
Representative Lesil McGuire
Representative Gary Stevens
Representative Mary Kapsner

COMMITTEE CALENDAR

CS FOR SENATE CONCURRENT RESOLUTION NO. 28(RES)
Establishing the Joint Legislative Salmon Industry Task Force.

- MOVED CSSCR 28(RES) OUT OF COMMITTEE

HOUSE BILL NO. 432

"An Act relating to the labeling of animal and poultry feeds and to the agriculture program coordinator; and providing for an effective date."

- HEARD AND HELD

HOUSE JOINT RESOLUTION NO. 47

Urging the United States Environmental Protection Agency and the Alaska Department of Environmental Conservation to provide maximum possible flexibility in application of low-sulfur diesel fuel requirements to Alaska.

- MOVED CSHJR 47(RES) OUT OF COMMITTEE

HOUSE BILL NO. 425

"An Act relating to wildfires and other natural disasters."

- BILL HEARING CANCELED

PREVIOUS ACTION

BILL: SCR 28

SHORT TITLE:JOINT LEGIS SALMON INDUSTRY TASK FORCE

SPONSOR(S): SENATOR(S) AUSTERMAN

Jrn-Date	Jrn-Page		Action
02/19/02	2224	(S)	READ THE FIRST TIME - REFERRALS
02/19/02	2224	(S)	RES, FIN
02/27/02		(S)	RES AT 3:30 PM BUTROVICH 205
02/27/02		(S)	Moved CSSCR 28(RES) Out of Committee
02/27/02		(S)	MINUTE(RES)
03/01/02	2341	(S)	RES RPT CS 7DP SAME TITLE
03/01/02	2341	(S)	DP: TORGERSON, TAYLOR, HALFORD, STEVENS
03/01/02	2341	(S)	LINCOLN, ELTON, WILKEN
03/04/02		(S)	FIN AT 9:00 AM SENATE FINANCE 532
03/04/02		(S)	Heard & Held
03/04/02		(S)	MINUTE(FIN)
03/04/02	2365	(S)	FN1: (LAA)
03/05/02		(S)	FIN AT 9:00 AM SENATE FINANCE 532
03/05/02		(S)	Moved Out of Committee
03/05/02		(S)	MINUTE(FIN)
03/22/02	2500	(S)	COSPONSOR(S): LINCOLN
03/27/02	2539	(S)	FIN RPT CS(RES) 6DP 1NR
03/27/02	2539	(S)	DP: DONLEY, KELLY, HOFFMAN, OLSON,
03/27/02	2539	(S)	WILKEN, LEMAN; NR: GREEN
03/27/02	2539	(S)	FN1: (LAA)
03/28/02		(S)	RLS AT 8:30 AM FAHRENKAMP 203
03/28/02		(S)	-- Time Change --
03/28/02		(S)	MINUTE(RLS)
03/28/02	2556	(S)	RULES TO CALENDAR 3/28/02
03/28/02	2560	(S)	READ THE SECOND TIME
03/28/02	2560	(S)	RES CS ADOPTED UNAN CONSENT
03/28/02	2560	(S)	COSPONSOR(S): TAYLOR, HALFORD, STEVENS,
03/28/02	2560	(S)	LEMAN, ELLIS, ELTON, COWDERY, DONLEY,
03/28/02	2560	(S)	WARD, KELLY, THERRIAULT, OLSON,
03/28/02	2560	(S)	TORGERSON
03/28/02	2560	(S)	PASSED Y17 N- E3

03/28/02	2563	(S)	TRANSMITTED TO (H)
03/28/02	2563	(S)	VERSION: CSSCR 28(RES)
04/01/02	2732	(H)	READ THE FIRST TIME - REFERRALS
04/01/02	2732	(H)	RES, FIN
04/03/02		(H)	RES AT 1:00 PM CAPITOL 124

BILL: HB 432

SHORT TITLE: AGRICULT. PROG. COORDINATOR/ANIMAL FEED

SPONSOR(S): REPRESENTATIVE(S) HARRIS

Jrn-Date	Jrn-Page		Action
02/15/02	2285	(H)	READ THE FIRST TIME - REFERRALS
02/15/02	2285	(H)	RES, FIN
04/03/02		(H)	RES AT 1:00 PM CAPITOL 124

BILL: HJR 47

SHORT TITLE: LOW SULFUR DIESEL FUEL REQUIREMENTS

SPONSOR(S): COMMUNITY & REGIONAL AFFAIRS

Jrn-Date	Jrn-Page		Action
03/22/02	2643	(H)	READ THE FIRST TIME - REFERRALS
03/22/02	2643	(H)	RES
04/03/02		(H)	RES AT 1:00 PM CAPITOL 124

WITNESS REGISTER

CLIFF STONE, Staff
to Senator Alan Austerman
Alaska State Legislature
Capitol Building, Room 434
Juneau, Alaska 99801

POSITION STATEMENT: Presented CSSCR 28(RES) on behalf of
Senator Austerman, sponsor.

KATHY HANSEN, Executive Director
Southeast Alaska Fishermen's Alliance
9369 North Douglas Highway
Juneau, Alaska 99801

POSITION STATEMENT: Testified in support of SCR 28.

PETER FELLMAN, Staff
to Representative John Harris
Alaska State Legislature
Capitol Building, Room 513

Juneau, Alaska 99801

POSITION STATEMENT: Presented HB 432 on behalf of Representative Harris, sponsor.

MARTA MUELLER

516 Auklet Place

Fairbanks, Alaska 99709

POSITION STATEMENT: Testified in support of HB 432.

ROBERT WELLS, Director

Division of Agriculture

Department of Natural Resources (DNR)

1800 Glenn Highway, Suite 12

Palmer, Alaska 99645-6736

POSITION STATEMENT: Testified in support of HB 432; expressed some minor concerns regarding the organic inspection and certification, but suggested those could be addressed before the bill went to the House Finance Committee.

MICHAEL C. PURVIANCE, Owner

Granite Mountain Farms

P.O. Box 1656

Delta Junction, Alaska 99737

POSITION STATEMENT: Requested committee's utmost consideration of the program coordinator position created by HB 432.

LYALL BRASIER, Owner

Brasier Farms

P.O. Box 483

Delta Junction, Alaska 99737

POSITION STATEMENT: Testified in support of HB 432; suggested wording change to "invasive species" to include the spruce [bark] beetle, for example.

REPRESENTATIVE CARL MORGAN

Alaska State Legislature

Capitol Building, Room 434

Juneau, Alaska 99801

POSITION STATEMENT: Presented HJR 47 as co-chair of the House Community and Regional Affairs Standing Committee, the resolution's sponsor.

STEVE CLEARY

Alaska Public Interest Research Group (AkPIRG)

P.O. Box 101093

Anchorage, Alaska 99510

POSITION STATEMENT: Testified in opposition to HJR 47.

