

Original sponsor: Rules/Governor

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1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 205

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the prevention and control of oil
7 pollution; and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. FINDINGS AND INTENT. (a) The legislature finds that

10 (1) it is a matter of the highest urgency and priority to protect
11 Alaska's coastal and inside water, estuaries, wetlands, beaches, and land
12 from the damage which may be occasioned by the discharge of oil;

13 (2) the storage, transfer, transportation, and offshore explora-
14 tion for and production of oil within the jurisdiction of the state are
15 hazardous undertakings; oil discharges may cause both short-term and long-
16 term damage to the environment and the beauty of the state, to owners and
17 users of affected property, to public and private recreation, to residents of
18 the state and other interests deriving livelihood from fishing, hunting,
19 tourism and related activities;

20 (3) assuring sufficient capability, among industrial and commercial
21 interests, and the state and federal governments, to contain and clean up
22 discharges of oil is of vital public interest; weather conditions, logistic
23 constraints and the relative paucity of labor and equipment resources in the
24 state increase the difficulty of oil discharge containment and cleanup in
25 Alaska, making imperative an active state role; it is the policy of the state
26 that, to the maximum extent practicable, prompt and adequate containment and
27 cleanup of oil discharges is the responsibility of the discharger; it is
28 therefore of the utmost importance to assure that those engaged in oil stor-
29 age, transfer, transportation, exploration, and production operations have

1 sufficient resources and capabilities to respond to oil discharges, and to
2 provide for compensation of third persons injured by those discharges; and

3 (4) the state should continue its cooperative relationships with
4 appropriate federal agencies, protecting its legitimate interests while
5 working to remove any duplicative or potentially conflicting regulatory
6 activities.

7 (b) The legislature intends by the enactment of this legislation

8 (1) to exercise the police power of the state through the Depart-
9 ment of Environmental Conservation by conferring upon the department the
10 authority and capability to deal with the hazards and threats posed by oil
11 storage, transfer, transportation, exploration and production operations in a
12 manner which is not inconsistent with the National Contingency Plan (33
13 U.S.C. sec. 1321(c), as amended) and to encourage and ensure, in accordance
14 with 33 U.S.C. sec. 1321, as amended, cooperation with the United States
15 Coast Guard and other state and federal departments and agencies;

16 (2) to require, through the maximum practicable use of private
17 services and resources, the prompt containment and cleanup of oil discharges;

18 (3) to provide assurance that persons suffering damage from oil
19 discharges will be compensated promptly;

20 (4) to provide for the inspection and supervision of oil trans-
21 portation, transfer, storage, and offshore exploration and production activi-
22 ties, and to guarantee the prompt cleanup of oil discharges and the payment
23 of costs incurred as a result of the oil discharges; and

24 (5) that oil discharge containment, cleanup or contingency measures
25 which are undertaken, directed, or authorized by the Department of Environ-
26 mental Conservation should supplement and support federal cleanup and con-
27 tainment actions under 33 U.S.C. sec. 1321, as amended.

28 * Sec. 2. AS 46 is amended by adding a new chapter to read:

29 CHAPTER 04. OIL POLLUTION CONTROL.

1 Sec. 46.04.010. REIMBURSEMENT FOR CLEANUP EXPENSES. The depart-
2 ment shall promptly seek reimbursement, either under AS 46.03.760(e) or
3 from an applicable federal fund, for the expenses it incurs in cleaning
4 up or containing a discharge of oil. If the department obtains reim-
5 bursement for a portion of its expenses from a federal fund, the re-
6 mainder of the expenses incurred may be recovered under AS 46.03.760(e).
7 Money received by the department under this section shall be deposited
8 in the general fund.

9 Sec. 46.04.020. REMOVAL OF OIL DISCHARGES. (a) A person causing
10 or permitting the discharge of oil shall immediately contain and clean
11 up the discharge. The department may waive this requirement

12 (1) if it determines, in consultation with the United States
13 Coast Guard or the United States Environmental Protection Agency, as
14 appropriate, that containment or cleanup is technically not feasible; or

15 (2) if the cleanup or containment activities would result in
16 greater environmental damage than the discharge itself.

