

**ALASKA STATE LEGISLATURE**  
**SENATE LABOR AND COMMERCE STANDING COMMITTEE**

March 24, 2015

1:30 p.m.

**MEMBERS PRESENT**

Senator Mia Costello, Chair  
Senator Cathy Giessel, Vice Chair  
Senator Kevin Meyer  
Senator Gary Stevens  
Senator Johnny Ellis

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

SENATE BILL NO. 86

"An Act relating to a refined fuel surcharge; relating to the motor fuel tax; relating to a qualified dealer license; and providing for an effective date."

- HEARD & HELD

**PREVIOUS COMMITTEE ACTION**

BILL: SB 86

SHORT TITLE: REFINED FUEL SURCHARGE; MOTOR FUEL TAX

SPONSOR(S): SENATOR(S) MICCICHE

03/20/15	(S)	READ THE FIRST TIME - REFERRALS
03/20/15	(S)	L&C, FIN
03/24/15	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)

**WITNESS REGISTER**

SENATOR PETER MICCICHE  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Sponsor of SB 86.

LARRY SEMMENS, Staff  
Senator Peter Micciche

Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Delivered a sectional analysis of SB 86.

LARRY HARTIG, Commissioner  
Department of Environmental Conservation (DEC)  
Juneau, Alaska

**POSITION STATEMENT:** Provided supporting testimony for SB 86.

KRISTIN RYAN, Director  
Division of Spill Prevention and Response  
Department of Environmental Conservation (DEC)

**POSITION STATEMENT:** Provided supporting testimony and reviewed the DEC fiscal note for SB 86.

KEN ALPER, Director  
Tax Division  
Department of Revenue (DOR)  
Juneau, Alaska

**POSITION STATEMENT:** Reviewed the DOR fiscal note for SB 86.

DOUGLAS MERTZ  
Prince William Sound Regional Citizens Advisory Council  
Juneau, Alaska

**POSITION STATEMENT:** Testified in support of SB 86.

KARA MOIARTY, President and CEO  
Alaska Oil and Gas Association (AOGA)  
Anchorage, Alaska

**POSITION STATEMENT:** Testified that AOGA does not oppose SB 86.

AVES THOMPSON, Executive Director  
Alaska Trucking Association

**POSITION STATEMENT:** Testified in support of SB 86.

#### **ACTION NARRATIVE**

[1:30:23 PM](#)

**CHAIR MIA COSTELLO** called the Senate Labor and Commerce Standing Committee meeting to order at 1:30 p.m. Present at the call to order were Senators Giessel, Ellis, and Chair Costello. Senators Meyer and Stevens joined the committee during the course of the meeting.

#### **SB 86-REFINED FUEL SURCHARGE; MOTOR FUEL TAX**

[1:30:55 PM](#)

CHAIR COSTELLO announced the consideration of SB 86. "An Act Relating to a refined fuel surcharge; relating to the motor fuel tax; relating to a qualified dealer license; and providing for an effective date."

[1:31:44 PM](#)

SENATOR PETER MICCICHE, Sponsor of SB 86, introduced the legislation speaking to the following sponsor statement:

The Oil and Hazardous Substance Release Prevention and Response Fund (Response Fund) was created to provide a reliable source of funding for the Department of Environmental Conservation's (DEC) activities related to oil spill response and prevention.

The Response Fund has been financed with a five cent per-barrel surcharge on oil produced.

Decreasing oil production has resulted in a decline of revenue available to pay for spill prevention and cleanup work. The prevention account which receives \$.04 cents per barrel, no longer has enough revenue to cover essential activities resulting in the need for an immediate solution that fixes the problem for future years as well.

A variety of industries and individuals spill oil and hazardous substances, including private homeowners, mines, fuel shippers, boat owners, village tank farms and the aviation industry to name a few. The majority of spills the State responds to are refined fuels. For example, in fiscal year 2014, of the 2,028 spills reported, 1,525 were refined fuel spills. According to Kristin Ryan, the Director for the Division of Spill Prevention and Response, 75-80% of active contaminated sites in Alaska are also the result of refined fuel spills. This bill distributes prevention and response costs across all users of refined fuel that are causing these response and cleanup efforts.

This bill proposes a surcharge of .8 cents per gallon on refined fuels distributed in the state. Fuel distributors already file and pay taxes on motor fuels each month. This bill anticipates that the surcharge will be collected from the same distributors and reported on the same forms, reducing implementation

costs and maximizing efficiency for both the payers and the State. All funds collected will be deposited in the Response Fund's Prevention Account.