RANDY ROMANESKO, City Manager
City of Nome
P.O. Box 281
Nome, Alaska 99762

POSITION STATEMENT: Testified in support of HJR 47.

RON KING, Program Manager
Air Non-Point and Mobile Sources
Division of Air and Water Quality
Department of Environmental Conservation
410 Willoughby, Suite 303
Juneau, Alaska 99801-1795

POSITION STATEMENT: During hearing on HJR 47, reported on the department's efforts to work with the Environmental Protection Agency (EPA) to transition Alaskan diesel use to fit new EPA requirements for low-sulfur diesel fuel.

FRANK DILLON, Executive Vice President
Alaska Trucking Association
3443 Minnesota Drive
Anchorage, Alaska 99503

POSITION STATEMENT: Testified in support of HJR 47.

KEN GATES, General Manager
Cordova Electric Cooperative
P.O. Box 20
Cordova, Alaska 99574

POSITION STATEMENT: Testified in support of HJR 47.

SHANE CARTER, Vice President
Petroleum and Freight Services
Yukon Fuel
P.O. Box 89

Fort Yukon, Alaska 99740

POSITION STATEMENT: During hearing on HJR 47, testified in support of legislation promulgating homogenous fuel use.

MEERA KOHLER, President and Chief Executive Officer
Alaska Village Electric Cooperative
4831 Eagle Street
Anchorage, Alaska 99503

POSITION STATEMENT: Testified in support of HJR 47.

CHERYL RICHARDSON
Alaska Clean Air Coalition
P.O. Box 244265

Anchorage, Alaska 99524

POSITION STATEMENT: During hearing on HJR 47, called for equal protection for rural children from diesel emissions and for affordable electricity for rural villages; highlighted the health hazards of diesel emissions.

ACTION NARRATIVE

TAPE 02-22, SIDE A
Number 0001

CO-CHAIR BEVERLY MASEK called the House Resources Standing Committee meeting to order at 1:10 p.m. Representatives Masek, Fate, Green, Chenault, and Kerttula were present at the call to order.

SCR 28-JOINT LEGIS SALMON INDUSTRY TASK FORCE

CO-CHAIR MASEK announced the first order of business, CS FOR SENATE CONCURRENT RESOLUTION NO. 28(RES), Establishing the Joint Legislative Salmon Industry Task Force.

Number 0125

CLIFF STONE, Staff to Senator Alan Austerman, Alaska State Legislature, presented SCR 28 on behalf Senator Austerman, sponsor, noting that the committee packet included a sponsor statement and fiscal note. Mr. Stone cited a list of issues the task force may take up this interim in investigating public policy options to assist the industry in marketing more of [Alaska's] fish: transportation infrastructure and improvements that may include better airports, roads, and shipping facilities, as well as coordination of shipping to new markets; efficiency in harvesting methods and the feasibility of cooperatives such as the one recently started in Chignik to make catching salmon more efficient; and improving quality and developing new product forms.

MR. STONE told members the money spent on research produces results that help [the state's] salmon fisheries. He indicated hope that the task force could foster changes in statute or policies to get this industry, which is in dire straits, back on track. The industry provides the State of Alaska \$50 million a year in revenue from taxes and fees, he said, but that has been declining.

Number 0370

REPRESENTATIVE GREEN asked what the task force will do that agencies such as the Alaska Department of Fish and Game (ADF&G) and the Alaska Seafood Marketing Institute (ASMI) cannot.

MR. STONE answered that ASMI had been charged with marketing Alaska's salmon, but has a limited budget. [The marketing of] farmed salmon has had a big impact and has infringed upon Alaska's salmon industry, he indicated; the Norwegians and Chileans have had seemingly unlimited resources to market their product, which looks good and is available year-round.

MR. STONE, in response to concern expressed by Representative Green about the cost, explained that three salmon-related task forces over the last seven and a half years have produced good input but no concrete changes. Therefore, the cost reflected in the fiscal note is for this task force to have enough money to identify and contract with the University of Alaska, the McDowell Group, or [other organizations] that could really help pin down the problem. The task force will be charged with changing how Alaska conducts business to compete with the world market; otherwise, the markets [for Alaska's salmon] will continue to decline.

Number 0678

REPRESENTATIVE GREEN noted the long list of cosponsors for SCR 28. He agreed with the need to educate people in the Lower 48 that wild salmon is far superior to farmed salmon, but questioned the value of spending money to find out that more needs to be spent.

MR. STONE agreed and told Representative Green he sympathized that it seems to be "just going around in a vortex"; he characterized some other approaches as uncoordinated and willy-nilly. He emphasized, however, that this task force has the support of state leadership; the hope is to have a forum and staff to really get down to business, bring in experts to identify the crux of the problem, and come up with concrete answers and recommendations such as legislation or lobbying Congress for import restrictions or funding.

MR. STONE pointed out that if the \$.5 million were spent on marketing, the marketers might not even know [where to use it best]. The hope is to identify such questions so that if [the legislature] gives \$10 million for marketing through ASMI or some contractor, for example, this task force will have

identified those areas. He reiterated that ASMI is limited by its resources, although it certainly has the expertise; he indicated ADF&G has some expertise as well.

Number 0966

REPRESENTATIVE CHENAULT noted that the task force includes two [Senators] and two [Representatives], with nine public members. He asked how the members will be determined.

MR. STONE characterized the original bill version as "regionalized"; calls had been received from all over the state, he said, with recommendations of certain individuals for the task force, including people nominating themselves. The Senate Resources Standing Committee, however, didn't want to "Balkanize" this or limit it to six commercial fishermen from the different areas as well as a small processor and large processor; Senator Austerman had agreed that a better approach is to have experts "from all over." They had felt that nine public members at large would provide flexibility to find people who can deal with commercial fish, Mr. Stone noted. In further response, he specified that two members each of the Senate and House will decide together [who will sit on the task force].

Number 1161

REPRESENTATIVE FATE voiced an unspecified concern about the makeup of the taskforce. He then announced that he was "absolutely in favor of this," although he shared Representative Green's concern about the money. He remarked that usually when there is a high-level forum such as this, the federal government will take up part of the problem; the resulting task force is much more effective than when "things are done piecemeal." He offered his belief that this [allocation for the task force] will be money well spent.

Number 1266

KATHY HANSEN, Executive Director, Southeast Alaska Fishermen's Alliance, testified in support of the resolution. Highlighting the "huge" size of past summits and task forces on salmon, she indicated the need for a small working group to determine what research and follow-up needs to be done, and then to do what is necessary to move forward. Although ASMI does a really good job, she said there are marketing aspects ASMI isn't a part of, and cannot answer; for example, direct marketers have some problems relating to combinations of regulations and statutes

that conflict somewhat, and these individuals therefore have trouble doing their own marketing. A task force could look at that and perhaps come up with simple solutions. Furthermore, processors and fishermen need to be able to talk together; she indicated government sponsorship is necessary for that to be successful. She concluded that this task force is a good way to help move things forward.