17 (b) The containment and cleanup of discharged oil must be carried
18 out in a manner approved by the department. Wastes generated as a
19 result of containment or cleanup activities shall be disposed of in a
20 manner approved by the department. The requirement of this subsection
21 for approval of containment and cleanup activities does not apply to the
22 United States Coast Guard or United States Environmental Protection
23 Agency acting under the authority of sec. 311(c) or (d) of the Clean
24 Water Act.

25 (c) If the department determines that containment or cleanup
26 activities are not adequate, it may direct the person engaged in the
27 activities to cease and may undertake the activities itself through
28 contract or its own resources, or both. The department may not direct
29 the cessation of containment or cleanup activities undertaken by the

1 United States Coast Guard or United States Environmental Protection
2 Agency under sec. 311 of the Clean Water Act. However, the department
3 may undertake, direct, or authorize supplemental cleanup or containment
4 efforts.

5 (d) The department shall provide for the immediate containment or
6 cleanup of an oil discharge of unexplained origin unless

7 (1) the department determines, in consultation with the
8 United States Coast Guard or the United States Environmental Protection
9 Agency that containment or cleanup of the oil discharge is technically
10 not feasible; or

11 (2) the containment or cleanup activities would result in
12 greater environmental damage than the discharge itself.

13 (e) The department shall enter into negotiations for memoranda of
14 understanding or cooperative agreements with the United States Coast
15 Guard, the United States Environmental Protection Agency, and other
16 persons in order to

17 (1) facilitate coordinated and effective oil discharge re-
18 sponse in the state;

19 (2) provide for cooperative review of oil spill contingency
20 plans submitted to the department under AS 46.04.030;

21 (3) provide for cooperative inspections of oil terminal
22 facilities by the department and the United States Coast Guard or United
23 States Environmental Protection Agency; and

24 (4) provide for cooperative oil spill notification procedures.

25 Sec. 46.04.025. CONFIDENTIAL INFORMATION. The department may
26 maintain the confidentiality of a manufacturer's proprietary technical
27 information relating to chemical and biological agents used to control
28 or mitigate the effects of an oil discharge. The department may refuse
29 to release the information unless the manufacturer authorizes its release

1 or unless a court orders its release. The department may provide the
2 information to the Department of Fish and Game and other state and
3 federal agencies if the department or other agency requesting the infor-
4 mation agrees to maintain its confidentiality.

5 Sec. 46.04.030. OIL DISCHARGE CONTINGENCY PLANS. (a) A person
6 may not cause or permit the operation of an oil terminal facility in the
7 state unless an oil discharge contingency plan for the facility has been
8 approved by the department. The department is the only state agency
9 which has the power to approve an oil discharge contingency plan for the
10 purposes of this section.

11 (b) After January 1, 1981, a person may not cause or permit the
12 operation of an offshore exploration or production facility in the state
13 unless an oil discharge contingency plan for the facility has been
14 approved by the department.

15 (c) A person may not cause or permit the transfer of oil to or
16 from a tank vessel, or, after January 1, 1981, to or from an oil barge,
17 unless an oil discharge contingency plan for the tank vessel or oil
18 barge has been approved by the department. Except for prosecutions
19 under AS 46.03.790(b), it is not a defense to an action brought for
20 violation of this subsection that the person charged believed that a
21 current oil discharge contingency plan for the tank vessel or oil barge
22 had been approved by the department.

23 (d) An oil discharge contingency plan must be renewed at least
24 every three years.

25 (e) The department may attach reasonable terms and conditions to
26 its approval of an oil discharge contingency plan which it determines
27 are necessary to insure that the applicant for an oil discharge con-
28 tingency plan has access to sufficient resources to protect environ-
29 mentally sensitive areas and to contain, clean up, and mitigate poten-

1 tial oil discharges from the facility or vessel within the shortest
2 feasible time. The plan must provide for the use of the best available
3 technology by the applicant. The department may require an applicant to
4 undertake discharge exercises.

