

**ALASKA STATE LEGISLATURE
HOUSE TRANSPORTATION STANDING COMMITTEE**

April 25, 2023

1:02 p.m.

MEMBERS PRESENT

Representative Kevin McCabe, Chair
Representative Sarah Vance, Vice Chair
Representative Tom McKay
Representative Craig Johnson
Representative Jesse Sumner
Representative Louise Stutes
Representative Genevieve Mina

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 128

"An Act relating to the definition of 'oil terminal facility.'"

- MOVED CSHB 128(TRA) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HB 128

SHORT TITLE: OIL TERMINAL FACILITY

SPONSOR(S): TRANSPORTATION

03/22/23	(H)	READ THE FIRST TIME - REFERRALS
03/22/23	(H)	TRA
03/30/23	(H)	TRA AT 1:00 PM BARNES 124
03/30/23	(H)	Heard & Held
03/30/23	(H)	MINUTE(TRA)
04/18/23	(H)	TRA AT 1:00 PM BARNES 124
04/18/23	(H)	Heard & Held
04/18/23	(H)	MINUTE(TRA)
04/20/23	(H)	TRA AT 1:00 PM BARNES 124
04/20/23	(H)	Heard & Held
04/20/23	(H)	MINUTE(TRA)
04/25/23	(H)	TRA AT 1:00 PM DAVIS 106

WITNESS REGISTER

CRYSTAL KOENEMAN, Legislative Liaison
Department of Environmental Conservation
Juneau, Alaska

POSITION STATEMENT: Provided information on the fiscal note for HB 128.

ACTION NARRATIVE

[1:02:47 PM](#)

CHAIR KEVIN MCCABE called the House Transportation Standing Committee meeting to order at 1:02 p.m. Representatives McKay, Vance, Stutes, Sumner, and McCabe were present at the call to order. Representatives Mina and C. Johnson arrived as the meeting was in progress.

HB 128-OIL TERMINAL FACILITY

[1:03:27 PM](#)

CHAIR MCCABE announced that the only order of business would be HOUSE BILL NO. 128, "An Act relating to the definition of 'oil terminal facility.'" [Before the committee, adopted as the work draft on 4/20/23, was the proposed committee substitute (CS) for HB 128, Version 33-LS0634\U, Gunther/Radford, 4/20/23, "Version U."]

[1:04:18 PM](#)

CRYSTAL KOENEMAN, Legislative Liaison, Department of Environmental Conservation, addressed the revised zero fiscal note from the Department of Environmental Conservation (DEC), noting that it would remain in draft form until the bill moved from committee. She presented the fiscal note analysis, which read as follows [original punctuation provided]:

The House Transportation Committee Substitute for House Bill 128 clarifies that vessels that currently have oil spill contingency plans as required by current statute do not need to also comply with oil spill requirements for land-based terminals. This language reaffirms the practical application of the statute and longstanding interpretation of the department.

In order to operate in Alaska, Alaska statutes require oil terminals and certain vessels, including tank

vessels and oil barges, to maintain compliance with a contingency plan and proof of financial ability to respond to damages approved by the department.

Since these statutes were put in place in the 1980's, the department has held that a plain reading of the statute says that tank vessels and oil barges operating as oil terminal facilities fulfill the contingency planning and financial responsibility requirements with their approved tank vessel or oil barge contingency plan and proof of financial responsibility that includes proposed operations. The statutes do not require vessels conducting ship-to-ship oil transfers to have both a vessel plan and an oil terminal facility plan, or "double" financial responsibility coverage.

CSHB128 (TRA) reaffirms the practical application of the statute and longstanding interpretation of the department to ensure industry is able to continue providing timely, affordable, and safe delivery of fuel to communities in rural Alaska.

CHAIR MCCABE invited questions from members of the committee.

[1:08:15 PM](#)

REPRESENTATIVE VANCE asked Ms. Koeneman to clarify the department's position on barges, should Version U fail to pass this legislative session.

MS. KOENEMAN explained that the department's day-to-day operations would not change, adding that the industry would not be required to obtain double coverage. The practical application, she said, was understood by DEC.

[1:09:22 PM](#)

REPRESENTATIVE VANCE sought to confirm that the administration would not take action to prevent service from being provided.

MS. KOENEMAN confirmed that service would not be disrupted.

[1:10:00 PM](#)

REPRESENTATIVE VANCE moved to report CSHB 128, Version 33-LS0634\U, Gunther/Radford, 4/20/23, out of committee with

individual recommendations and the accompanying fiscal notes. There being no objection, CSHB 128(TRA) was reported out of the House Transportation Standing Committee.

1:10:34 PM

ADJOURNMENT

There being no further business before the committee, the House Transportation Standing Committee meeting was adjourned at 1:10 p.m.