Number 1390

CO-CHAIR MASEK, offering her understanding that there were no further testifiers, closed public testimony and invited committee discussion. She conveyed her support for the resolution, but indicated she hoped the legislature wouldn't have to provide a high level of funding in support of whatever [the task force] came up with.

Number 1500

REPRESENTATIVE FATE moved to report [CSSCR 28(RES)] from committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSSCR 28(RES) was moved out of the House Resources Standing Committee.

HB 432-AGRICULT. PROG.COORDINATOR/ANIMAL FEED

CO-CHAIR MASEK announced the next order of business, HOUSE BILL NO. 432, "An Act relating to the labeling of animal and poultry feeds and to the agriculture program coordinator; and providing for an effective date."

Number 1540

PETER FELLMAN, Staff to Representative John Harris, Alaska State Legislature, presented HB 432 on behalf of Representative Harris, sponsor. He informed members that because the Division of Agriculture [Department of Natural Resources (DNR)] hasn't received general funds in ten or twelve years, some problems haven't been addressed because of lack of manpower and financing. This bill creates a position in the Division of Agriculture to address three existing problems before they mushroom: "organics," feed labeling, and invasive weeds.

MR. FELLMAN referred to the proposed agriculture program coordinator position. He suggested the "organic" issue is fairly clear: somebody is needed to coordinate and get qualified to inspect organic farms in Alaska to ensure that they

meet federal regulations. There have been some federal regulation changes with which Alaska is out of step now; getting in step with those would be one responsibility.

MR. FELLMAN turned attention to the responsibility of feed labeling, explaining that some Alaskan businesses produce animal feed and food for pets, for instance, but that nobody inspects or utilizes a current federal system to guarantee the quality of that feed. This comes into play with issues such as BSE [bovine spongiform encephalopathy], [known as] "mad cow" syndrome, which happens because certain products put into feed can spread this disease.

MR. FELLMAN addressed the spread of invasive plants and weeds, noting that this could affect the state quickly and be very expensive to control. Currently in Alaska, some citizen groups and farm groups have used a lot of their own money and time, as well as a small amount of state money - \$10,000 last year - to begin setting up a system.

MR. FELLMAN cited the "Canadian sow-thistle" as an example of a weed that has spread from Delta Junction to the Fairbanks area. It not only has a rhizome root system - meaning that whenever the roots are chopped up, it produces more plants - but also reproduces from airborne seeds. In his fields, this weed took hold the year before, in a small patch of ground, and killed everything else there. He cautioned that when packhorses are allowed into Denali [National Park and Preserve], the weed will end up there as well. If it spreads throughout the state, it will take over the native population of plants and dominate - not unlike the dandelion, but even more aggressive.

Number 1830

MR. FELLMAN clarified that with good program coordination in Delta Junction, there was success in eradicating the Canadian thistle, a purple-topped plant that he indicated is different from the sow-thistle; for that eradication effort, he indicated, the State of Alaska spent \$10,000. However, if the state doesn't spend more than that now, in four or five years the state will have to spend millions of dollars [on weed control], as happens in other Western states. Therefore, [HB 432] is to create this new position and hopefully get money to fund it.

MR. FELLMAN acknowledged that there wasn't a fiscal note yet, but mentioned that perhaps \$60,000 in GF [general fund] money would cover the position. He indicated some federal grant money

could be obtained once [Alaska's] weeds are identified and the program is set up. Then the hope is to control the spread of these invasive plants.

Number 1944

REPRESENTATIVE GREEN remarked that this sounds as bad as the spruce bark beetle.

MR. FELLMAN explained that if it gets into Denali [National Park and Preserve], it will be a real battle logistically to control because of the wind, for example. He reiterated how aggressive the plant is. In further response, he said Alaska has become more aggressive at the border, requiring that seeds coming into the state are certified, for instance. There also is a mechanism for inspecting hay that comes into Alaska. If there were a feed coordinator to watch what is going into the feed, he suggested, and if there were somebody to "target the areas and really find out where this is at, and stop it now," it would save the state a lot of money [in the long run].

Number 2029

REPRESENTATIVE GREEN asked how one person can do this; he surmised that travel all over the state would require a fairly large travel budget, for example.

MR. FELLMAN conveyed the hope of having this [coordinator] be the "center of the wheel." He reiterated that many farmer groups are working on this, for instance, as well as the [cooperative] extension service. He told members:

What we lack is the continuity. ... We need a person who can get us in touch with the federal government, with federal regulations - a person who can keep us in touch with what's going on at the border; what ... the [regulations] are and how that's affecting us; what's going into the feed; where the stuff is coming in - whether it's coming up on the barge or whatever; and how clean is the corn that comes in, how clean is the soybean that comes in, and so on. And then this person would coordinate.

There's already an effort ... within the farmer groups, who have put their own money into this. And the soil and water conservation people have put money into it. So we're hoping that by coordinating we can

target the problems and stop them before they become a situation where we're spending a lot of money on it.

Number 2123

REPRESENTATIVE GREEN recalled that a person raising cattle on the Channel Islands off California would have every plane that came in spray-cleaned because of the fear of mustard seed, because California mustard does the same sort of thing.

MR. FELLMAN responded that other states are very aggressive about this.

Number 2150

MARTA MUELLER testified via teleconference from Fairbanks, noting that she is a lifelong Alaskan who grew up in the Matanuska Valley on a "hobby farm" with "chickens and ducks and plants," and graduated from Palmer High School. In addition, she is a seasonal employee with the cooperative extension service. Ms. Mueller said she understands what native plants exist, as well as what is present in agricultural fields.

MS. MUELLER spoke in support of HB 432, suggesting that the agriculture coordinator position will benefit development in Alaska. First, by enforcing federally mandated organic-food regulations, it will help Alaskan food producers to market organic foods, because there will be standards that consumers can follow and appreciate. Second, by enforcing existing state noxious-weed codes and reviewing regulations, it can help ensure that disturbed areas - including mineral leases, oil leases, transportation corridors, public recreation areas, and farms - remain weed-free.

MS. MUELLER pointed out that working towards this end now are many organizations such as the "committee for noxious and invasive plant management." However, they need state support, and need that coordinator position to ensure that efforts aren't duplicated, and perhaps to see what areas are being neglected or need some help. She also suggested that tourists to Alaska don't want to see the same old weeds here that grow along the Iowa roadside; rather, they want to see Alaska's native plants.

Number 2255

ROBERT WELLS, Director, Division of Agriculture, Department of Natural Resources (DNR), came forward to testify, thanking Mr.