5 (f) The department, after notice and opportunity for hearing, may
6 modify its approval of an oil discharge contingency plan if it deter-
7 mines that a change has occurred in the operation of a facility, marina
8 or vessel necessitating an amended or supplemented plan, or the opera-
9 tor's discharge experience demonstrates a necessity for modification.
10 The department, after notice and opportunity for hearing, may revoke its
11 approval of a contingency plan if it determines that

12 (1) approval was obtained by fraud or misrepresentation;

13 (2) the operator does not have access to the quality or
14 quantity of resources identified in the plan; or

15 (3) a term or condition of approval has been violated.

16 Sec. 46.04.040. PROOF OF FINANCIAL RESPONSIBILITY. (a) A person
17 may not cause or permit the operation of an oil terminal facility in the
18 state unless he has furnished proof of financial ability to respond in
19 damages which has been accepted by the department. Ability to respond
20 in damages need not exceed \$50,000,000 but must be in an amount (1) not
21 less than \$10, per incident, for each barrel of storage capacity at the
22 oil terminal facility; or (2) \$1,000,000, whichever is greater.

23 (b) After July 1, 1981, a person may not cause or permit the
24 operation of an offshore exploration or production facility in the state
25 unless proof of financial ability to respond in damages has been ac-
26 cepted by the department. Proof of financial responsibility may not be
27 less than \$35,000,000 per incident.

28 (c) A person may not cause or permit the transfer of oil to or
29 from a tank vessel, or, after January 1, 1981, to or from an oil barge,

1 unless proof of financial responsibility for the tank vessel or barge
2 has been accepted by the department. Financial responsibility under
3 this subsection shall be in the following amounts:

4 (1) for a tank vessel or oil barge involved in the transpor-
5 tation of trans-Alaska pipeline oil, the amount required by the Federal
6 Maritime Commission under sec. 304(c)(3) of the Trans-Alaska Pipeline
7 Authorization Act (43 U.S.C. sec. 1653(c)(3)), as amended; and

8 (2) for any other oil barge, the amount required by sec.
9 311(b)(1) of the Clean Water Act, or \$1,000,000, whichever is greater;

10 (3) for any other tank vessels, the amount required by sec.
11 311(b)(1) of the Clean Water Act, or \$20,000,000, whichever is greater.

12 (d) Except for prosecutions under AS 46.03.790(b), it is not a
13 defense to an action brought for violation of (c) of this section that
14 the person charged believed in good faith that the vessel operator
15 possessed proof of financial responsibility accepted by the department.

16 (e) Financial responsibility may be demonstrated by self-insur-
17 ance, insurance, surety, or guarantee, under terms the department may
18 prescribe. An action brought under AS 46.03.758, 46.03.760(a) or (e),
19 or 46.03.822 may be brought in a state court directly against the in-
20 surer or another person providing evidence of financial responsibility.
21 The applicant, and an insurer, surety, or guarantor shall appoint an
22 agent for service of process in the state. An insurer must either be
23 authorized by the Department of Commerce and Economic Development to
24 sell insurance in the state or be an unauthorized insurer listed by the
25 Department of Commerce and Economic Development as not disapproved for
26 use in the state.

27 (f) Acceptance of proof of financial responsibility expires

28 (1) one year from its issuance for self-insurance;

29 (2) on the effective date of a change in the surety bond,

1 guarantee, or insurance agreement; or

2 (3) on the expiration or cancellation of the surety bond,
3 guarantee, or insurance agreement.

4 (g) The person whose proof of financial responsibility is accepted
5 by the department under this section shall notify the department at
6 least 30 days before the effective date of a change, expiration or
7 cancellation in the surety bond, guarantee, or insurance agreement.
8 Application for renewal of acceptance of proof of financial responsi-
9 bility under this section must be filed at least 30 days before the date
10 of expiration.