It is very important to the protection of Alaska's human and environmental health to have adequate funds available for spill prevention and response activities. This is the right time to broaden the base of support for this critical program. An eight tenths of a cent per gallon surcharge is a reasonable price to pay to fund these activities. Please join me in passing this bill.

[1:34:03 PM](#)

SENATOR MEYER joined the committee.

SENATOR MICCICHE reported that there is intent language in the budget to cover the FY15 \$800,000 shortfall by allowing a one-time switch between funds.

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LARRY SEMMENS, Staff, Senator Peter Micciche, read the following sectional analysis written by Legislative Legal Services:

Section 1 amends AS 43.05.230(g) by adding qualified dealer license information to the list of license information that is public.

Section 2 adds a new surcharge, a refined fuel surcharge, to AS 43.40, lists exemptions to the surcharge, and states that legislature may appropriate the balance of the surcharge to the oil and hazardous substance release prevention account of the oil and hazardous substance release prevention and response fund.

Section 3 amends AS 43.40.010(a), the motor fuel tax, to conform to the addition of the refined fuel surcharge in sec. 2.

Section 4 amends AS 43.40.010(b), the motor fuel tax, to conform to the addition of the refined fuel surcharge in sec. 2.

Section 5 amends AS 43.40.010(e) to specify that AS 43.40.010(e) applies only to the motor fuel tax and not to the refined fuel surcharge.

Section 6 replaces repealed AS 43.40.010(c), that applied only to the motor fuel tax, with a new statutory section AS 43.40.013, that sets the schedule for remittance of the refined fuel surcharge and the motor fuel tax, and allows a deduction from the amount owed for the expense of filing a return.

Section 7 amends AS 43.40.015(c) to specify that the certificate of use requirement in 43.40.015 applies only to the motor fuel tax.

Section 8 amends AS 43.40.015(d) to specify that the certificate of use requirement in AS 43.40.015 applies only to the motor fuel tax.

Section 9 amends AS 43.40.030, related to the refund of the motor fuel tax for nonhighway use, to clarify that AS 43.40.030 applies only to the motor fuel tax.

Section 10 amends AS 43.40.035(a), relating to refunds for resales, to include the new refined fuel surcharge in AS 43.40.

Section 11 amends AS 43.40.035(c), relating to federal fuel purchase with a credit card to include the new refined fuel surcharge in AS 43.40.

Section 12 amends AS 43.40.050(b), relating to the timing and waiver of a tax or surcharge refund to include the new refined fuel surcharge in AS 43.40.

Section 13 amends AS 43.40.060, relating to the issuance of separate invoices related to a refund claim, to include the new refined fuel surcharge in AS 43.40.

Section 14 amends AS 43.40.070, related to the refund of the motor fuel tax from the highway fuel tax account, to clarify that AS 43.40.070 only applies to the motor fuel tax.

Section 15 adds a new subsection to AS 43.40.070 requiring that the department refund the refined fuel surcharge from the oil and hazardous substance release prevention account of the oil and hazardous substance release prevention and response fund.

Section 16 amends AS 43.40.080(a), relating to determining the validity of a refund claim to include the new refined fuel surcharge in AS 43.40.

Section 17 amends AS 43.40.085, requiring dealers and users of fuel to maintain records relating to sales of fuel for three years, to include the new refined fuel surcharge in AS 43.40.

Section 18 amends AS 43.40.092(a), relating to a motor fuel exemption for certain jet fuels, to specify that the subsection applies only to the motor fuel tax.

Section 19 adds a new section, AS 43.40.094, creating a qualified dealer license in statute.

Section 20 amends the definition of "dealer" AS 43.40.100(1) to include the new refined fuel surcharge in AS 43.40.

Section 21 amends the definition of "qualified dealer" AS 43.40.100(3) to include the new refined fuel surcharge in AS 43.40.

Section 22 amends the definition of "user" AS 43.40.100(4) to include the new refined fuel surcharge in AS 43.40.

Section 23 adds a definition for "refined fuel" to AS 43.40.100.

Section 24 repeals AS 43.40.010(c).

Section 25 provides transition language for regulations related to qualified dealer licenses.

Section 26 provides an effective date of July 1, 2015.