Fellman and Representative Harris for getting the bill before the legislature. He spoke in support of the bill, saying it covers three areas that the division needs to be more active in.

MR. WELLS expressed what he called minor concerns with regard to the organic inspection and certification in the bill, but suggested those could be addressed between the time the bill moves out of this committee and when it goes to the House Finance Committee. He characterized it as "a little bit of getting our law into conformity with the federal rule that's finally been adopted and will go into effect this October."

Number 2325

REPRESENTATIVE GREEN asked why Mr. Wells wasn't proposing improving the bill in the current committee.

MR. WELLS answered that it was Mr. Fellman's preference that it be handled "on down the line." Calling the concerns "technical," he explained that current state law with regard to "organic" doesn't reflect the rigorous standards included in the new federal rule. He added, "So we've drafted up those changes, and certainly would defer to your wishes about where ... those changes are made."

REPRESENTATIVE GREEN suggested the bill should be corrected in the current committee.

CO-CHAIR MASEK responded that she wasn't planning to move the bill out that day, and was hoping the sponsor could return with information on the necessary changes mentioned by Mr. Wells.

Number 2411

MICHAEL C. PURVIANCE, Owner, Granite Mountain Farms, testified via teleconference, noting that he'd attended a state workshop on invasive and noxious weeds. He asked members to give this proposed program coordinator [position] the utmost consideration; because of the federal financing, Mr. Purviance said he didn't see why this can't be supported. He said he'd only been farming here for a couple of years, and yet already was seeing the invasion of foxtail barley and chickweed, although fortunately not sow-thistle. "We are trying very hard, as [an] organization here, to spearhead this and get this taken care of before it becomes a real problem for the state," he said. "And we've already demonstrated how we can do that. And

with a program coordinator, we're going to make sure ... that the hub ... is there so that this program proceeds."

Number 2490

LYALL BRASIER, Owner, Brasier Farms, testified via teleconference. A member of the "Delta farm bureau noxious weed committee," he spoke in support of HB 432. Mr. Brasier mentioned his seven-year fight against sow-thistle, which he said hasn't been completely eradicated despite many thousands of dollars spent in the effort. He cautioned that this weed is continually spread to new areas by wind, wildlife, and vehicles.

MR. BRASIER suggested that the phrase "invasive plant species" be modified. He pointed out that federal regulations say "invasive species"; that includes not only plants but also insects, for example. Under that scenario, this coordinator could help with the fight against spruce [bark] beetles, he noted.

CO-CHAIR MASEK asked whether anyone else wished to testify; she then closed public testimony. She requested that Mr. Fellman talk to Representative Harris and Mr. Wells and then come back with a fiscal note and the necessary information. [HB 432 was held over.]

HJR 47-LOW SULFUR DIESEL FUEL REQUIREMENTS

CO-CHAIR MASEK announced the final order of business, HOUSE JOINT RESOLUTION NO. 47, Urging the United States Environmental Protection Agency and the Alaska Department of Environmental Conservation to provide maximum possible flexibility in application of low sulfur diesel fuel requirements to Alaska.

[Additional information on this topic can be found in the House Community and Regional Affairs Standing Committee minutes for March 5, 2002, at 9:08 a.m.]

Number 2639

REPRESENTATIVE CARL MORGAN, Alaska State Legislature, presented HJR 47 on behalf the House Community and Regional Affairs Standing Committee, sponsor, which he co-chairs. He explained that to his belief, the new requirements of the Environmental Protection Agency (EPA) pertaining to low-sulfur diesel are the "tip of the iceberg." He likened this situation to the Steller

sea lion matter in the Aleutians: "We took it very nonchalantly, but it came and [bit] us later," he said.

REPRESENTATIVE MORGAN expressed his understanding that requirements would be in place to produce only low-sulfur diesel by 2006. By 2007, all trucks, cars, and buses in the U.S. will be required to burn low-sulfur diesel; trucks from the Lower 48 will be entering Alaska and requiring this fuel. The North Pole refinery refines about 100 million gallons of diesel; 30 million gallons of that total is jet fuel and [number] 1 diesel, and 5,000 a day is refined for transportation fuel. He said retrofitting the refinery to produce low-sulfur [diesel] would cost in excess of \$100 million. Therefore, Alaska will have to import low-sulfur diesel from either the Lower 48 or Canada.

REPRESENTATIVE MORGAN noted that these forthcoming requirements will affect the Bush, but indicated uncertainty regarding how they will affect marine [uses of diesel]. He also indicated his belief that people in agencies such as the EPA don't understand the conditions in Alaska, although they create regulations that affect Alaska. He asserted that Alaska doesn't have the pollution problems present in the [Lower 48], but will be under the same requirements as New York City and Los Angeles. He estimated that this imported fuel would cost 20 to 45 cents more a gallon. He said he pays \$2.85 a gallon for heating fuel in Aniak, which has a tank farm. He offered his impression that when an increase [occurs] with a minimum of 20 cents and a maximum of 45 cents, it usually translates to at least a 45-cent increase for [rural areas].

Number 2805

REPRESENTATIVE MORGAN pointed out that much of the power in the Bush is generated from diesel; heating-fuel consumption is in addition to the diesel used for generating power. It will cost more to purchase, and will require more low-sulfur diesel to produce the same British thermal units (BTUs) as the current type of diesel. He offered his opinion that the new low-sulfur requirements will not affect airplanes in spite of their high emissions. He said this is an issue that should be taken seriously and that has the potential for dire effects statewide. He also said freight costs will increase as a result of increased fuel prices. He offered that Alaska is inextricably linked with the Lower 48 by the Alaska Marine Highway System (AMHS) and the traditional highway system. He noted that Department of Environmental Conservation (DEC) personnel had

more information, and he commended DEC for effectively communicating with rural Alaska about this matter.

Number 2894

STEVE CLEARY, Alaska Public Interest Research Group (AkPIRG), testified via teleconference in opposition to HJR 47, offering the belief that it would be detrimental to public health in Alaska. On behalf of AkPIRG, he commended DEC for its efforts in traveling to rural areas and DEC's recent decision to switch to ultra-low sulfur diesel in urban areas. He said the decision for rural Alaska has been delayed one year. He offered AkPIRG's position that when consumers weigh the public health costs against the increased costs of electricity production and heating, the choice will be clear: public health is valuable, and protecting citizens should be "the price of doing business in Alaska."

MR. CLEARY turned attention to the "whereas" clauses in HJR 47. He referred to [page 1, lines 12-14], which says Alaskan villages cannot import multiple grades of diesel fuel. He said he believes this to be true, but offered that arctic Canada has switched to solely low-sulfur fuel. He said [AkPIRG] views this as the best option for rural Alaska; this would ameliorate the problems of separate "tankage" and transportation. He turned attention to [page 2, lines 4-6], which says emissions from large trucks and buses are not a health or environmental problem in rural Alaska.

