

ALASKA STATE LEGISLATURE
HOUSE TRANSPORTATION STANDING COMMITTEE

February 1, 2001
1:07 p.m.

MEMBERS PRESENT

Representative Vic Kohring, Chair
Representative Beverly Masek, Vice Chair
Representative Scott Ogan
Representative Drew Scalzi
Representative Peggy Wilson
Representative Mary Kapsner
Representative Albert Kookesh

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 39

"An Act relating to registration of motor vehicles, to operating a motor vehicle, aircraft, or watercraft while intoxicated, and to driving with a cancelled, suspended, or revoked driver's license; relating to duties of the division of alcoholism and drug abuse regarding driving-while-intoxicated offenses; and providing for an effective date."

- HEARD AND HELD

HOUSE BILL NO. 79

"An Act designating a portion of the Eagle River Loop Road as the Eagle River Veterans' Memorial Highway."

- MOVED HB 79 OUT OF COMMITTEE

HOUSE BILL NO. 55

"An Act regarding oil discharge prevention and cleanup involving self-propelled nontank vessels exceeding 400 gross registered tonnage and railroad tank cars and related facilities and operations and requiring preparation and implementation of oil discharge contingency plans for those nontank vessels and railroad tank cars; amending the definition of 'response action' that relates to releases or threatened releases of oil and thereby amending the duties and liabilities of response action

contractors; authorizing compliance verification for nontank vessels and for trains and related facilities and operations; and providing for an effective date."

- HEARD AND HELD

PREVIOUS ACTION

BILL: HB 39

SHORT TITLE:VEHICLE REGISTRATION/DWI/FORFEITURE

SPONSOR(S): REPRESENTATIVE(S) KOTT

Jrn-Date	Jrn-Page	Action	
01/10/01	0044	(H)	READ THE FIRST TIME - REFERRALS
01/10/01	0045	(H)	TRA, JUD, FIN
01/10/01	0045	(H)	REFERRED TO TRANSPORTATION
02/01/01		(H)	TRA AT 1:00 PM CAPITOL 17

BILL: HB 79

SHORT TITLE:EAGLE RIVER VETERANS' MEMORIAL HIGHWAY

SPONSOR(S): REPRESENTATIVE(S) KOTT

Jrn-Date	Jrn-Page	Action	
01/19/01	0129	(H)	READ THE FIRST TIME - REFERRALS
01/19/01	0129	(H)	TRA
01/19/01	0129	(H)	REFERRED TO TRANSPORTATION
02/01/01		(H)	TRA AT 1:00 PM CAPITOL 17

BILL: HB 55

SHORT TITLE:OIL DISCH PREVENTION: NONTANK VESSELS/RR

SPONSOR(S): RLS BY REQUEST

Jrn-Date	Jrn-Page	Action	
01/12/01	0070	(H)	READ THE FIRST TIME - REFERRALS
01/12/01	0071	(H)	TRA, RES, FIN
01/12/01	0071	(H)	REFERRED TO TRANSPORTATION
01/23/01		(H)	TRA AT 1:30 PM CAPITOL 17
01/23/01		(H)	Heard & Held MINUTES(TRA)
01/25/01		(H)	TRA AT 1:00 PM CAPITOL 17
01/25/01		(H)	Heard & Held MINUTES(TRA)
02/01/01		(H)	TRA AT 1:00 PM CAPITOL 17

WITNESS REGISTER

REPRESENTATIVE PETE KOTT
Alaska State Legislature
Capitol Building, Room 204
Juneau, Alaska 99801-1182
POSITION STATEMENT: Sponsor of HB 39 and HB 79.

CHRISTINE ROWINSKI
2358 Pruitt Lane
Fairbanks, Alaska 99709
POSITION STATEMENT: Testified on HB 39.

AL NEAR
PO Box 80847
Fairbanks, Alaska 99708
POSITION STATEMENT: Testified on HB 39.

DEAN GUANELI, Chief Assistant Attorney General
Department of Law-Criminal Division
PO Box 110300
Juneau, Alaska 99811-0300
POSITION STATEMENT: Provided department's position on HB 39 and answered questions.

MARY MARSHBURN, Director
Division of Motor Vehicles
Department of Administration
3300B Fairbanks Street
Anchorage, Alaska 99503
POSITION STATEMENT: Answered questions concerning HB 39.

PAM WATTS, Director
Advisory Board of Alcoholism & Drug Abuse
PO Box 110608
Juneau, Alaska 99811
POSITION STATEMENT: Answered questions relating to HB 39.

CINDY CASHEN, Member
MADD (Mothers Against Drunk Driving)
211 4th Street Suite 102
Juneau, AK 99801
POSITION STATEMENT: Testified on behalf of MADD and herself in support of HB 39.

DENNIS POSHARD, Special Assistant
Office of the Commissioner
Department of Transportation
& Public Facilities
3132 Channel Drive
Juneau, Alaska 99801-7898

POSITION STATEMENT: Provided department's position on HB 79 and answered questions.

LARRY DEITRICK, Director
Division of Spill Prevention and Response
Department of Environmental Conservation
410 Willoughby Avenue Suite 105
Juneau, Alaska 99801-1795

POSITION STATEMENT: Testified on behalf of the Department of Environmental Conservation in support of HB 55, and answered questions.

CHARLOTTE MACCAY, Senior Administrator
Environmental and Regulatory Affairs
Cominco Alaska Incorporated
1133 West 15th Street
Anchorage, Alaska 99501

POSITION STATEMENT: Testified on HB 55 regarding why private industry would be embracing more regulations.

ACTION NARRATIVE

TAPE 01-9, SIDE A
Number 0001

CHAIR VIC KOHRING called the House Transportation Standing Committee meeting to order at 1:07 p.m. Members present at the call to order were Representatives Kohring, Ogan, Scalzi, Wilson, Masek, Kapsner, and Kookesh.

HB 39- Vehicle Registration/DWI/Forfeiture

CHAIR KOHRING announced the first order of business was HOUSE BILL 39, "An Act relating to registration of motor vehicles, to operating a motor vehicle, aircraft, or watercraft while intoxicated, and to driving with a cancelled, suspended, or revoked driver's license; relating to duties of the division of alcoholism and drug abuse regarding driving-while-intoxicated offenses; and providing for an effective date."

Number 0138

REPRESENTATIVE PETE KOTT, Alaska State Legislature, sponsor of the bill, explained that House Bill 39 addresses what he believes is part of the DWI [Driving While Intoxicated] problem in Anchorage. He stated that there has been an increase of DWI incidents in the past two years, especially this past summer. Mayor Wuerch of Anchorage created a task force to address these DWI issues. The forum, which included one of Representative Kott's staff members, met this past summer. The task force, along with public input from around the state (primarily the Anchorage area), resulted in several recommendations.