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SENATOR MEYER noted that oil production is dropping and suggested raising the surcharge from .8 cent to a penny to avoid having to address the matter again in the next several years.

SENATOR MICCICHE offered his belief that the funding is more than adequate at .8 cents, even taking into account the exemptions that will likely occur. The hope is that production

will increase but if it doesn't the surcharge is adequate for a few years. "We don't believe in providing more than adequate funding for the program," he said.

SENATOR MEYER suggested that any surplus from a one cent surcharge could perhaps be used to maintain roads. He referenced the number of refined fuel spills last year and asked what other types of spills occur.

SENATOR MICCICHE replied there are many types of spills including dry cleaning solution, battery acid and glycol. He explained that SB 86 is about providing a solution to the short funding of the Spill Prevention and Response (SPAR) fund. It's a surcharge, not a tax for transportation.

SENATOR MEYER offered his belief that the spill causer should pay for the cleanup and observed that the state either isn't collecting from those who are creating spills or it isn't collecting enough or it doesn't know who is causing the spill. He asked which it is.

SENATOR MICCICHE responded that the Department of Environmental Conservation (DEC) has the authority to hold responsible the person that caused the spill, but the fund is most useful in smaller spills where people do not have the ability to pay or it's unclear who created the spill. He cited examples.

He reminded the committee that the five cent per-barrel assessment was based on the level of risk for the industry in 1990 when the Oil Spill Prevention Act passed. Since then the level of risk has dropped dramatically for several reasons including increased pipe inspection, double-hulled tankers, enhanced sea plans, and lower production. At the same time the industry initiated spill response measures like the Prince William Sound Regional Citizens Advisory Council and Cook Inlet Regional Citizens Advisory Council to respond to spills and their annual investment is about \$170 million.

[1:46:12 PM](#)

SENATOR MEYER asked who is causing the spills that aren't being collected.

SENATOR MICCICHE said the majority come from things like boat storage yards, home heating spills, dry cleaning spills, and mines. He said these funds are used for those types of spills as well as prevention. He expressed the desire for DEC to increase

awareness to the small things that can be done to reduce the likelihood of a spill.

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SENATOR STEVENS joined the committee.

CHAIR COSTELLO, noting that the SPAR fund has been underfunded for some time, asked if there have been past efforts to address the shortfall and why they weren't successful.

SENATOR MICCICHE said his understanding is that previous legislation asked for an increase in per-barrel charges and that might have to do with the resistance. He said he calls the .8 cents per gallon a surcharge because it will likely trickle down from the distributor level. This matter came to his attention this year because he wanted the re-appropriations to go back into the general fund. He said the state is not causing the spills and he believes the surcharge should target the people who are responsible for the spills.

CHAIR COSTELLO asked if the rationale for the bill is that the people responsible for the spills should be contributing to the fund, which hasn't happened since the SPAR fund was created.

SENATOR MICCICHE agreed and reiterated that the fund pays for spills where people don't have the ability to pay or are long gone. Everybody contributes so the cost is spread fairly across all users of refined fuels in the state.

CHAIR COSTELLO asked if he calculated the .8 [cents per gallon] surcharge based on the overall usage in Alaska.

SENATOR MICCICHE offered his belief that .8 cents delivers between \$7-8 million per year with exemptions for international flights and state purchases.

CHAIR COSTELLO asked him to list the exemptions.

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MR. SEMMENS read the following exemptions listed in Section 2 on page 2, lines 1 - 7.

- (1) fuel sold to a federal government agency for official use;
- (2) fuel refined and used outside the United States;
- (3) liquefied petroleum gas;

- (4) fuel sold for use in jet propulsion aircraft operating in flights
  - (A) to foreign countries; or
  - (B) that continue from foreign countries;
- (5) fuel sold or transferred between qualified dealers.

CHAIR COSTELLO asked if the record keeping requirement in Section 17 is onerous.

SENATOR MICCICHE replied his office worked extensively with Department of Environmental Conservation (DEC) and the Department of Revenue (DOR) on the forms to avoid a fiscal note. "This just adds an extra box for the fuel that will be paying the .8 cents."

CHAIR COSTELLO asked if there is any resistance to the legislation and who he reached out to when working on the bill.

SENATOR MICCICHE replied he has not heard any objection and letters of support are on the way from the response organizations. They spoke to the Alaska Oil and Gas Association (AOGA) and the State Chamber of Commerce and both wanted a little more information before commenting on the bill.