TAPE 02-22, SIDE B
Number 2960

MR. CLEARY pointed out that there is no safe level of exposure to diesel emissions. Diesel particulates enter the lung and are very dangerous. He referenced an abstract faxed to the committee from a [proposed] study of diesel exposure in rural Alaska; study consortium members include personnel from the University of Alaska Anchorage, the Institute for Circumpolar Health, DEC, and the Alaska Native Health Board. Arctic areas are subject to severe climatic inversions that prevent air mixing and create severe air pollution conditions, he said. Children in rural Alaska have been found to have a disproportionate incidence of respiratory illness; this could be created or exacerbated by diesel pollution.

MR. CLEARY reported that the EPA estimates switching to ultra-low-sulfur diesel will save \$70 billion a year; DEC has said

this will be a savings of \$160 million a year [in the state]. When compared to the \$100 million for refiners in the state to switch to ultra-low-sulfur diesel, Alaskans would save more money by valuing public health, he suggested. He again indicated his support for DEC's efforts to travel around the state. Expressing hope that information would be provided to consumers to enable them to make a wise choice, he concluded, "I think HJR 47 is flying in the face of that by calling for ... more delays in implementing this important public health standard."

Number 2880

REPRESENTATIVE GREEN asked whether the disproportionate incidence of respiratory illness has been determined to be attributable to diesel emissions. He asked whether it could be related to confinement in homes with heavy smoking.

MR. CLEARY acknowledged this as a possible cause. The aforementioned study, if funded, will seek to identify the specific causes, he noted, pointing out that urinalysis can be used to identify factors and determine the causes. He suggested that confinement can also result in diesel exhaust [inhalation] that might be due to a temperature inversion that keeps pollution low to the ground.

Number 2800

RANDY ROMANESKO, City Manager, City of Nome, testified via teleconference. He told members that the City of Nome supports legislation that has a clear human health and environmental benefit, but believes the new fuel regulations will impact Nome and other remote communities [while providing] neither health nor environmental benefits. The fuel needed to meet the standards is an insignificant part of the total fuel required in community like Nome.

MR. ROMANESKO expressed concern about the potential impacts to residents of Nome and the Bering Straits region; the financial impact will be so great that it will adversely affect every aspect of community life, he suggested. Diesel fuel for vehicles currently sells for \$2.17 a gallon; home heating oil costs \$1.96 a gallon. He said local meetings with DEC provided information indicating that fuel costs might increase between 15 and 30 cents a gallon; this is roughly 7 to 15 percent. He added his opinion that this is a low estimate because it

minimizes the shoreside infrastructure costs such as "tankage" pipelines required for separate handling.

MR. ROMANESKO explained that the need to have separate infrastructure for the clean [low-sulfur diesel] would impact the City of Nome, which operates the port and the fuel-delivery system associated with it; this infrastructure could cost hundreds of thousands of dollars. Fuel storage costs are very high, he said, and the impact to private, bulk fuel storage operators to supply this product is likely to be as significant; these costs are passed on to consumers. Nome residents have expressed concerns about commercial availability of this clean fuel in remote locations, he told members; the demand [will be] limited to the few trucks in Nome that require the fuel. He asked who will supply the marketplace. If low-sulfur fuel were the only fuel available to the community, the impact to electrical costs would be significant because of the increased cost of the product and the decreased BTUs that the cleaner fuel provides.

MR. ROMANESKO commended DEC for its good-faith effort to solicit input from communities early in the regulatory implementation process; he noted the importance of this dialogue. He urged members to adopt HJR 47 with provisions that require [DEC] to request the EPA to reevaluate and address the ramifications to remote Alaskan consumers, and that the regulations be adopted with maximum flexibility for implementation.

Number 2635

RON KING, Program Manager, Air Non-Point and Mobile Sources, Division of Air and Water Quality, Department of Environmental Conservation (DEC), testified that on April 1, 2002, DEC filed with the EPA a transition plan for Alaska to address the aforesaid issues. The transition focuses on requiring urban Alaska - the contiguous road system and the major hubs on the AMHS - to follow the national plan for implementation of ultra-low-sulfur diesel fuel in the fall of 2006. He said this is essential for health issues; recent studies link diesel-related sulfur particulates to adverse health effects. The second essential reason is that the vehicles produced will require this fuel; this includes vehicles purchased and operated in Alaska.

Number 2550

MR. KING reported that DEC has requested additional time to work with tribes and rural residents to assess the issues in rural

areas. In June 2003, DEC must submit a final recommendation for rural Alaska to the EPA. He acknowledged that this assumes that the EPA will agree with and accept the submitted plan. He added that DEC has attempted to maintain flexibility for Alaskan refineries; the decision is now in the EPA's hands. The EPA will prepare and make public that decision within 12 months; it must be adopted as a regulation and implemented to give certainty to Alaskan refineries and others who wish to participate in Alaska's fuel market.

Number 2506

MR. KING offered that the economic impacts to Alaska are difficult to assess. The EPA has predicted a 5-cent increase in the Lower 48; this is irrespective of transportation costs. He noted that the increases referenced earlier were [calculated] as a result of information given to DEC over the last year. He referred to the presentation DEC gave to rural and urban residents that focused on the history of [diesel regulations] and the options for Alaska. He noted that the EPA does recognize Alaska's differences; as a result, flexibility was afforded to DEC to request the alternative transition plan.

Number 2457

REPRESENTATIVE GREEN asked about distribution and the source of diesel fuel in the state.

MR. KING replied that it is a mix of in-state and out-of-state supply. Some fuel is imported from the Lower 48, particularly from the West Coast; some is distributed from in-state refineries. The main issue is that diesel fuel refined in the Lower 48 will not necessarily meet Alaskan arctic specifications for winter use. The pour point, the [temperature] at which the fuel gels, is minus 60 degrees Fahrenheit for Interior and rural Alaska; by contrast, the Seattle pour point is minus 27 degrees, and Minnesota's pour point is minus 33 degrees. He said this causes great concern, particularly when referring to Alaskan locations not on the coast.

MR. KING told members that once the question of appropriate arctic-grade fuel has been answered, the question of how the fuel reaches the communities must be addressed. He pointed out that fuel is either transported by road or barged and then moved by pipeline or truck. He said this is similar to the Lower 48, but more fuel in Alaska is moved by truck. Southeast Alaska and some rural communities receive bulk fuel by barge; it is

offloaded to smaller barges to work its way up river systems. Communities not on a river receive fuel shipments by air. Once the fuel arrives in a rural community, it is put into a single tank farm from which it is subsequently distributed.