REPRESENTATIVE KOTT said it was decided to include several of these recommendations in a piece of legislation, which became HB 39. Since then, the bill has been reexamined in different areas; in particular, the fiscal ramifications. The committee substitute that has been provided to committee members is the result of this examination.

Number 0320

REPRESENTATIVE WILSON made a motion to adopt the proposed committee substitute (CS) for HB 39, version 22-LS0201\C, Ford, 2/1/01, as a work draft. There being no objection, Version C was before the committee.

REPRESENTATIVE KOTT explained he would take the committee through the appropriate sections of Version C that have a substantial impact on reducing the fiscal notes of the original bill. He indicated there was probably justification as to why the bill was pared down. There were three areas in the original bill that were problematic. He stated that he did not want to underestimate the DWI problems. However, he said it was going to be a costly endeavor to accomplish the objectives in the original bill.

REPRESENTATIVE KOTT listed the first problem as dealing with registration requirements. The original bill required that the Division of Motor Vehicles (DMV) would have access to criminal records. It was discovered that currently, the DMV cannot access these records. New software would have to be created to "intertwine both of the databases." Another issue with registration requirements is that there are third-party vendors in this state that are authorized to register vehicles. It would be "turning back the clock," if "we are trying to go to a more privatized system of doing business." There would be no

way of requiring the private sector to develop or become part of a new software package in order to access vehicle and criminal records. Therefore, this section of the bill was removed.

Number 0416

REPRESENTATIVE KOTT said the second part of the bill that was removed was the piece dealing with confiscation of vehicles. It was recognized that this would be overly burdensome, would be extremely expensive, and could not be implemented on a statewide basis due to logistics (rural versus urban areas). He mentioned that there would be inequities even in urban areas. For example if someone, "was driving a \$25,000 Cadillac and had it confiscated, it would be a little different than if someone were driving a \$200 junker and had that confiscated."

REPRESENTATIVE KOTT specified the third area that was removed was the "look back" provision. Currently in the state statute, it is considered a felony when someone receives a third DWI in a five-year period. The "look back" provision would have changed this sentencing part of the DWI law. It would have stated that if someone received a third DWI, it would be considered a felony regardless of the time period. If this provision was kept in the bill, "numbers from the department showed that we would need another 800 beds immediately and another 800 prosecutions."

REPRESENTATIVE KOTT stated that Version C is what remains after the three areas were taken out of the bill. He said that even though this is: "not entirely where we want to go [in dealing with DWI problems], ... I think there will be some additional inclusions as we move through the process and marry it up with other pieces of legislation."

REPRESENTATIVE KOTT pointed out that requiring proof of insurance before registering a vehicle, which is left in the bill, is "number one." Currently, all one does is say, "Yes, I've got proof of insurance." This change would be more proactive. One would have to provide either his or her insurance card or a copy of the insurance policy before the vehicle was registered.

REPRESENTATIVE KOTT commented that a victim in a DWI accident suffers from pain and its consequences. If the perpetrator does not have insurance, the victim's problems become extremely compounded. This portion of the bill [proof of insurance to register a vehicle] may be able to resolve this part of the problem. He pointed out "someone could get insurance one day

and get their vehicle registered the next day and turn around and have it removed." However, he said, [Alaska is] headed in a positive direction in dealing with DWI.

Number 0663

REPRESENTATIVE OGAN asked if this bill required someone to have his or her proof of insurance in hand when registering a vehicle.

REPRESENTATIVE KOTT confirmed Representative Ogan's statement.

REPRESENTATIVE OGAN asked if it has been considered a requirement to carry proof of insurance on demand of an officer.

Number 0702

REPRESENTATIVE KOTT responded that he believed state law required that one carry his or her insurance card in one's vehicle.

REPRESENTATIVE OGAN asked if the Department of Public Safety could testify on this issue. He suggested that the committee consider the requirement of drivers having to show a police officer a driver's license, registration, and proof of insurance, if pulled over. He stated that there are many people who drive without insurance, which is tremendous exposure to other people.

REPRESENTATIVE KOTT concurred that this was a problem. He said that police officers in Anchorage have told him that if someone is stopped for a traffic violation and issued a ticket, oftentimes the ticket states that the person will have to provide proof of insurance when paying his or her ticket. He commented that having to carry an insurance card might not be a good idea. Oftentimes, the insurance card is misplaced. Ideally, the insurance card would be attached to one's registration, but some people misplace it and put it somewhere else.

REPRESENTATIVE OGAN commented that when registering a car, the person signs a sworn statement, under the felony of perjury, that he or she has insurance, and will maintain it the entire time the vehicle is registered. It can be possible for someone to get away without registering his or her car, especially if the car is not used often.

REPRESENTATIVE KOTT concurred with Representative Ogan's comments. It has been suggested that 20 percent of drivers do not have insurance. These drivers either did not have insurance, signed the statement falsely or had their insurance dropped (due to request or other reasons).

Number 0980

REPRESENTATIVE MASEK asked about showing proof of insurance during online renewals of vehicle registrations.

REPRESENTATIVE KOTT stated that he did not know if this [online vehicle registration] was available. If it was, there would be a statement stating that proof of insurance is required to register a vehicle. At some point, online registration would include something like the Permanent Fund Dividend [application], where one can apply online and receive something in the mail to sign and send back. He suggested that when the department generates regulations, it [department] could implement a section that may require one to fax or mail a copy of the insurance policy or card.

REPRESENTATIVE KOTT suggested leaving it up to the department to decide how to implement online vehicle registration and deal with receiving a signature. He has given the department latitude, which would be reflected in any regulations that were published for public comment.

REPRESENTATIVE KOHRING noted that the committee is working off a committee substitute that was adopted [Version C]. Its intent was to lower the fiscal note, which is now zero.

Number 1000

REPRESENTATIVE KOOKESH asked if there was a definition of the word "vehicle" in the bill.

REPRESENTATIVE KOTT confirmed that there was a definition.

Number 1051

REPRESENTATIVE SCALZI asked if Section 3, subparagraphs (C), (D), and (F), from the original bill have been taken out of Version C.

REPRESENTATIVE KOTT confirmed that those sections were removed. He said, "we are back to status quo as it currently exists in state statute."

REPRESENTATIVE KOHRING asked if liability was the primary focus in this legislation.

Number 1091

REPRESENTATIVE KOTT stated that Section 2 in Version C, which deals with the third offense felony provision, says "Treatment required under this subsection shall occur, as much as possible, while the person is incarcerated." He said that it would be left up to the individual's location as to whether or not those services are available in his or her communities. Therefore, there is some discretion in "what has to be done and how much has to be done." To conclude, Section 3: "pulls this unit together, something similar to the Mayor's Task Force, and they're responsible for periodically looking over the DWI statutes, trying to come up with a better 'mousetrap.'"