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SENATOR STEVENS asked if he expects the \$7-8 million to remain consistent over the years.

SENATOR MICCICHE explained that it is not based on the price of fuel, it's a per gallon charge so it should be fairly stable. He suggested the department might have a different view.

SENATOR MEYER asked if the military would be exempt.

MR. SEMMENS confirmed that the military would qualify under the federal government exemption.

SENATOR MEYER asked if the sponsor or DEC came up with the exemptions.

MR. SEMMENS replied it was in cooperation with DEC and the drafters.

SENATOR MEYER questioned why the federal government should be exempted.

MR. SEMMENS offered his understanding that any fuel delivered to the federal government is not eligible for this surcharge.

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SENATOR GIESSEL asked why the state isn't listed in the exemptions because it was mentioned in the introduction.

MR. SEMMENS replied the forthcoming CS will address that issue.

[1:57:46 PM](#)

LARRY HARTIG, Commissioner, Department of Environmental Conservation (DEC), stated that there has been a need for years to make the SPAR fund sustainable otherwise it will be necessary to severely cut services. Services to villages will be cut and training reduced. The timing is critical because the budget does not address the \$7 million shortfall for next year.

KRISTIN RYAN, Director, Division of Spill Prevention and Response, Department of Environmental Conservation (DEC), said DEC is doing what it can to improve cost recovery efforts, including an automated billing system to bill monthly. There are situations where DEC is unable to recover costs, but it does recover all its costs associated with industry-related oil spill incidents. DEC recovers all its costs from any entity that the state regulates or has the financial responsibility to have an insurance policy to cover recovery costs. The issue is the small community that DEC does not regulate and the small spills by entities that don't have the financial responsibility to carry an insurance policy for a home heating oil tank. DEC is working to resolve this issue so that people can get the coverage they need for those situations. SB 86 targets these situations.

CHAIR COSTELLO asked for an explanation of the fiscal note.

MS. RYAN said DEC submitted a zero fiscal note because implementing the legislation will not increase costs to the division. She deferred to Mr. Alper to discuss the fiscal note that addresses the revenue that would be generated and the one to implement the legislation.

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KEN ALPER, Director, Tax Division, Department of Revenue (DOR), explained that the DOR revenue fiscal note estimates the dollar value of what would be generated by the bill beginning in FY16. The analysis explains the mechanism that was used to come up with the figures. He apologized that while the fiscal note was

prepared and received by the companion legislation, he didn't see it here today.

CHAIR COSTELLO said he could explain it when the fiscal note is in front of the committee.

MR. ALPER stated agreement with the sponsor that the FY16 estimated revenue stream is \$7.7 million. When it is revised to include the exemption of sales to state entities it could be in the range of \$7.5 million.

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SENATOR MEYER asked Ms. Ryan if the division sends DEC employees to clean up spills or relies on contractors.

MS. RYAN replied it depends on the event. For example, the division is sending a responder to the truck rollover on the Dalton Highway. The trucking firm that is responsible for the spill has an insurance policy and already has a contract with a responder so the division is taking an oversight role to ensure that the contractor is cleaning the spill adequately. She noted that spills over creeks are more serious situations than over dry land, and spills on the pipeline right of way are also sensitive. Every incident is different. Small spills in villages may be treated without the division going to the scene, but for larger spills the division has to send a response person/team and sometimes hire a contractor. If there is imminent threat to the environment or human health and a responsible party can't be found, DEC has the authority to take over the cleanup. She emphasized that that is not the preferred approach.

CHAIR COSTELLO asked Ms. Ryan to provide the overview that was given to the Resources Committee because it will help give the history of the fund.

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SENATOR MEYER asked how many employees are dedicated to spill response.

MS. RYAN said there are about 160 employees in the Division of Spill Prevention and Response. They are currently divided into three units but will be consolidated into two main units. One will deal with contaminated sites, which is long term and can take years to resolve. The other is the emergency response unit. This unit will also do contingency planning, work with the regulated companies to be prepared in the event of a spill, and help unregulated entities through the process.

SENATOR MEYER surmised that spills do not occur all the time and asked if it wouldn't be wise to contract services for spill response instead of using state employees who may or may not be busy all the time.