MR. KING noted that fuel in Nome, for example, is used for aircraft, home heating, the few trucks, and power generation. The fuel for on-highway vehicles would have to be separated from the rest of the fuel and handled differently. Some fuel distributors limit the number of products they carry; distributors will have to decide which type of diesel fuel to haul. In Southeast Alaska, the market approach has been to bring in 500 parts per million (ppm) sulfur fuel. Even though this is not yet required, distributors are bringing it in to limit the number of products they haul. This is the issue that has the potential for significant impact to rural Alaska for power generation and home heating.

Number 2270

REPRESENTATIVE GREEN observed that Mr. King is likely familiar with the gas-to-liquids (GTL) aspect of clean-burning diesel. He also noted that he'd traveled to South Africa several years ago to visit a conversion plant. He then said BP's refinery in the Nikiski area is a pilot site; he indicated that another organization was proposing to convert gas on the North Slope and "batch" it down the pipeline. He asked if either of these solutions would be a practical way to [add low-sulfur diesel] to Alaska's distribution system, and whether it could save in transportation costs to rural areas.

MR. KING responded that the fuel would still require separate handling. Additionally, there are issues in terms of "lubricity" and combustion characteristics with the GTL fuel produced; he indicated additives are available to address these issues. He referred to the aforementioned BP plant and said it isn't large enough to meet the on-road demand for fuel. It is an alternative form of fuel that could be used; there are additives that can be used [to make it usable], but it still requires separation from other fuels. He pointed out that the GTL has absolutely no sulfur in it, whereas the fuel currently in the system ranges from 300 or 400 ppm to 3,000 ppm, allowed under the specifications. He said it won't take much to contaminate fuel with a 0- to 15-ppm sulfur content.

Number 2146

REPRESENTATIVE GREEN replied, "I was thinking the other way around." He acknowledged that the pilot plant would not be capable of meeting all the demand, but presuming the pilot is found to be economically viable, the production might expand, as BP has indicated, to meet Alaska's needs as well as to export to the West Coast. He offered his impression that unless Alaska converts completely [to low-sulfur fuel], rural Alaska will still be impacted with high transportation costs in addition to the more expensive fuel.

MR. KING concurred. He referenced a comment from a rural resident who'd indicated that the best way to do this would be to mandate it across the board. That, however, still has the potential for economic impact. He acknowledged that in time, this [low-sulfur fuel] likely will become the only product available to meet the needs.

Number 2076

REPRESENTATIVE KERTTULA observed that there might not be enough information to support the "whereas" clause that says emissions from large trucks and buses are not a health or environmental problem in off-road or rural Alaska. She suggested it might be more accurate to say that "we just don't know", and that there isn't enough information to show it is a health or environmental problem.

MR. KING replied that it is currently not possible to state unequivocally that there is a health issue. He noted that diesel-exhaust pollutants have been linked to various cancers and other health problems. The types of emissions in rural Alaska are somewhat different due to the nature of the combustion process. Nevertheless, DEC is concerned about those emissions; that is why DEC is seeking funding with the Alaska Native Health Board and other entities to design a study to [ascertain the health impacts of diesel emissions in rural Alaska]. He added that this study is not inexpensive to undertake; the first step is to design the study, and the next step is to conduct it. He said testimony received by DEC indicated that bus and truck emissions were not believed to be a health issue because of the vehicles' limited numbers. Specific pollutants from these vehicles are a problem, he said.

Number 1963

REPRESENTATIVE KERTTULA asked, "But right at the moment, they haven't been shown to be; is that fair enough?" She again

indicated it would be better to say that, because it isn't known that they aren't [hazardous].

MR. KING agreed that Representative Kerttula's statement is more accurate: the emissions have not been shown to be [detrimental] in the concentrations that exist in rural Alaska.

Number 1923

FRANK DILLON, Executive Vice President, Alaska Trucking Association, testified via teleconference, noting that the 43-year-old trade association has members in Annette, Tok, Barrow, Dutch Harbor, and in between. The association has been involved in the issue of low-sulfur fuel since 1992, when it recognized that the introduction of low-sulfur fuel into Alaska presented a conundrum fraught with myriad unknowns. "It remains that way ten years later," he said.

MR. DILLON complimented DEC on its efforts to determine what using low-sulfur fuel will mean in Alaska. He noted that the Alaska Trucking Association has accepted the inevitability of its use in order to power trucks; engines purchased after 2004 will most likely require 400-ppm fuel; by 2006, all the engines available to purchase will require 15-ppm sulfur fuel to run at all.

MR. DILLON indicated he takes exception to earlier statements about the health hazards in Alaska. He offered his opinion that a figure of \$100 million in health costs attributed to diesel smoke in Alaska is entirely "bogus science." This number was derived from some national, "fuzzy science" wherein costs were assigned to the United States and then divided by 50 - Alaska being one-fiftieth of the total cost in the U.S., he suggested. He said this is not representative, simply because Alaska doesn't come close to burning in a year the amount that the Seattle area burns in one month. He urged caution when listening to health statistics related to diesel, and he added that the suggestion that the health impacts are unknown is a good way to word that "whereas" section.

MR. DILLON noted that he chairs the Citizens Air Quality Advisory Committee in Anchorage, which is looking for diesel particulates in Anchorage; so far, measurable concentrations have not been found, he said. Furthermore, he offered his belief that describing health impacts of non-measurable emissions is not possible. He said what is known is that the conversion to ultra-low-sulfur diesel will be expensive; it will

produce some miniscule effect toward cleaner air, he suggested, a negligible effect in terms of a person's life-risk factors.

MR. DILLON concluded by saying the Alaska Trucking Association supports HJR 47. He reiterated support for DEC's efforts. He added that he was pleased with the EPA's attitude toward Alaska over the years, and recently in expressing its concern about the impacts on rural Alaska.

Number 1721

REPRESENTATIVE KERTTULA asked Mr. Dillon whether he had any objection to clarifying that health and environmental problems have not [been shown to be linked to diesel emissions in rural Alaska]. She acknowledged that the benefits of low-sulfur fuel will probably be minimal; there are many other factors involved.

MR. DILLON replied, "I think it's safe to say that we, in fact, don't know. What we are trying to determine is whether or not there is a health risk associated in Alaska with diesel emissions; that has not been determined." He acknowledged that not burning diesel makes for cleaner air, but said Alaska does burn diesel and will continue to need diesel for the foreseeable future. Low-sulfur fuel might help reduce the number of particulates, and may have some minor benefits for health. No study in Alaska has proven a connection between diesel emissions and illness, he said. He told members that he would be happy with that sort of language change.

Number 1622

REPRESENTATIVE GREEN asked about the longevity of diesel tractors and whether most of them stay in the state. He observed that trailers are shipped up to the state, and that tractors pick them up and distribute them.