11 (h) The department, after notice and hearing, may revoke accep-
12 tance of proof of financial responsibility if it determines that

13 (1) acceptance was procured by fraud or misrepresentation; or

14 (2) a change of circumstance has occurred other than a change
15 specified in (f)(1) - (3) of this section, which would have warranted
16 denial of the application.

17 (i) Financial responsibility under this section extends to a loss
18 compensable under AS 46.03.760(e) or 46.03.822 and an assessment under
19 AS 46.03.758 or 46.03.760(a).

20 Sec. 46.04.050. EXEMPTIONS. Because of the restricted nature of
21 these operations and the minimal danger to the environment posed by
22 their activities, AS 46.04.030, 46.04.040 and 46.04.060 do not apply to
23 an oil terminal facility that has an effective storage capacity of less
24 than 10,000 barrels of oil.

25 Sec. 46.04.060. INSPECTIONS. Oil terminal facilities, offshore
26 exploration and production facilities, tank vessels, and oil barges are
27 subject to inspection by the department to ensure compliance with the
28 provisions of this chapter.

29 Sec. 46.04.070. SCOPE OF REGULATIONS. The department shall adopt

1 regulations which are necessary to carry out the purposes of this chap-
2 ter and which do not conflict with and are not preempted by federal law
3 or regulations.

4 Sec. 46.04.080. CATASTROPHIC OIL DISCHARGES. (a) The actual or
5 imminent occurrence of a catastrophic oil discharge constitutes a disas-
6 ter emergency under AS 26.23. However, the department shall perform the
7 duties of the Alaska division of emergency services under AS 26.23.040
8 as they apply to catastrophic oil discharges. The department shall
9 consult and coordinate its duties under this section with the Alaska
10 division of emergency services.

11 (b) The department shall promptly, under AS 46.04.010, seek reim-
12 bursement of oil discharge cleanup or containment expenses incurred as a
13 result of an actual or imminent catastrophic oil discharge under AS 26.-
14 23.050.

15 Sec. 46.04.090. OIL DISCHARGE CLEANUP PERSONNEL, EQUIPMENT, EX-
16 PENSES. (a) The department, when feasible, shall enter into contracts
17 with persons or private organizations to provide the personnel, equip-
18 ment, or other services or supplies which may be required to carry out
19 this chapter. When private contracting is not feasible, the department
20 may establish and maintain at ports, harbors, or other locations in the
21 state, the cleanup personnel, equipment, and supplies which, in its
22 judgment, are necessary to carry out this chapter.

23 (b) Inspection and enforcement employees of the department desig-
24 nated by the commissioner are peace officers in the performance of their
25 duties under this chapter and AS 46.03.

26 Sec. 46.04.100. COMPACTS AUTHORIZED. The governor may execute
27 supplementary agreements, reciprocal arrangements, or compacts with any
28 other state or country, subject to the approval, if required by the
29 United States Constitution, of the Congress of the United States, for

1 the purpose of implementing this chapter.

2 Sec. 46.04.110. MUNICIPAL POWERS LIMITED. If a conflict occurs
3 between a provision of this chapter, or a regulation, order, decision,
4 or other determination of the department under this chapter, and a
5 charter, ordinance, permit, regulation, franchise, decision, or other
6 determination of a municipality, the provisions of this chapter or the
7 regulation, order, decision, or other determination of the department
8 prevail. However, nothing in this chapter precludes a municipality, by
9 ordinance or regulation, from exercising its police powers in the area
10 regulated by this chapter.