MS. RYAN clarified that DEC does contract and tries to rely on the private sector to the extent possible. She explained that she is combining the planning unit with the responding unit because she wants the responders to be working on planning efforts when they are not responding. She continued to explain that, "We've reduced five positions and \$500,000 from our budget in the FY16 budget cycle as a reflection of the efficiencies we're going to gain by combining my planning unit with my response unit."

[2:07:43 PM](#)

SENATOR STEVENS asked if the estimated \$7-8 million per year is sustainable and if it will be enough as production declines.

MR. ALPER clarified this surcharge is based on oil consumption in the state, not oil production from the North Slope. This bill amends the existing AS 43.40, Alaska's motor fuel excise tax. This surcharge applies to the four motor fuels that are currently taxed and adds the broader spectrum of refined fuels.

SENATOR STEVENS deduced that the \$7-8 million will be sustained.

MR. ALPER said the expectation is for small growth over time as the economy grows. The fiscal note estimates 2 percent growth per year. He advised that the amount of refined fuel on which the taxes are currently paid is a little over 600 million gallons per year. Taxes are not paid on another billion gallons a year due to existing exemptions in statute so somewhere in between is the tax base for this new surcharge.

CHAIR COSTELLO asked if he is confident that the estimate will satisfy the need.

MR. ALPER pointed out that DOR's job is to collect and administer the taxes. He believes the fiscal note is correct, but he isn't the best person to say whether it is sufficient to meet the needs of the SPAR fund multiple years from now.

MS. RYAN said the current fund deficit is \$7 million and this legislation will generate that amount. Oil production is the division's other source of revenue so she may be back if

production continues to decline. However, she is motivated to do whatever possible to reduce costs and extend the life of this increment.

CHAIR COSTELLO asked if she sees the state being responsible for the group of users that are exempt from this surcharge.

MS. RYAN answered yes; there are spills and contaminated sites associated with those user groups. The federal government spills and federal funds are used to recover most but not all costs. The state also owns many contaminated sites and causes many spills. She said the sponsor, DOR and DEC worked to keep the exemptions to a minimum, most are required by law.

CHAIR COSTELLO asked what percent of the division's budget is represented by the \$7 million.

MS. RYAN replied the total division budget is about \$19 million; \$8 million is federal funds that come from oversight of contaminated sites and the remainder is the response fund. The department uses a portion of the response fund for administrative overhead.

SENATOR MEYER asked if the division is monitoring the legacy wells on the North Slope that have been there since the 1940s and haven't been cleaned up.

MS. RYAN said the division is working with the Bureau of Land Management (BLM) to get resolution on those sites. Fortunately, federal law requires federal agencies to comply with state law. That distinction gives the state considerable power and they try to use it as effectively as possible.

[2:15:47 PM](#)

SENATOR GIESSEL highlighted that the Senate Resources Committee last year coined the term travesty wells as opposed to legacy wells.

SENATOR ELLIS recognized that this is the anniversary of the Exxon Valdez hitting Blight Reef. He spoke to the tragedy, the discussion in the legislature about a modest adjustment in the economic limit factor (ELF) tax regime. The other factor that affects this discussion is the five cent per-barrel surcharge on production for a response fund. The oil industry lobbyists and oil executives basically said they have insurance to deal with spills. He extended credit to the sponsors for the effort to broaden the tax base. He said he appreciates being here today

and being given the opportunity to replenish the spill response fund, which is long overdue.

CHAIR COSTELLO opened public testimony.

2:19:00 PM

DOUGLAS MERTZ, Prince William Sound Regional Citizens Advisory Council (PWSRCAC), advised that this organization came about in the wake of the 1989 Exxon Valdez oil spill, and has since become a leading expert in this area. He related his work specializing in oil spill response including representing the administration on the working group that came up with the strategy that places the burden on the crude industry when there's a spill. This was eventually implemented in statute.

MR. MERTZ said PWSRCAC's position is that it is essential to address the funding shortfall in the SPAR fund. Lessons from the Exxon Valdez made it clear that it is imperative to have a robust system in place to prevent spills and to respond immediately when one occurs. Twenty-five years later it makes sense to spread the burden for spill prevention and recovery to the refined industry because refined products are a large part of the problem. He reminded the members that prevention is funded by the surcharge on refined fuel and response is funded by another surcharge that created a \$50 million fund. However, \$50 million in 1991 is roughly equivalent to \$32 million or \$33 million today due to inflation. "So we are in a less capable position now to respond to major spills than we were 25 years ago," he said. Over time that will get worse if the \$50 million is not inflation adjusted. For that reason PWSRCAC recommends either inflation proofing the response fund or increasing the corpus of that fund so it is equivalent to what the legislature intended in 1990 and 1991. He acknowledged that is not part of this bill.