REPRESENTATIVE KOHRING reiterated that part of the bill's intent was to get the cost to virtually zero. He stated that the committee did not receive a fiscal note for Version C.

REPRESENTATIVE KOTT explained that during the re-examination of the bill, he essentially removed sections that had a significant fiscal impact on Alaska. Therefore, he does not think there are any costs associated with Version C. If there were any costs, they would be so minimal that the fiscal note could be zero. He deferred to the department to comment on the fiscal note as well.

Number 1208

REPRESENTATIVE WILSON referred to Section 2, asking about funding of the treatment.

REPRESENTATIVE KOTT said the costs would stay the same. Currently, he believes that the state funds the incarceration and treatment of offenders. He commented that some states, which have "wellness courts", have been using prescription drugs as treatment. Someone might lose his or her desire for alcohol from using this drug, which costs ninety-nine dollars for a month's supply.

Number 1266

REPRESENTATIVE KAPSNER asked for a definition of a motor vehicle. She asked if a motor vehicle means a registered motor vehicle or includes a four-wheeler and snowmachine. She went on to say that the bill included aircraft and watercraft. She said that she could not "think of a time on the (indisc.) of Yukon where somebody has been in a skiff and had a DWI for being under the influence," while driving a watercraft.

REPRESENTATIVE KOTT commented that someone could be convicted of a DWI if riding a skiff under the influence of alcohol. He said that the only area dealing with watercraft that is not contained in state statute is jet skis. This is an area that is being looked into to change.

Number 1374

REPRESENTATIVE MASEK asked Representative Kott to expand on the phrase "the public" that is in Section 3, line 8, of Version C.

REPRESENTATIVE KOTT explained that "the public" was included in the legislation because the majority of membership in the task force (formed by Mayor Wuerch of Anchorage) was from the public. They came from a "variety of circles." This included people from the beverage industry, MADD [Mothers Against Drunk Driving], and individuals that had an interest in trying to curb drinking and driving. He said it was imperative to "keep this candle lit." The public has made a sizeable impression in the Anchorage area, and it is important to keep the group going and not blow out the "flame."

Number 1374

REPRESENTATIVE MASEK asked, if "the public" is not included, whether it is possible that the municipalities/boroughs could form their own organizations in putting a task force together to work with agencies of the state. She asked if it is "really necessary" to include the public in the bill.

REPRESENTATIVE KOTT declared that it is necessary to include the public in the bill, since right now any borough or community/municipality has the ability to create a task force on areas such as public safety and transportation. Putting the public in the bill means that these task forces would have to include the public. This is appropriate since the public is, "crying out for a solution and I think they ought to be part of

the solution. The public's input is essential; that's how we test the waters."

CHRISTINE ROWINSKI, representing herself, testified that she is disappointed that there is not a better bill. However, she said, "We need to support what's left of this bill, but we need improvement in a lot of other places."

AL NEAR, representing himself, gave the following testimony:

I'm here to speak to several of the parts of the bill that are no longer in existence. I was feeling very positive about HB 39 when I read it over, especially after looking at a report from this task force group in Anchorage. I felt there was great promise here for doing something to actually have a positive effect on reducing the fatalities on our highways by drunk driving.

I think (indisc. coughing) when looked at the paper and noticed what happens in cases in drunk driving, you can come to the same conclusion as I have, that almost all of the highway fatalities are caused by repeat offenders. What we have to do is find a way of controlling the situation.

One of the ways that has always appeared to me to be viable was to take away their weapons, and now in HB 39 we have that promise, we might be able to that. It doesn't look like it's going to be the case. It appears that all we have left now is some possibility of guaranteed insurance when someone registers their car. But so far I haven't found a policy yet that will actually bring people back to life. So I don't think what we're doing here is really serving the purposes that were set forth by the task force committee at all. Thank you.

Number 1596

DEAN GUANELI, Assistant Attorney General, Criminal Division, Department of Law, referred to Representative Kott's comments by saying "that there is a lot of interest in drunk driving and the tragedy that it creates on our highways." There have been many bills introduced, including a few sponsored by Representative Kott. The administration has attempted to take a coordinated approach to the problem of drinking and driving. The administration had been working closely with "the speaker"

[Representative Porter] and the House Judiciary Standing Committee chairman to try to put together a "package, something that would comprehensively address the problem." He stated that he wanted to describe what the administration's approach [on drunk driving] is and then speak on HB 39.

MR. GUANELI stated that one component is prevention. This would include "fixing the problem of minor consuming." The Alaska Supreme Court has ended the "use it, lose it" program, in which minors would lose their driver's licenses if they drink. The administration thinks there needs to be changes with the minor consuming law. He stated there also needs to be changes regarding the bootlegging laws, to make it easier to address bootlegging in rural Alaska. He said this is an important part of a preventative effort.

Number 1702

MR. GUANELI specified another aspect of the administration's approach as intervention in drunk driving. He stated that this includes having .08 BAC (blood alcohol concentration) as the triggering level for drunk driving prosecution.

MR. GUANELI said that "we are going to be forced into doing it by the federal level or we are going to lose a lot of money." Testimony in the House Judiciary Standing Committee explained that right now there is about \$850,000 a year in federal incentives available if the BAC is lowered to .08. In a couple of years, if the BAC is not lowered to .08, Alaska will have to pay more than \$850,000 in penalties a year.

MR. GUANELI said that another aspect of intervention is treatment of third-time offenders. Currently, the "look back" provision to determine if offenders have had three drunk driving convictions is five years. There have been a lot of proposals to extend this "look back" period. He said this is an area that needs to be looked at in a coordinated approach.

MR. GUANELI named treatment as the next part of the administration's approach. He stated that there is a provision for treatment in HB 39. The administration believes what is required is a formal assessment of the needs of any drunk driving offenders, clinically appropriate treatment on that assessment of needs, and perhaps treatment in lieu of going to jail to reduce the fiscal impact on the Department of Corrections. He said there need to be some "technical fixes" to make it easier for everyone to get access to past treatment

records. This would make it easier to determine what someone's treatment needs are.

MR. GUANELI said another part of treatment is wellness courts or therapeutic courts. He mentioned that Representative Kott was very interested in this issue and had asked the Department of Law to help draft a bill in that regard.

MR. GUANELI said his message is that the administration is trying to take a coordinated approach to look at all of the bills globally for prevention, intervention, and treatment purposes. He stated that the administration is trying to do this in a way that the cost to the Department of Corrections will not be increased greatly. He said that in order to improve treatment there is going to be some cost for health and social services.