MR. DILLON answered in the affirmative. He reported that the truck fleet was redone ten years ago in response to changes in air quality standards. He noted that discussions with the Alaska [Trucking] Association and engine manufacturers have offered ways in which they will bring themselves into compliance with regard to fuel emissions. He pointed out that the problem occurs when higher-sulfur-content fuel is used in newer engines; one tank of fuel will ruin a \$60,000 engine. He said that from an economic standpoint, the trucking industry isn't going to burn high-sulfur fuel in engines designed for low-sulfur fuel;

over the next eight to ten years, most of the distribution fleet will switch over to engines that burn only low-sulfur fuel.

Number 1515

REPRESENTATIVE GREEN inquired whether the engine changeover would create a significant increase in the cost of delivery; he asked if by the time [low-sulfur fuel is required], the fleet will have already made the transition to low-sulfur-burning engines.

MR. DILLON expressed his belief that the transition would be a marketplace occurrence, and that low-sulfur fuel will become available in Alaska. He noted that he had discussed this very matter with a refiner in Edmonton [Alberta, Canada] that produces fuel with a pour point consistent with arctic [conditions]. This refinery is currently selling all of this fuel to Canadian customers, Mr. Dillon reported, but is willing to sell to Alaskan customers if they are willing to pay more. It will cost significantly more to do business with diesel engines in Alaska than it does now.

Number 1437

REPRESENTATIVE GREEN asked Mr. Dillon if, given that the changeover will occur in the next several years, he foresees a problem with a resolution like this, for that time of transition or until the conversion to low-sulfur fuel has occurred.

MR. DILLON replied, "I think this resolution is excellent, in that it is asking for maximum flexibility and it is also trying to address some of the questions we have with our unique distribution system." He said some of these problems include not being able to use a tank that was used for high-sulfur fuel for years, until it is completely clean. The removal of sedimentary sulfur from a large storage tank in a rural area used for multiple purposes can cost hundreds of thousands of dollars.

Number 1343

KEN GATES, General Manager, Cordova Electric Cooperative, testified via teleconference. He encouraged members to support HJR 47, and conveyed appreciation for others' comments and concerns expressed about the low-sulfur-fuel issue. The Cordova Electric Cooperative is approaching the issue from the diesel generation perspective, he said. Recently, a hydroelectric

project was put online to help lower diesel emissions by burning less fuel. He expressed his hope for consideration for communities that have taken action to reduce diesel consumption.

MR. GATES cautioned that with regard to public health, it is important to also consider emotional and economic health. He offered his belief that when people cannot pay their bills and their businesses suffer, there is an emotional impact due to the economic impact.

MR. GATES suggested that communities on the Alaska Marine Highway System don't have dense vehicular traffic when compared with [more] urban areas. Consequently, air quality issues in these coastal communities aren't necessarily the same as those of larger communities. He noted that he was very concerned that [this low-sulfur-diesel requirement] could increase the cost of fuel by 20 to 30 cents a gallon. If this increase is passed to the cooperative's small membership of 1,600, it will have a significant cost impact to these customers. He pointed out that Cordova has recently lost numerous businesses; the economy is "on edge." He reiterated his request for members' support of HJR 47.

Number 1107

SHANE CARTER, Vice President, Petroleum and Freight Services, Yukon Fuel, testified via teleconference, noting that Yukon Fuel sells and distributes fuel and offers freight services from Kotzebue Sound to Bristol Bay, including the Yukon River to Fort Yukon and the Kuskokwim River to Nikolai. He offered support for any movement toward a homogenous product that will qualify [as] heating fuel. One of the few efficiencies experienced by Yukon Fuel is that everything sold for home heating and power generation is actually downgraded jet fuel, he reported. This allows the company flexibility when moving fuel from Cook Inlet or down the Yukon River from Nenana. Should legislation require further segregation of fuel types, the costs associated with tanks clean enough to handle the low-sulfur fuel will result in higher costs of transport.

MR. CARTER offered his belief that the Denali Commission is moving toward building new tank farms and helping communities build new power-generation facilities to enable sustainability. The engines being used will be obsolete in the event that low-sulfur fuel is mandated. He said he thinks that is an important issue for consideration.

Number 0890

MEERA KOHLER, President and Chief Executive Officer, Alaska Village Electric Cooperative (AVEC), testified via teleconference, noting that AVEC serves about 22,000 rural Alaskans in 51 remote communities; it operates stand-alone generating and distributing systems in 47 of those villages, with tie lines connecting the remaining 4 villages. Approximately 150 diesel generators and 500 fuel tanks are owned by AVEC, and it buys more than 5 million gallons of diesel fuel annually. This fuel is transported by small barges and airplanes at an average cost of \$1.37 a gallon. The retail cost of electricity is about 40 cents a kilowatt-hour; 28 percent of that is direct fuel cost.

MS. KOHLER related that she has heard of anticipated fuel increases ranging from 10 cents to one dollar a gallon; she offered her belief that an increase of approximately 25 cents a gallon can reasonably be expected. For AVEC's consumers, most of whom are well below national and state poverty levels, this 25-cent increase translates to more than 2 cents a kilowatt hour, or \$1.25 million annually. She reported that the BTU value of ultra-low-sulfur diesel is approximately 15 percent lower than regular diesel - more fuel is required for the same energy; that adds 24 cents a gallon. Additional maintenance costs will be incurred to change the seals and valves on the entire generator fleet, to clean the tanks to accommodate the new fuel, and to provide for other unidentified modifications. She estimated that increases surpassing \$2.5 million will be incurred by AVEC consumers.

Number 0760

MS. KOHLER explained that diesel fuel is used in Alaskan villages for space heating and electric generation; it is therefore presumably exempt from the EPA's rules. However, because a single transportation and storage system is used, it is likely that non-transport diesel users will be inadvertently impacted by any general requirement for a transition to ultra-low-sulfur diesel.

MS. KOHLER expressed strong support for HJR 47, but suggested some language changes. First, she suggested that on page 2, line 15, the word "cooperatives" be changed to "utilities". Many utilities serving rural communities are municipal, tribal, or privately owned, she said. Regardless of ownership, utilities face the same issues that cooperatives do. Second,

page 2, lines 18-19, speaks to the anticipated retail cost of electricity. She offered her opinion that the range of increase in the bill of 45 cents to 70 cents is not quite accurate. She told members:

The reality is, the current cost of energy in rural Alaska is anywhere from 40 to 60 cents a ... kilowatt-hour. In those cases, you could see rises of up to 70 cents per kilowatt-hour. But, typically, I believe that retail fuel prices will rise by 25 cents or more, but the retail cost of electricity in each community will depend on the utility's efficiency, and the rise will be ... anywhere from 5 to 15 cents a kilowatt-hour.

Number 0633

MS. KOHLER told members that she had read DEC's press release regarding recommendations to the EPA; she is concerned that the blanket applicability of the national plan to communities on the road and on ferry routes is rather broad. Minto, for example, is technically on the road, but is a remote, rural village upon which this requirement would have a significant monetary impact, with minimal, if any, health benefits. Marine highway communities will also be greatly impacted monetarily by this requirement, she suggested.