11 Sec. 46.04.120. DEFINITIONS. In this chapter, unless the context
12 requires otherwise,

13 (1) "barrel" is a measure of capacity equal to the space
14 occupied by 42 U.S. gallons at 60 degrees Fahrenheit;

15 (2) "catastrophic oil discharge" means an oil discharge in
16 excess of 100,000 barrels, or any other discharge which the governor
17 determines presents a grave and substantial threat to the economy or
18 environment of the state;

19 (3) "Clean Water Act" means the Federal Water Pollution
20 Control Act of 1972 (P.L. 92-500), as amended by the Clean Water Act of
21 1977 (P.L. 95-217), as amended;

22 (4) "commissioner" means the commissioner of environmental
23 conservation;

24 (5) "containment and cleanup" includes all direct and in-
25 direct efforts associated with the prevention, abatement, containment or
26 removal of a pollutant, the restoration of the environment to its former
27 state, and all incidental administrative costs;

28 (6) "department" means the Department of Environmental Con-
29 servation;

1 (7) "discharge" means spilling, leaking, pumping, pouring,
2 emitting, emptying, or dumping;

3 (8) "offshore exploration or production facility" means a
4 platform, vessel or other facility used to explore for or produce hydro-
5 carbons in the waters of the state; the term does not include vessels
6 used for stratigraphic drilling or other operations which are not autho-
7 rized or intended to drill to a producing formation;

8 (9) "oil" means oil of any kind and in any form, whether
9 crude, refined, or a petroleum by-product, including but not limited to
10 petroleum, fuel oil, gasoline, lubricating oils, oily sludge, oil re-
11 fuse, oil mixed with other wastes, crude oils, liquefied natural gas,
12 propane, butane, or other liquid hydrocarbons regardless of specific
13 gravity;

14 (10) "oil barge" means a vessel which is not self-propelled
15 and which is constructed or converted to carry oil as cargo in bulk;

16 (11) "oil terminal facility" means an onshore or offshore
17 facility of any kind, and related appurtenances, including but not
18 limited to a deepwater port, bulk storage facility or marina, located
19 in, on, or under the surface of the land or waters of the state, in-
20 cluding tide and submerged land, which is used for the purpose of trans-
21 ferring, processing, refining, or storing oil; a vessel is considered an
22 oil terminal facility only when it is used to make a ship-to-ship trans-
23 fer of oil, and when it is traveling between the place of the ship-to-
24 ship transfer of oil and an oil terminal facility;

25 (12) "operator" means a person who, through contract, lease,
26 sublease or otherwise, exerts general supervision and control of activi-
27 ties at the facility; the term includes, by way of example and not
28 limitation, prime or general contractors, the master of a vessel and his
29 employer, or any other person who, through himself, his agents, or

1 contractors, undertakes the general functioning of the facility;

2 (13) "person" means an individual, public or private corpora-
3 tion, political subdivision, government agency, municipality, industry,
4 partnership, association, firm, trust, estate, or any other entity;

5 (14) "self-propelled" means propelled either by machinery
6 aboard the vessel, or by a tug or other vessel secured into the cargo-
7 carrying vessel through special hull design;

8 (15) "tank vessel" means a self-propelled vessel that is
9 constructed or converted to carry liquid bulk cargo in tanks and in-
10 cludes tankers, tankships, and combination carriers when carrying oil;
11 the term does not include vessels carrying oil in drums, barrels, or
12 other packages, or vessels carrying oil as fuel or stores for that
13 vessel;

14 (16) "vessel" includes tank vessels and oil barges;

15 (17) "waters of the state" includes lakes, bays, sounds,
16 ponds, impounding reservoirs, springs, wells, rivers, streams, creeks,
17 estuaries, marshes, inlets, straits, passages, canals, the Pacific
18 Ocean, Gulf of Alaska, Bering Sea and Arctic Ocean, in the territorial
19 limits of the state, and all other bodies of surface or underground
20 water, natural or artificial, public or private, inland or coastal,
21 fresh or salt, which are wholly or partially in or bordering the state
22 or under the jurisdiction of the state.

23 * Sec. 3. AS 46.03.750 is repealed and re-enacted to read:

24 Sec. 46.03.750. BALLAST WATER DISCHARGE. (a) Except as provided
25 in (b) of this section, a person may not cause or permit the discharge
26 of ballast water from a cargo tank of a tank vessel into the waters of
27 the state. A tank vessel may not take on petroleum or a petroleum
28 product or by-product as cargo unless it arrives in ports in the state
29 without having discharged ballast from cargo tanks into the waters of

1 the state and the master of the vessel certifies that fact on forms
2 provided by the department.