MR. GUANELI mentioned that another aspect of a coordinated approach was increasing revenues, possibly increasing alcohol taxes. He said that Representative Kott has asked the administration to work with the House Judiciary Standing Committee chairman to try to deal with these issues.

MR. GUANELI commented that although items have been taken out of the original bill, he believes that all of those items are in another bill. He said that he thought all of these issues would be discussed at the appropriate time.

MR. GUANELI remarked that he hoped that Mary Marshburn from the Division of Motor Vehicles [DMV] would be available to answer questions regarding insurance and registration aspects of HB 39. He said that the DMV may have some concerns regarding how to logistically carry out this part of the bill.

Number 1847

MR. GUANELI stated that Candy Brower from the Department of Corrections was available to answer any specific questions about the section of HB 39 that deals with the Department of Corrections. He said that the Department of Corrections feels it has very limited funds available for treatment in its facilities. In order to do an adequate job of treating alcohol offenders, there needs to be more in the way of treatment.

MR. GUANELI said that this is a question of what is an appropriate time frame to receive treatment. He said that for many drunk driving sentences, three days is a standard for a

first offense, and twenty days for a second offense. He stated that it is "really questionable" whether someone can get effective treatment in that length of time. Therefore, it is necessary to do something afterwards as a condition of probation. He suggested that for longer sentences, it might be appropriate to begin treatment in the facility and follow up afterwards. He said there needs to be coordination by the Department of Corrections and the Department of Health and Social Services in looking at the entire area of treatment of these DWI offenders.

MR. GUANELI referred to the last portion of the bill, (coordinating with the public and collecting statistics) by stating that the Department of Public Safety along with other departments can speak on this. He said that he wanted to give the committee a sense of the "big picture." He said that the administration is actively working with Representative Kott and the House Judiciary Standing Committee chair. He stated that they are very hopeful that there will be meaningful progress [with DWI legislation] this session.

Number 1916

REPRESENTATIVE OGAN asked if the forfeiture [of a motor vehicle] in the original bill was after the first DWI offense.

MR. GUANELI replied that the forfeiture was after the second offense.

Number 1983

MARY MARSHBURN, Director, Division of Motor Vehicles, Department of Administration, responded to Representative Kapsner's comment concerning DWI and watercraft. She said that licenses have been revoked due to DWI on a watercraft.

MS. MARSHBURN responded to the question of the definition of a motor vehicle. She said the definition of a motor vehicle does not include a watercraft; a watercraft has a separate definition. In terms of insurance, she said that the analysis section of the original fiscal note that the DMV submitted states, "The insurance requirement would have no fiscal impact because the current program of self-certification could continue." She said the DMV's interpretation of HB 39 was that it would allow the division to continue the self-certification provision, which goes back to AS 28.10.021 (a)(2) of the statute. This would require the division to include self-

certification and to have a "checkbox" for people to complete that in turn would allow the division to use faster, more convenient, registration venues such as the Internet and IVR [Interactive Voice Response].

MS. MARSHBURN said that in regard to requiring something other than self-certification such as an insurance card or copy of an insurance policy, this would impact the division. It would require a fiscal note.

MS. MARSHBURN explained that registration for vehicles lasts for two years, and car insurance normally runs for six months to a year. Therefore, the two do not match. Second, proof of insurance is only good for as long as the individual does not cancel the insurance. She stated:

For example, I can call my insurance company today, order insurance, and cancel it three days or a month from now, and the fact that I have a card is not truly proof of that insurance.

MS. MARSHBURN explained that other states have found that it [proof of insurance for vehicle registration] is an additional paperwork burden. This does not go a great distance towards assuring mandatory insurance. The International Institute of Insurance Association states that two most reliable ways to ensure that people carry insurance are third-party electronic verification (an expensive program) and self-certification. Self-certification is Alaska's program. She quoted the national average for uninsured motorists as 14 percent in a state. Alaska's rate for 2000 was also 14 percent.

Number 2202

CHAIR KOHRING reiterated that the fiscal note before the committee is reflective of the original legislation, not Version C. Therefore, the new fiscal note might be zero or a small, positive amount.

REPRESENTATIVE MASEK asked how vehicle renewal online would work in regard to proof of insurance.

MARY MARSHBURN stated that vehicle renewal online would require that paperwork be sent in. She reiterated that vehicle registration is for two years at a time, and insurance coverage is generally for six months at a time, one year at the most. Therefore, this problem would need to be dealt with. Second,

"on the DMV end of things it would require human intervention to 'marry that up' with the online or telephone registration." Currently, this is a completely automated process; there is no human intervention.

CHAIR KOHRING recommended holding HB 39 over to Tuesday. He stated that the committee can address any additional fiscal notes and analysis and can move the bill out if that is the will of committee.

Number 2300

REPRESENTATIVE WILSON asked about the rate of success for someone who is forced into treatment versus the rate of success for someone who goes into treatment willingly.

Number 2365

PAM WATTS, Director Advisory Board on Alcoholism and Drug Abuse, stated that she believed virtually the entire treatment field would support the understanding that the recovery rate is almost the same for people who are forced into treatment as people who go voluntarily. Almost no one goes into treatment voluntarily. Most people go into treatment under duress through the legal system, their families, or some other external, environmental reason. She said:

Granted, a lot of people say if you don't want to go into treatment that you can't really recover, but the point is that most people don't want to enter treatment. At some point they do have to make a decision to pursue recovery, but it's not necessary at the time they enter treatment.

Number 2396

CINDY CASHEN, Member, MADD (Mothers Against Drunk Driving), read the following testimony:

My name is Cindy Cashen and I am a member of Mother's Against Drunk Driving, otherwise known as MADD. For the record, I went in to rehab [rehabilitation] against my will, and it's working for me, and it's been almost five years. So it does work even when you don't want it to.

I have some photos I wish to show you. I have these photos before you to show how drunk driving can kill

anyone, and how this could be anyone's car, or anyone's truck, or anyone's water bottle, or anyone's blood. These photos were taken at a scene; at a drunk driving crash scene on April 19 on the Kenai Highway. It took the life of my father, Ladd Macaulay, the life of his boss, Martin Richards, and severely injured Steve McGee, who was sitting next to Martin. This is my dad and this is Martin. What I'm trying to show is that these pictures look like anyone's car or anyone's truck, anyone's water bottle or anyone's blood. It can happen to anyone. I thought because I was sober maybe my family was saved - maybe it wouldn't happen to us. I never really thought it out loud but in my mind, subconsciously, I did, because that was one of my first reactions when I found out that my father was killed by a drunk driver.

