

ALASKA STATE LEGISLATURE  
**SENATE RESOURCES COMMITTEE**

January 22, 2001  
3:45 p.m.

**MEMBERS PRESENT**

Senator John Torgerson, Chair  
Senator Drue Pearce, Vice Chair  
Senator Pete Kelly  
Senator Robin Taylor  
Senator Kim Elton  
Senator Georgianna Lincoln

**MEMBERS ABSENT**

Senator Rick Halford

**COMMITTEE CALENDAR**

SENATE BILL NO. 16

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

MOVED SB 16 OUT OF COMMITTEE

SENATE CONCURRENT RESOLUTION NO. 1  
Relating to Avalanche Awareness Month.

MOVED SCR 1 OUT OF COMMITTEE

**PREVIOUS COMMITTEE ACTION**

SB 16 - See Resources minutes dated 1/17/01.

SCR 1 - No previous action to record.

**WITNESS REGISTER**

Mr. Larry Dietrick, Director  
Division of Spill Prevention and Response  
Department of Environmental Conservation (DEC)  
410 Willoughby Ave., Ste. 105  
Juneau AK 99801

**POSITION STATEMENT:** Commented on SB 16.

Mr. George Capacci, General Manager  
Marine Highway System  
Department of Transportation &  
Public Facilities  
3132 Channel Dr.  
Juneau, AK 99801-7898

**POSITION STATEMENT:** Commented on SB 16.

Mr. Paul Fuhs  
Technical Advisor to the Task Force on Marine Issues  
No address provided

**POSITION STATEMENT:** Commented on SB 16.

Mr. Jerry Burnett  
Aide to Senator Lyda Green  
State Capitol Bldg.  
Juneau AK 99821

**POSITION STATEMENT:** Commented on SCR 1.

Ms. Aedene Arthur  
HC 33 Box 7300  
Palmer AK 99645

**POSITION STATEMENT:** Supported SCR 1.

**ACTION NARRATIVE**

**TAPE 01-01-02, SIDE A**

Number 001  
#SB16

**SB 16-OIL DISCH PREVENTION: NONTANK VESSELS/RR**

**CHAIRMAN JOHN TORGERSON** called the Senate Resources Committee meeting to order at 3:45 p.m. and announced SB 16 to be up for consideration. He noted that two fiscal notes had arrived from the Marine Highway System and the Department of Environmental Conservation.

**MR. LARRY DIETRICK**, Director, Division of Spill Prevention and Response, said the total number of plans was based on the number of financial responsibility applications the state had received since

SB 273 went into affect last September and totals about 500 plans covering about 900 vessels. He assumed that the shore-based companies, the marine exchange, the spill co-ops, and the ships' agencies were being very optimistic that the streamlined plan would be the dominant one chosen by all these vessels. That is the desire of the Task Force. However, they kept the option open for a variety of other plans. Based on this, the Department estimated that it would take two people to sustain the program. They inserted a measurement point at the end of FY04, so they can make adjustments based on actual applications at that point in time.

MR. DIETRICK explained that the fiscal note starts by funding one person for one year who would put the program together and develop regulations. That person would also flesh out the training and prevention credit programs. There will be registration of primary response action contractors, working with the coops, the marine exchange, and other entities that will come on line to provide the services called for by the bill.

MR. DIETRICK explained that in FY03 the actual plans start "coming in the door" and the division would be reviewing all of the plans on a staggered basis. The report calls for them to stamp all the plans "approved" as they come in the door and to do the detailed reviews in a staggered fashion to even out the workload. In FY03 - 04 two temporary people will help do the reviews. He envisions an ample amount of technical assistance in helping vessel owners get their packages together. The end of FY04 is also the point in time when the equipment capitalization has to be completed and then the division would drop back down to two people for the long run. They would also take stock at the end of '04 to see if adjustments need to be made.

Number 440

SENATOR TAYLOR asked about the funding source.

MR. DIETRICK answered that the Task Force report recommends that there be no user fees charged for the group. The basic direction given was toward the response fund and has a three-cent surcharge.

SENATOR TAYLOR asked what the cost was of operating the marine exchange.

Number 547

MR. DIETRICK replied that the marine exchange evolved out of the Task Force work. It's a one-stop source for all vessels plying Alaska's waters. It's a source one can go to to get any service

one might need from a propeller repair to meeting the response planning standards. It is planned to be a nonprofit corporation and a board of directors has already been selected as well as an executive director. It is scheduled to start April 1, 2001.

SENATOR TAYLOR said he was concerned that everyone in the private sector who might possibly spill anything would have to get into this organization.

SENATOR PEARCE noted that "there are a number of spill response entities. They don't have to go to the marine exchange."

CHAIRMAN TORGERSON asked Mr. Dietrick if he had "looked at" the \$3,500 annual membership fee.