3 (b) The master of a tank vessel may discharge ballast water from a
4 cargo tank of his tank vessel if it is necessary for the safety of the
5 tank vessel and no alternative action is feasible to assure the safety
6 of the tank vessel.

7 * Sec. 4. AS 46.03.755(a) is amended to read:

8 (a) A person in charge of a facility, operation or vessel, as soon
9 as he has knowledge of any discharge from the facility, operation or
10 vessel in violation of AS 46.03.740 or 46.03.750 [OR AS 30.25.020,]
11 shall immediately notify the department of the discharge.

12 * Sec. 5. AS 46.03.760(a) is amended to read:

13 (a) A person who violates or causes or permits to be violated a
14 provision of this chapter or AS 46.04 [AS 30.25.020], or a regulation, a
15 lawful order of the department, or a permit, approval, or acceptance [OR
16 CERTIFICATE], or term or condition of a permit, approval, or acceptance
17 [OR CERTIFICATE] issued under this chapter or AS 46.04 [AS 30.25] is
18 liable, in a civil action, to the state for a sum to be assessed by the
19 court of not less than \$500 nor more than \$100,000 for the initial
20 violation, nor more than \$5,000 for each day thereafter on which the
21 violation continues, and which shall reflect, when applicable,

22 (1) reasonable compensation in the nature of liquidated
23 damages for any adverse environmental effects caused by the violation,
24 which shall be determined by the court according to the toxicity, de-
25 gradability and dispersal characteristics of the substance discharged,
26 the sensitivity of the receiving environment, and the degree to which
27 the discharge degrades existing environmental quality;

28 (2) reasonable costs incurred by the state in detection,
29 investigation, and attempted correction of the violation [, EXCEPT

1 DISBURSEMENTS FOR POLLUTION ABATEMENT COSTS UNDER AS 30.25.260(a)(2)];
2 and

3 (3) the economic savings realized by the person in not com-
4 plying with the requirement for which a violation is charged.

5 * Sec. 6. AS 46.03.760(e) is amended to read:

6 (e) In addition to liability under (a) - (d) of this section, a
7 person who violates or causes or permits to be violated a provision of
8 AS 46.03.740 - 46.03.750 is liable to the state, in a civil action
9 brought under AS 46.03.822, for the full amount of actual damages caused
10 to the state by the violation, including direct and indirect costs
11 associated with the abatement, containment or removal of the pollutant,
12 restoration of the environment to its former state, and all incidental
13 administrative costs. [THAT PORTION OF THE DAMAGES RECOVERED BY THE
14 STATE IN A CIVIL ACTION BROUGHT UNDER AS 46.03.822 ATTRIBUTABLE TO COSTS
15 INCURRED BY THE DEPARTMENT IN THE ABATEMENT, CONTAINMENT OR REMOVAL OF
16 THE POLLUTANT RESULTING FROM A DISCHARGE OF CRUDE OIL, REFINED PETROLEUM
17 PRODUCTS OR THEIR BY-PRODUCTS SHALL BE DEPOSITED IN THE COASTAL PROTEC-
18 TION FUND CREATED UNDER AS 30.25.220. EXCEPT FOR SPECIAL RISK CHARGES
19 COLLECTED UNDER AS 30.25.270, A PERSON HOLDING A RISK AVOIDANCE CERTIFI-
20 CATE MAY NOT BE HELD LIABLE FOR COSTS ASSOCIATED WITH THE ABATEMENT,
21 CONTAINMENT OR REMOVAL OF THE POLLUTANT.]