I want to thank you for letting me have this opportunity to speak about House Bill 39. I sincerely appreciate the time you are taking to listen to someone such as I struggle to put into words the enormous effect this bill could have if it were to pass. I need to inform you that some days are harder than others, some hours are more difficult than others, and unfortunately today is one of them. A victim does not get to pick when he or she feels the pain of loss at its greatest. I hope you will have patience with me if at times I have difficulty speaking.

The bill I'm going to talk about is the original bill. I was caught unprepared for the amended bill. But I feel that what I have to say on behalf of MADD and on behalf of victims throughout Alaska is important enough for me to continue saying this as it's informative and its educational.

MADD supports House Bill 39 because MADD advocates confiscating (or impounding) vehicles or plates from the vehicles of habitually impaired drivers or those who drive while under driver's license suspension or revocation, where the suspension or revocation was the result of driving under the influence or any other alcohol related-driving offense.

Yesterday I brought over to your aides more than 50 pages of studies and statistics from MADD, which I hope will help you.

There are two studies regarding vehicle impoundment - one from California and one in New York. When the vehicle impoundment law was passed in California, DWI fatalities were reduced between 1995 and 1996 by 44 percent. In 1995 there were 1,484 deaths due to drunk driving. In 1996 that had gone down to 837. In El Monte, California, in 1997 the fatality/injury collisions were reduced by 35 percent.

Both first-time and repeat offenders whose vehicles were impounded had fewer crashes. There was a 25 percent reduction for first-time offenders and a 38 percent reduction for repeat offenders in California once this law was passed.

I've also included a study by the National Highway Traffic Safety Administration about the impact the impoundment law had on motorists caught driving without a valid license. In California, people are almost four times more likely to be in a fatal crash if driving around without a license or valid license than those who do have one. First-time offenders, when this law went into effect, had a 25 percent reduction and repeat offenders a 38 percent reduction. Obviously, this law has had a serious impact on not only first-time offenders but the chronic drunk drivers - the high-risk drivers who traditionally have been resistant to change. Those are the drivers we have a major problem with in Alaska.

In 1999 in New York there was a 14.3 percent decrease in total drunk driving arrests when this law came into effect. The DWI-related accidents between February 22 to April 12, 1998 and then February 22 to April 12, 1999, a six-week study, showed over a 29 percent decrease immediately. The law went into effect February 21, so they did a quick six-week study, and already it went down 29 percent. Twenty-nine percent fewer people were injured because this law was put into effect. This statute has been upheld by both the New York State Court of Appeals and federal appellate courts.

In 1998, as part of the TEA-21 Restoration Act [Transportation Equity Act for the 21st Century], a new federal program was established to encourage states to address the problem of the repeat intoxicated driver. To comply with Section 164, the state's law must require that certain sanctions must be imposed on persons convicted more than once within a five-year period of driving while intoxicated or driving under the influence of alcohol (DWI/DUI).

One of the sanctions that must be imposed is that all motor vehicle[s] of repeat intoxicated drivers be impounded or immobilized for some period of time during the driver's license suspension period, or that an ignition interlock system be installed on all motor vehicles of such drivers for some period of time after the end of the suspension period.

States that do not meet the Section 164 requirements will have a portion of federal highway construction funds redirected into other state safety activities, beginning in fiscal year 2001, this year.

In addition, TEA-21 modified the Section 410 grant program. Under the program, as modified by TEA-21, states that qualify for a basic grant may also qualify for supplemental grant funds by meeting one or more of the six criteria. One of the six criteria is a program to reduce driving with a suspended driver's license.

In order to qualify for a supplemental grant under this criteria, a state must impose one of the following sanctions on individuals convicted of driving after their license has been suspended for an alcohol-related offense: suspension of the offender's vehicle registration and return of license plates, impoundment, immobilization, forfeiture or confiscation of the offender's motor vehicles, or use of distinctive plates on the offender's motor vehicle.

TAPE 01-9 SIDE B
Number 2264

As far as the cost to make this bill possible, MADD is strongly endorsing an alcohol excise tax. As well, Fairbanks currently operates an impoundment program

with great success, with an automatic administrative fee to cover the necessary paper [work] and administrative work that is required. Anchorage does this as well. I mentioned Fairbanks in particular because we're looking at Juneau doing this. The municipalities are not eager to do this unless there is a law that the legislators pass, making them do it. They won't do it unless you tell them to do it.

MADD feels this bill, the original bill, would be part of the answer to Alaska's Drunk Driving problem. While MADD realizes this is only part of the puzzle, we need all of the pieces in place before we can begin to accomplish the job of preventing drunk driving. Would this bill have saved my Dad and Martin's life? I'll never know. Will it save other lives? Yes. Is this a bill which works for the good of the people? Yes. Will it prevent unnecessary deaths and injuries? Yes. Do I or does MADD want anyone else to suffer as I am suffering? No. MADD encourages you and I ask you to please pass this life-saving bill, and once again, I am talking about the original bill, not this other piece. That's all I have to say. Thank you very much.

REPRESENTATIVE WILSON asked Cindy Cashen to recite the part of her testimony dealing with impounding and immobilization.

MS. CASHEN reiterated that states had to meet one of six [criteria to qualify for supplemental grant funds under TEA-21 Restoration Act]. These are suspension of the offender's vehicle registration and return of license plates, impoundment, immobilization, forfeiture or compensation of the offender's motor vehicle or the use of distinctive plates on the offender's motor vehicle.

Number 2148

REPRESENTATIVE OGAN remarked that the use of distinctive plates is similar to the situation in the Scarlet Letter. The use of plates suggests public shame and can also be used as an identification means for police officers. He asked if this was the idea behind the distinctive plates.

MS. CASHEN replied that findings in states that have used distinctive plates show that the amount of chronic drunk drivers decreases. They are less likely to get into a car that is

marked by a red tag or "zebra" plate. If a person with distinctive plates still chooses to drink and drive, people on the road are more apt to watch these drivers. If they notice drunk driving, they will call the police. Ms. Cashen said, "MADD does not go after the driver; we go after the choice." There are many "fine" people who have chosen to drink and drive. Ms. Cashen disclosed that she is one of those people. She asked: if she were convicted of drunk driving and given a distinctive license plate, would her drinking and driving habits change? She said she did not know but said she would "seriously think about it."

Number 2099

REPRESENTATIVE OGAN commented that there seem to be ways around it [driving with a distinctive plate]. For instance, the "chronic drunk driver" can register his or her car under another name or simply borrow someone's car. But people who are drinking and driving aren't using the intelligence that they do have. Representative Ogan remarked that if he had a problem with drinking and driving and decided to go out and a "party," he would probably not take a car that had distinctive plates. However, chronic drunk drivers are "not making good choices anyway, so maybe they would be dumb enough to do it." He stated that he did not think the distinctive plates would be a big deterrent for drunk drivers.