MR. DIETRICK said that he had and Mr. Fuhs would explain those costs further.

Number 848

MR. GEORGE CAPACCI, General Manager, Alaska Marine Highway System, said SB 16 requires the DOTPF to have approved oil discharge c-plans for the system vessels in place. The primary cost to DOTPF will be the contracts with oil spill primary response action contractors. The Marine Highway has Coast Guard approved shipboard oil pollution and emergency plans(SOPEP) and an incident command system required by the International Safety Management Code. They will not have to contract for incident management team services because they could be done in-house.

For the seven vessels in Southeast Alaska there is an annual membership fee of \$4,000 based on the amount of fuel that is carried in their hulls. In Southwest Alaska there is a one-time initiation fee and a \$16,000 fee based on the three ships that would be operating there.

MR. CAPACCI noted that these figures were based on some quotes from oil spill response contractors using today's rates, which are expected to go down when more members join the cooperative. He has assumed the c-plans and contracts would not be required until FY03.

CHAIRMAN TORGERSON asked if vessel owners pay their dues to the marine exchange.

MR. CAPACCI answered that the fees are paid to the different contractors.

MR. PAUL FUHS, consultant to the Task Force on Marine Issues,

explained further that the Alaska Marine Highway has incident command and has access to the DEC's incident command. There are two sides to a cleanup - one is equipment and a spill response contract and the other is the incident command team. Someone has to be qualified to coordinate the effort and keep track of funds being spent. DEC has enough in house expertise to do that. The marine exchange was formed as a nonprofit corporation to make it cost effective for people who don't have expertise. A system needs to be in place so that when vessels come to Alaska, they can comply with the law and also keep costs down.

Number 932

SENATOR LINCOLN asked why the fiscal note "assumed" the funding would come from the state's Oil Spill Response Fund.

MR. DIETRICK answered that the Department made that assumption when they put the package together for SB 273.

CHAIRMAN TORGERSON added that it fits the mandate for the Oil Spill Response Fund and the assumption is, therefore, correct. The total cost of the fully implemented bill is around \$330,000 in FY03.

SENATOR LINCOLN said she wanted some assurance regarding the Alaska Railroad's concern about the inspections being done by a qualified inspector.

MR. DIETRICK answered that according to Phyllis Johnson, Alaska Railroad general counsel, the Railroad was a Task Force member and had participated all along the way. She worked with Breck Tostevin, Department of Law, to see if there was need for an amendment, but there wasn't.

CHAIRMAN TORGERSON asked if he had received a letter stating that.

MR. DIETRICK answered no he hadn't, but he would be glad to get one if the committee wanted it.

Number 1148

SENATOR PEARCE moved to pass SB 16 from committee with the two fiscal notes with individual recommendations. There were no objections and it was so ordered.

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#SCR1

**SCR 1-AVALANCHE AWARENESS MONTH**

CHAIRMAN TORGERSON announced SCR 1 to be up for consideration. He recommended two amendments. One was that the resolution be sent the Governor, since he declared the proclamation. The other one is to change "Major Randy Crawford" to "Colonel Randy Crawford."

MR. JERRY BURNETT, Aide to Senator Lyda Green, sponsor of SCR 1, explained that Major Crawford had been promoted to Colonel after the bill had been drafted. He noted that as many as 14 people had been killed in a year in avalanches in Alaska, although this year there has been only one. They hoped participation in avalanche safety programs would increase and that it would result in the saving of lives in the winter. The Backcountry Avalanche Awareness Response Team (BAART) brought the need for the resolution to their attention.

CHAIRMAN TORGERSON noted that the misspelling of Ms. Arthur's name on page 2, line 4 was another technical amendment and asked her how it was spelled.

MS. AEDENE ARTHUR gave him the correct spelling and explained that she got started in this movement because she lost her son, Aaron Arthur, in the Turnagain Pass avalanche of March 1999 along with five other Alaskans. She was speaking on behalf of the recently formed Mat-Su Emergency Search and Rescue Council and BAART. Their three main goals are to promote avalanche awareness and urge people to have basic avalanche gear of beacon, clothes, and a shovel. When the Council united with BAART, their goal became to collaborate and coordinate efforts in education, training, and other efforts to help rescue efforts. If it weren't for volunteers, no matter where people were lost in Alaska, there would be no searches. She said that in 1999 there were 14 people killed in avalanches and in 2000 there were five. It is hard to measure progress when you are measuring prevention, but people have reported to her that others are using a beacon, clothes, and shovel. The word needs to be spread through all the areas in Alaska that are prone to avalanches so there are no more injuries and death. In the long run it saves money, because rescuers are not being sent out to help people.

Number 1654

SENATOR TAYLOR moved to pass SCR 1 from committee with individual recommendations. There were no objections and it was so ordered.  
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CHAIRMAN TORGERSON adjourned the meeting at 4:13 p.m.