22 * Sec. 7. AS 46.03.765 is amended to read:

23 Sec. 46.03.765. INJUNCTIONS. The superior court has jurisdiction
24 to enjoin a violation of this chapter or AS 46.04 [AS 30.25], or of a
25 regulation, lawful order of the department, or permit, approval, or ac-
26 ceptance [OR CERTIFICATE], or term or condition of a permit, approval,
27 or acceptance [OR CERTIFICATE] issued under this chapter or AS 46.04
28 [AS 30.25]. In actions brought under this section, temporary or pre-
29 liminary relief may be obtained upon a showing of an imminent threat of

1 continued violation, and probable success on the merits, without the
2 necessity of demonstrating physical irreparable harm. The balance of
3 equities in actions under this section may affect the timing of com-
4 pliance, but not the necessity of compliance within a reasonable period
5 of time.

6 * Sec. 8. AS 46.03.790(a) is amended to read:

7 (a) A person who violates or who causes or permits a violation of
8 a provision of this chapter or AS 46.04 [AS 30.25], or of a regulation,
9 lawful order of the department, or permit, approval, or acceptance [OR
10 CERTIFICATE], or term or condition of a permit, approval, or acceptance
11 [OR CERTIFICATE] issued under this chapter or AS 46.04 [AS 30.25] is
12 guilty of a violation [MISDEMEANOR AND, UPON CONVICTION, IS PUNISHABLE
13 BY A FINE OF NOT MORE THAN \$25,000 AND COSTS OF PROSECUTION].

14 * Sec. 9. AS 46.03.790(b) is amended to read:

15 (b) A person who wilfully violates a provision of this chapter, or
16 of a regulation, lawful order of the department, or permit, approval, or
17 acceptance [OR CERTIFICATE], or term or condition of a permit, approval,
18 or acceptance [OR CERTIFICATE] issued under this chapter or AS 46.04
19 [AS 30.25] is guilty of a misdemeanor [AND, UPON CONVICTION, IS PUNISH-
20 ABLE BY A FINE OF NOT MORE THAN \$25,000 AND COSTS OF PROSECUTION, OR BY
21 IMPRISONMENT FOR NOT MORE THAN ONE YEAR, OR BY FINE, COSTS, AND IMPRI-
22 SONMENT].

23 * Sec. 10. AS 44.19.171(b)(2) is amended to read:

24 (2) to alleviate the effects of a disaster as defined in
25 AS 44.19.175 occurring after October 11, 1967, by making loans or grants
26 to persons or municipalities on terms the governor considers appropriate
27 or by other means the governor considers appropriate.

28 * Sec. 11. AS 30.20 and AS 30.25 are repealed.

29 * Sec. 12. The Department of Environmental Conservation shall

1 (1) prepare a report describing the status of the negotiations
2 required by AS 46.04.020(e) and submit the report to the legislature no later
3 than the 60th day of the First Session of the Twelfth Legislature;

4 (2) study offshore drilling to determine whether the requirements
5 of AS 46.04.040(b), imposing a minimum financial responsibility of
6 \$35,000,000, and of AS 46.04.040(e), authorizing actions in state courts for
7 oil pollution damages and imposing other requirements on parties which insure
8 against oil pollution damages, discourage bidding and participation in
9 offshore oil development by small operators, and report to the legislature
10 the results of its study with recommendations and proposed legislation, if
11 any, no later than January 31, 1981.

12 * Sec. 13. (a) An oil spill contingency plan approved between July 1,
13 1979, and June 30, 1980, under AS 30.25, as it existed before the effective
14 date of this Act, is an approved plan for the purposes of AS 46.04.030, and
15 may be renewed in accordance with AS 46.04.030(d).

16 (b) A proof of financial responsibility accepted under AS 30.25 may be
17 used to satisfy the requirements of AS 46.04.040 if the acceptance has not
18 expired before July 1, 1980; however, the acceptance expires in accordance
19 with AS 46.04.040(f) or on the earlier of

20 (1) July 1, 1981, for an acceptance covering an offshore explora-
21 tion or production facility under AS 46.04.040(b);

22 (2) January 1, 1981, for an acceptance covering any other require-
23 ment of AS 46.04.040.

24 * Sec. 14. This Act takes effect July 1, 1980.
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