MS. CASHEN replied

When a chronic drunk driver goes out to drink, he doesn't really think that, first off, he's going to kill anyone, and he doesn't go out thinking that he's going to drive home drunk. He thinks he's just going to have one or two and then go home. Its really not the plan that I'm going to go out and get totally wasted and then try to drive.

Number 2024

REPRESENTATIVE KOTT stated that he wanted to make it clear to the House Transportation Standing Committee that the committee substitute that was introduced and adopted [Version C] should not be taken as indicative of his being soft on DWI. This committee has the prerogative to pass out the original version of the bill. He said he would "certainly be amenable to that." The reason for the CS being introduced was the question of whether the best way to spend \$40 million state dollars in the DWI "entanglement." If the committee thinks it is the best way

to spend state dollars, then Representative Kott said he is "more than willing to ride the horse to the trough."

REPRESENTATIVE OGAN commented that he came into the meeting with concerns that HB 39 was too tough. However, the new version of the bill is too soft. He asked if there was a way the committee could explore some of the ideas that MADD presented. He suggested that the committee look for ways that the perpetrator of the crime can bear the cost of impoundment rather than the state. He recommended "serious fines" for vehicle impoundment, which would reduce the fiscal note. This would also be a step in getting drunk drivers who are "killing people, off the road and reach the folks that don't seem to get it."

REPRESENTATIVE OGAN also suggested exploring these issues further through a subcommittee or the sponsor, to expedite this legislation. He stated that he believed committees should do as much of the work as possible in the committee unless there is total agreement on an issue that is going to happen at the next meeting.

CHAIR KOHRING asked Representative Kott if he would be open to a subcommittee to explore these possibilities.

Number 1886

REPRESENTATIVE KOTT remarked that he is "certainly amenable" to whatever the committee would like to do. However, he cautioned the committee that if they explore this issue too long, the objective, "to get something on the table this year," will be missed. House Bill 39 is a small piece of meeting this objective, whether the committee goes with the original or a scaled down version. At some point, all of the pieces of legislation directed towards resolving or at least mitigating the DWI problem in this state are going to "marry it up."

REPRESENTATIVE KOTT assured the committee that there would be tough laws dealing with DWI. He stated that he did not know what the cost of these laws would be. It could be in the hundreds of millions of dollars, depending on the approach the legislature takes. The legislature will have to decide if they want to "approach the problem from the front end or the back end." They will also have to examine treatment options such as wellness courts, which seem to be working in other states, and decide if those are going to be included in legislation.

REPRESENTATIVE KOTT stated that he was fine if the committee wanted to study and explore other ideas. But he did not "want to miss the opportunity to get together [with the committee] towards the final stages and make a determination on what we want to see included and what is the best use of the available funds that we have at our disposal."

Number 1820

CHAIR KOHRING commented that HB 39 might not be an encompassing bill that the House Transportation Standing Committee ultimately would like to see passed. However, this bill is a good start and has good provisions that would behoove us [the state] to put it into a law. He proposed that the committee move the bill upon receipt of the fiscal note and sectional analysis. He also suggested a subcommittee be formed afterwards to explore legislation that the House Transportation Standing Committee itself could advance.

REPRESENTATIVE KOTT remarked that another objective he had was to get the discussion moving ahead, since pieces of legislation were sitting idle. He mentioned that some of the testimony heard today was noteworthy.

Number 1778

REPRESENTATIVE WILSON stated, "Anybody would be absolutely crazy not to realize that we do have a problem and we need to do something." She went on to say that she knows people who have had their driver's licenses taken away due to DWIs. This is an issue that needs to be dealt with. She stated that if someone in her family were killed due to someone drinking, spending \$40 million for a bill would seem well worth it. She said it is a shame when the committee agrees on an issue but the funding concerns hinders the process. She commented that she does not know the answer to this dilemma but that the committee needs to be serious about these issues. She asked what committee the bill goes to next.

REPRESENTATIVE OGAN said this bill would go on to the House Judiciary Standing Committee.

REPRESENTATIVE WILSON suggested the committee move the bill with a recommendation that it needs more work.

Number 1713

REPRESENTATIVE OGAN declared that he did not think he could support the passage of House Bill 39 in its present form. He stated that the committee substitute does not do enough. He suggested the committee have a work session where the committee would hear from the public and experts. This session would also be a time in which the committee could see what measures of the original bill can be imposed without such a large fiscal note. This would enable the committee to pass the cost on to the perpetrators of the crimes.

Number 1668

CHAIR KOHRING stated that HB 39 would be held over until Tuesday. He asked the sponsor of the bill to address the committee's concerns at the next meeting. He said that he liked the idea of putting some "real teeth into this thing," in regard to putting the onus on the perpetrators. He stated that the cost of the bill should be passed on as much as realistically possible to the perpetrators, rather than the state's general fund. This would serve a "two-fold purpose." It would keep the fiscal note low, and it might provide the incentive needed to let these people, "who get behind the wheel in a drunken state," know that what they are doing is wrong. It would also tell these people that if they "are going to do that [drink and drive], and commit a crime in the course of your intoxication, you're going to pay a severe penalty." [HB 39 was held over.]

HB 79- Eagle River Veterans' Memorial Highway

CHAIR KOHRING announced the next order of business was HOUSE BILL 79, "An Act designating a portion of the Eagle River Loop Road as the Eagle River Veterans' Memorial Highway."

Number 1532

REPRESENTATIVE PETE KOTT, sponsor of the bill, explained that HB 79 is simply naming a portion of Eagle River Loop Road. For those familiar with Eagle River and the Glenn Highway area, the portion being named starts at the overpass (at the Anchorage Landfill) and ends at the corner of the intersection of Eagle River Road and Eagle River Loop Road (where Walmart stands). Representative Kott also mentioned that one of the newer roads in the Eagle River Area was actually an extension of the Eagle River Loop Road and that a portion of this highway is designated at 55 miles per hour.

REPRESENTATIVE KOTT commented that this bill is a way of honoring the men and women who have served our country. He went on to say, "We are always looking at taking care of our veterans as best we can with the limited resources that we have available." This is one way, with zero costs, of showing gratitude to those who have fought and died while protecting our freedoms. Alaska has a large number of veterans, when one takes into consideration active duty members, reserves, and the International Guard. Currently, Alaska ranks second per capita, behind Wyoming. The Eagle River/Chugiak Area has a particularly high concentration of veterans in comparison to the rest of the state. This bill provides a name for a portion of the Eagle River Loop Road that runs through this area.

CHAIR KOHRING asked if the bill was referring to a co-naming or a renaming of the road.