MS. KOHLER concluded by saying the EPA's rule for reducing sulfur emissions was intended to apply only to heavy-duty trucks and buses - not stationary fuel uses. Yet because of Alaska's unique conditions, its needs will be unaccounted for, and the state will perforce be swept under the rules. She urged members to request DEC to reconsider its recommendation requiring application of the ultra-low-sulfur diesel to all road and marine highway communities. She added her support for the one-year extension to study the impacts to rural Alaska so that the rule can be applied in a sensible and practical manner. She reiterated her support for HJR 47.

Number 0504

CHERYL RICHARDSON, Volunteer Director, Alaska Clean Air Coalition, testified via teleconference, noting that she has worked on this issue for ten years and that [clean air] is a passion of hers. She recounted that she grew up in Anchorage smelling very sweet air; over the years, however, the air has

become dirty from vehicles, and it doesn't smell good most of the time - even in the summer.

MS. RICHARDSON concurred with testimony calling for affordable home heating and electric generation, especially in rural Alaska, where she has observed residents struggling to pay electric bills that were equivalent to her Anchorage rent. She also noted that she is pleased that the committee is reconsidering [page 2, lines 4 to 6], which says emissions from large trucks and buses are not a health or environmental problem in rural Alaska; she conveyed her surprise at the inclusion of that statement. Large amounts of documentation exist that there is no safe level of exposure to diesel exhaust, she pointed out. She highlighted the importance of protecting rural children from unhealthy diesel as much as city children are protected.

Number 0278

MS. RICHARDSON indicated that ten years ago "we" were told it would be unaffordable to bring in 500-ppm-sulfur diesel, which has proven untrue. She pointed out that this 500-ppm-sulfur diesel is cheaper out of Seattle than is "dirty" diesel. She added that concerns still exist regarding how fuel is manufactured and distributed in the state; the [coalition] is unable to get numbers on that. This is a concern to her, she told members. How can the state plan for cleaner fuel when it cannot get what appears to be proprietary information from refineries and distributors?

MS. RICHARDSON told members that the Office of the Attorney General has been investigating Alaska's fuel companies for a number of years for price fixing. The [coalition] is concerned about the potential for windfall profits to be realized by Alaskan fuel companies by charging higher rates for fuel without having made the capital investments necessary to produce cleaner fuel in the state; local companies might charge clean-fuel prices for dirty fuel and profit from increased pollution, she cautioned.

MS. RICHARDSON advised members that diesel has been documented to cause respiratory diseases, increase mortality in communities, retard lung development, and increase the incidence of asthma. She said it is unfortunate that Alaska has not measured its diesel [particulate] levels; the [coalition] has been requesting those measurements for ten years. She indicated the state is just now beginning to collect particles. She pointed out that this doesn't substantiate the premise that

[diesel emissions] are not a problem. It is clearly a problem in Anchorage, she stated, because one can smell and see it; the public knows it is a noxious pollutant.

MS. RICHARDSON said the EPA chose to pursue the "biggest bang for the buck" when [applying the low-sulfur diesel standard] to on-road vehicles; the agency was looking out for the Lower 48 population. She suggested if the EPA had focused on rural Alaska, it would have addressed home heating and electric generation, but that Alaska has too small a population to garner that type of focus. Therefore, it is up to DEC and the legislature to protect rural villages the way the EPA is protecting the rest of the nation, she said. She agreed that the EPA has been doing a good job lately; the evaluation of the regulation is moving the right direction. The EPA is acknowledging that there are health problems associated with diesel exhaust; this is a new position for the agency, she added. She requested that the legislature work with DEC to make the conversion [to low-sulfur diesel] affordable and to ensure that rural children are protected as city children are.

TAPE 02-23, SIDE A
Number 0001

REPRESENTATIVE GREEN remarked that it has been a long time since he was subjected to living in a place with poor air quality. He noted that when he lived in California many years ago there were many publications supporting the premise that gasoline fumes were the culprit that created photochemical smog; diesel emissions looked terrible, but were not considered as noxious or as serious a respiratory hazard. He asked, "Has that been changed?"

MS. RICHARDSON replied in the affirmative. She noted that she is not a chemist, but became involved in these issues 20 years ago, when the message was that carbon monoxide from gasoline exhaust, but not diesel, was a hazard. However, evidence began pouring in 10 or 12 years ago, and it is now irrefutable that [diesel exhaust is harmful]. She offered that California, the World Health Organization, and others are declaring diesel exhaust a carcinogen; it has in excess of 40 toxic air chemicals. She concluded that there is no safe threshold at which diesel is okay to breathe.

Number 0186

CO-CHAIR MASEK closed public testimony on HJR 47.

REPRESENTATIVE MORGAN noted that he had not anticipated a great deal of discussion of health issues. He pointed out that in the 1950s, when most rural villages had no electricity, the [health standard was much lower]. He offered his belief that electricity has increased the lifespan of every Native Alaskan in [rural villages], saving many babies' lives and powering many health clinics; he suggested its benefits far outweigh the [potential hazards] of diesel emissions.

Number 0355

REPRESENTATIVE MORGAN indicated his belief that dust from three- and four-wheelers in the Bush is a greater respiratory hazard than diesel emissions. He encouraged members to support HJR 47.

Number 0398

CO-CHAIR MASEK expressed her belief that urban residents also breathe more dust than diesel [fumes]. She turned attention to amendments.

REPRESENTATIVE MORGAN stated that eliminating page 2, lines 4-6, would be fine with him.

REPRESENTATIVE GREEN moved to adopt Amendment 1, which read [original punctuation provided]:

Page 1, Line 3. after "of" insert "ultra-.

There being no objection, Amendment 1 was adopted.

Number 0622

REPRESENTATIVE GREEN moved to adopt Amendment 2, which read [original punctuation provided]:

Page 2, line 15. strike "cooperatives" and add "utilities"

There being no objection, Amendment 2 was adopted.

Number 0687

REPRESENTATIVE GREEN moved to adopt Amendment 3, which read [original punctuation provided]:

Page 2, lines 18 and 19. strike "to approximately \$.70 per kilowatt hour" and add "approximately 10 per cent or more."

There being no objection, Amendment 3 was adopted.

CO-CHAIR MASEK suggested a fourth amendment, to strike lines 4-6 on page 2.

REPRESENTATIVE GREEN moved to adopt the foregoing as Amendment 4. There being no objection, Amendment 4 was adopted.

Number 0730

REPRESENTATIVE GREEN moved to report HJR 47, as amended, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSHJR 47(RES) was moved out of the House Resources Standing Committee.

ADJOURNMENT

There being no further business before the committee, the House Resources Standing Committee meeting was adjourned at 2:57 p.m.