MR. MERTZ concluded that SB 86 is a good and necessary bill for spill prevention and PWSRCAC supports it wholeheartedly.

SENATOR MEYER asked if the \$50 million fund is drawing interest.

MR. MERTZ answered yes, but the interest is deposited in the prevention fund.

SENATOR MEYER suggested instead depositing the interest in the response fund.

MR. MERTZ responded that it's a zero sum game because the prevention fund would lose the money.

SENATOR MEYER said he understands.

2:24:17 PM

KARA MOIARTY, President and CEO, Alaska Oil and Gas Association (AOGA), stated that AOGA is the professional trade association whose mission is to foster the long-term viability of the oil and gas industry for the benefit of all Alaskans. She clarified that AOGA was not involved in crafting SB 86, but had frequent conversations with Commissioner Hartig and Director Ryan. She explained that because this is a tax matter she needed unanimous consent from AOGA members before she could appear before the committee to testify. She listed the members noting that it includes both the producers and the refineries in the state of Alaska.

She reminded the members that Alaska has had some sort of cleanup fund in place since 1976. During the construction of the Trans Alaska Pipeline System (TAPS) it was called the Coastal Protection Fund. Over time the fund became the Oil Spill Mitigation account, the Oil Spill Response account, and in 1986 it was enshrined in statute as the Oil and Hazardous Substance Prevention and Relief Response Fund. The industry refers to it as the 470 Fund, which was the number of the bill.

MS. MOIARTY highlighted that AOGA has long supported fair and equitable efforts to ensure that the state of Alaska is financially prepared in the event of a spill. She said the oil and gas industry, as well as some others, repay costs associated with the response if an incident occurs, but the oil and gas industry is the only industry that has been assessed a specific surcharge for the purposes of the 470 Fund. Over the last 25-26 years the oil and gas industry has contributed, through the surcharge, more than \$350 million to the 470 Fund. She reported that in 1984 AOGA supported the legislation that split the surcharge into the separate prevention and response accounts, and did not oppose the modification to the surcharge in 2005 because the tax remained five cents per barrel.

MS. MOIARTY pointed out that despite the stated purpose of the surcharge, previous administrations and legislatures allowed the fund to be used for things that were not spill related. She listed the examples of campgrounds, state airports, tank farm remediation, privately-owned green houses, and new ferries. She commended DEC and this legislature for no longer appropriating

those types of expenditures, but posited that the corpus of the fund may have been unnecessarily reduced by those past appropriations.

MS. MOIARTY emphasized that the oil and gas industry spends a great deal of money to prevent oil spills. It is required by state and federal regulations to have contingency plans in place; spill response equipment is available and properly prepared and drills are conducted. The industry also supports organizations like PWSRCAC and nonprofit response cooperatives in Cook Inlet, the North Slope, and Prince William Sound.

MS. MOIARTY stated that AOGA endorses the position that the Oil and Gas Transition Team adopted in November 2014, which advocated for the state to utilize other revenue sources before increasing the surcharge on the oil and gas industry. SB 86 does that by broadening the contributing efforts of others that use the fund services. AOGA advocates for DEC to continue to identify efficiencies and will work with the department to find reductions without diminishing the state's strong oversight and regulation of the industry. She said AOGA also encourages the state to fine tune policies to assist the state in recovering costs from other users, because only 30 percent of those costs are currently recovered.

MS. MOIARTY concluded that AOGA is not opposed to SB 86.

[2:31:50 PM](#)

AVES THOMPSON, Executive Director, Alaska Trucking Association (ATA), stated that ATA is a statewide organization that represents the interests of its 200 member companies that truck freight statewide from Barrow to Ketchikan. He reviewed the provisions of SB 86 and stated that ATA supports the bill because the surcharge will be used as a specific stated purpose and not absorbed into the general fund. He clarified that he was speaking only for the trucking mode of transportation, not any others.

CHAIR COSTELLO closed public testimony and stated she would hold SB 86 in committee awaiting a committee substitute and the complete fiscal note package.

[2:35:12 PM](#)

There being no further business to come before the committee, Chair Costello adjourned the meeting at 2:35 p.m.