REPRESENTATIVE KOTT confirmed that this bill is not renaming the road. For example, if people were living on this portion of the road, they would not have to change their post office address or print new business cards.

CHAIR KOHRING asked if there was a fiscal note attached. He also asked if the only additional signs that would be seen on this road would be the blue ones.

CHAIR KOHRING stated that Dennis Poshard from the Department of Transportation and Public Facilities [sitting in the audience] is in agreement about the blue signs.

REPRESENTATIVE KOTT stated that he appreciated the committee's consideration on this bill.

DENNIS POSHARD, Special Assistant, Office of the Commissioner, Department of Transportation & Public Facilities (DOT&PF), stated that this is the second naming bill that has been before the House Transportation Standing Committee this year. He said that he has testified on naming bills for the past four years, including one of Chair Kohring's bills the previous year.

MR. POSHARD voiced his concern that for the last seven years, with the exception of last year, DOT&PF's maintenance budget has been cut. Each year the department has additional burdens placed upon it in terms of the amount of maintenance responsibility it has.

MR. POSHARD stated that DOT&PF supports the legislature's right and ability to name things. The DOT&PF supports HB 79 and believes it to be a worthy cause.

REPRESENTATIVE OGAN asked if it has been a recent trend for the legislature to name roads.

MR. POSHARD stated that in the four years that he has been involved in this area, there have been at least three bills to name roads each year. He pointed out that Titles 35-40 of the statutes contain several locations that have been named through the legislature, including bridges, various roads, and portions of highways. The legislature has named locations for a long time. Although there seems to be a small increase in the number of naming bills each year, it is not a substantial increase.

CHAIR KOHRING noted that he appreciated the sponsor advancing this bill; it is a fitting memorial for veterans.

Number 1293

REPRESENTATIVE OGAN made a motion to move HB 79 from committee with attached fiscal notes and individual recommendations; he requested unanimous consent. There being no objection, HB 79 moved out of the House Transportation Standing Committee.

HB 55- OIL DISCH PREVENTION: NONTANK VESSELS/RR

CHAIR KOHRING announced the next order of business was HOUSE BILL NO. 55, "An Act regarding oil discharge prevention and cleanup involving self-propelled nontank vessels exceeding 400 gross registered tonnage and railroad tank cars and related facilities and operations and requiring preparation and implementation of oil discharge contingency plans for those nontank vessels and railroad tank cars; amending the definition of 'response action' that relates to releases or threatened releases of oil and thereby amending the duties and liabilities of response action contractors; authorizing compliance verification for nontank vessels and for trains and related facilities and operations; and providing for an effective date."

CHAIR KOHRING called an at-ease at 2:20 p.m. The meeting was called back to order at 2:22 p.m.

CHAIR KOHRING pointed out the letter given to committee members from Larry Deitrick, Director of the Division of Spill Prevention and Response. He summarized concerns about HB 55 from

the last meeting. The first issue was industry being governed through the regulatory process. The next concern was hiring new employees. He stated that Larry Deitrick has specially addressed the employee issue in paragraph three [of Mr. Deitrick's letter]. The last issue was the fiscal note. Chair Kohring wondered what impact this program would have on the 470 fund. The 470 fund consists of monies that are generated into a special oil cleanup fund from North Slope Oil; we receive three cents per barrel from that. The concern that the amount of oil going through the pipeline is declining has a direct impact on this program. He stated that there might not be enough money to fund the various programs that are currently relying on these monies. It would take a "third of a million bucks" out of this particular fund for this legislation to be enacted.

CHAIR KOHRING declared that he is not comfortable with the information the committee has received. He explained that it does not satisfy his quest for information concerning how this bill would impact that fund and other programs that are relying on it [the fund].

LARRY DEITRICK, Director of Division of Spill Prevention Response, Department of Environmental Conservation (DEC), explained that the department [DEC] attempted to address some of the concerns brought up at prior meetings. He mentioned that he appreciates the deliberation and consideration the House Transportation Standing Committee has given to House Bill 55.

MR. DEITRICK said in regards to the issue of long-term sustainability, that the Department of Revenue has projections for crude oil flow down the pipeline through 2010. The Department [of Environmental Conservation] accepts these projections "at face value" since they are the official source for the state on oil flow through the pipe. He stated that when one looks at the "out years" compared to the long-term cost of the fiscal note, it comes to \$141,500 a year. This current estimate is roughly over 1 percent of the revenue generated by the three-cent surcharge. This enables the department to conclude that HB 55 would be sustainable under a long-term forecast, at least until 2010. This is the cost that would be in place after going through the startup of the program in FY 03 and FY 04. After that, the program would be in the steady state mode as shown in the fiscal note.

CHAIR KOHRING asked Mr. Deitrick to address the employee issue discussed in the third paragraph on page one of the letter.

Number 0242

MR. DEITRICK stated the department understands the concern about growth in state government. He said that the note has been ratcheted [down] substantially since the task force made the first estimates. He remarked that at this point, assumptions that the task force envisions include the private sector approach coming online. The department has modified its assumptions to take into account that the spill cooperatives, the incident management surfaces, the marine exchange, and the ship's agents will provide the services that were envisioned by the task force as being the way to get this legislation implemented. As a result, the fiscal note will be cut back by converting two employment positions to temporary ones. This is a way of "providing a checkpoint. He said: "after we have FY 03 and 04, those positions won't linger on so to speak." The positions would be changed to accommodate the peak workflow period during the phase in of the program. It was also recommended that the department take stock at the end of that fiscal year, FY 04, and make adjustments as may be appropriate based on the actual workload that comes in.

CHAIR KOHRING remarked that it was commendable that the department lowered the number of employees from eight to two.

CHAIR KOHRING said in regard to regulation and industry that "we were concerned that this might be a opening the door for excessive oversight and control of the maritime industry." He stated that this was brought to the committee's attention by Representative Ogan and his recommendations.

Number 0352

REPRESENTATIVE OGAN brought attention to amendment 22-LS0309\A.3, Chenoweth, 1/25/01, which read:

Page 1, following line 9:

Insert a new bill section to read:

"* Section 1. The uncodified law of the State of Alaska is amended by adding a new section to read:

INTENT. It is the intent of the legislature that the report of the Task Force on Motorized Oil Transport (sec. 5, ch. 128, SLA 2000), the documents the task force used in preparing the report, and the transcripts of the task force meetings be used by the Department of Environmental Conservation as the guidelines for drafting regulations to implement this legislation."

Page 1, line 10:
Delete "* Section 1."
Insert "* Sec. 2."

Renumber the following bill sections accordingly.

Page 6, line 13:
Delete "sec. 7"
Insert "sec. 8"

Page 6, line 14:
Delete "sec. 7"
Insert "sec. 8"

Page 6, line 17:
Delete "sec. 7"
Insert "sec. 8"

Page 6, line 18:
Delete "sec. 7"
Insert "sec. 8"

REPRESENTATIVE OGAN labeled the foregoing Amendment 1. He explained that Amendment 1 would essentially codify the legislative intent into law. It would say that the task force recommendations on motorized oil transport and the documents used in preparing the report shall be used as guidelines for drafting regulations to implement this legislation. He suggested that this amendment would have more force than a letter of intent. If there were regulations that exceeded what the intentions of the task force and legislature were, the industry would be able to make a case before a judge that this was not the legislation's intent. He said that this amendment makes him "a little bit more comfortable with the bill." He mentioned that there seems to be broad support from industry representatives for this amendment.

CHAIR KOHRING commented that he agrees with Representative Ogan's thoughts on the intent of the amendment. He was concerned that HB 55 would not be carried out as far as the legislature's intent. He said that it is not that "we don't trust the agency; it's just there might be a difference of opinion as far as to what extent do we carry the regulatory process."

REPRESENTATIVE OGAN added to Chair Kohring's comments:

The industry wants some rope to hang themselves. I'd like to give them as little rope as possible; so they're asking for rope, we'll give them rope, but no more than they need.

CHAIR KOHRING asked Mr. Deitrick if he had any problems with the amendment.

MR. DEITRICK said the department concurs with the amendment. The department participated in the task force on an "equal footing basis" with the other members. Therefore, the task force report is the department's instruction book for writing the regulation. He said this was a good amendment and that the department can support it.

REPRESENTATIVE WILSON asked if the amendment was deleting the original Section 1 and replacing it with the Section 1 written in the amendment.

REPRESENTATIVE OGAN explained that the amendment is not deleting any sections. It is a technical change through renumbering. The amendment is creating a new Section 1 (on line 3 of the amendment). Line 12 of the amendment conforms the rest of the bill. "Delete *Section 1." means delete the word and replace it with the word "Section 2.," not the actual section 1. He said that the remainder of the amendment deals with renaming as well.
Number -0690

REPRESENTATIVE MASEK made a motion to adopt Amendment 1 with unanimous consent. There being no objection, Amendment 1 was adopted.

CHAIR KOHRING stated that he does not want to move the bill out of committee until his concerns in regard to projections for the 470 fund issue are addressed. He stated that he assumes the Department of Environmental Conservation is currently working with the Senate Finance Committee on this issue. He is concerned that if the 470 fund is substantially depleted, it will take away monies from important programs such as the underground storage tank remediation program. People in the Matanuska-Sitna Valley area have used monies from this program to help finance the replacement of underground storage tanks that have leaked. He said that after the committee receives this information on the 470 fund, they will proceed in possibly moving HB 55 out of committee.

Number -0788

REPRESENTATIVE SCALZI asked if the 3 percent surcharge, which Mr. Deitrick mentioned earlier, is a new fee.

CHAIR KOHRING responded that it was a three-cents-per-barrel surcharge as opposed to a percentage.

MR. DEITRICK explained that the 3 percent surcharge is three cents per barrel on Alaska crude oil production. It was instituted at five-cents a barrel as a result of the Exxon Valdez situation. It was then changed and split from the five-cent to the two-cent and three-cent accounts in 1995.

REPRESENTATIVE SCALZI said he did not phrase his question correctly. He meant to ask if there was additional revenue that was coming out of this. He asked for clarification on Mr. Deitrick's estimate that 1 percent of the standard surcharge for a barrel of oil would cover this cost.

MR. DEITRICK clarified that the three-cent surcharge is the price per barrel that flows through. He explained that the Department of Revenue forecasts current production rates as the volume through the pipe. It generates approximately between nine and ten million dollars a year. In short, the \$140,000 fiscal note for this program is a percentage for the amount generated; the 9.4 million is a little over a percent of that revenue that is generated from the three cent surcharge.

REPRESENTATIVE KOOKESH stated that his first impression was that 1 percent of the 3 percent was going to be taken out, not 1 percent of the total amount that is generated (140,000). He said that it is only 1 percent of the nine-plus millions that are generated; it would take 1 percent of the 3 percent, which would be about three million dollars.

MR. DEITRICK apologized for any confusion on this issue. He reiterated it was 1 percent of the total revenue generated.

CHAIR KOHRING thanked Mr. Deitrick for the letter. He stated that substantial progress on HB 55 is being made, which is encouraging.

CHARLOTTE MACCAY, Senior Administrator, Environmental and Regulatory Affairs, Cominco Alaska Incorporated prepared comments to address the concern on why private industry might be embracing more regulations. She read the following testimony:

The Spot Charter Group has an interesting perspective on non-tanker oil co-regulation. We do not have our own vessels, nor do the vessels used spend much time in Alaska waters. The vessels we use are chosen by availability off the world market. (indisc.) depending on taking whichever vessels are available. Often vessels only come to the same port one or two times. The private industry... of using these vessels has little control or influence on the vessels preparing us for an oil spill or on our action during a spill. We, however, are likely to hold a great responsibility in the cleanup of any such spill.

We also have a public relations and ethical concern regarding the potential for damage that can be caused by the ships we bring into our port. The regulations passed last session provided the users of the (indisc.) that these vessels will be required to (indisc.) adequate oil spill response.

The task force findings will provide us assurance that these oil spills preparations will be adequate, very feasible, very (indisc.) and most importantly, effective. This is a (indisc.) that would have been unlikely to be effectively provided by individuals (indisc.) on a one-time basis on short notice. But the task force findings provide for an agent to have an incident management team and still refund the contractor set up to place the specific oil spill plan.

This way, the ship would often come on just a few days notice and are able to sign into this plan and these preparations in an expeditious manner while ensuring they do have the resources and the authority to commit those resources as needed. The task force also gave recommendations that [provide] substantial reassurance to the agents that they will not be held liable in the consequence of providing these services, (indisc.) they will have the incentive to provide these services and the liabilities will remain with the ship.

Furthermore, by having a regulation in place, the playing field is level in regards to (indisc.) cognitive oil spill prevention. Without a regulation in place, (indisc.) operators would take some of the

cost to replace at an economic disadvantage in the competitive market. With the regulations in place as well as the similar regulations already in place in the other (indisc.), no operator will be put at an economic disadvantage by being prepared for an oil spill from these ships. Furthermore there are many options for (indisc.) including fleet plans, (indisc.)

TAPE 01-10, SIDE A
Number 0001

... and, therefore, we strongly urge that the task force recommendations in this bill move forward. Thank you very much.

[HB 55 was held over.]

ADJOURNMENT

Number 0050

CHAIR KOHRING adjourned the House Transportation Standing Committee meeting at 2:43 p.m.