

**CS FOR SENATE JOINT RESOLUTION NO. 40(RES)
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - SECOND SESSION**

BY THE SENATE RESOURCES COMMITTEE

**Offered: 2/2/94
Referred: Rules**

Sponsor(s): SENATORS PEARCE, Leman

A RESOLUTION

1 **Urging the Congress to amend the Oil Pollution Act of 1990 with respect to the**
2 **financial responsibility requirements for offshore exploration and production**
3 **facilities.**

4 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 **WHEREAS** the Congress enacted the Oil Pollution Act of 1990 in order to prevent
6 shipping accidents and to ensure that there would be adequate money immediately available
7 to respond to oil pollution discharges, especially those discharges occurring in the ocean; and

8 **WHEREAS** the Act increased from \$36,000,000 to \$150,000,000 the amount of
9 financial responsibility that must be demonstrated by offshore exploration and production
10 facilities; and

11 **WHEREAS** the definition of "offshore" in the Act covers facilities in, on, or under
12 navigable waters of the United States; and

13 **WHEREAS** the Alaska State Legislature is concerned that this definition may be
14 interpreted to apply to all marinas, port authorities, utility companies, gas stations, trucking
15 companies, railroads, pipelines, farms, and airports in almost every area of Alaska; and

16 **WHEREAS** the potential effect on the Alaska economy could be severe because it is

1 unlikely that any but the largest companies will be able to demonstrate the \$150,000,000 of
2 financial responsibility required under the Act; and

3 **WHEREAS** the broad coverage of the Act is well beyond the historical purview of
4 the Minerals Management Service, United States Department of the Interior, which enforces
5 the Act; and

6 **WHEREAS** the Act provides a sliding scale for proof of financial responsibility for
7 vessels but requires \$150,000,000 of proof of financial responsibility for all offshore facilities,
8 regardless of risk to the environment from a potential spill; and

9 **WHEREAS** the Alaska State Legislature agrees with the requirements of the Act to
10 the extent that they relate to large companies conducting offshore activities on the outer
11 continental shelf, but does not agree that the same financial responsibility requirements should
12 apply to small companies that are only indirectly related to offshore activities;

13 **BE IT RESOLVED** that the Alaska State Legislature urges the Congress to amend
14 the Oil Pollution Act of 1990 so that the financial responsibility requirements of persons
15 involved in oil operations more closely reflect the relative risks of those operations; and be
16 it

17 **FURTHER RESOLVED** that, in particular, facilities on the outer continental shelf
18 should be the only facilities subject to the kind of high financial responsibility requirements
19 now contained in the Act.

20 **COPIES** of this resolution shall be sent to the Honorable Al Gore, Vice-President of
21 the United States and President of the U.S. Senate; the Honorable Robert C. Byrd, President
22 Pro Tempore of the U.S. Senate; the Honorable Thomas S. Foley, Speaker of the U.S. House
23 of Representatives; and to the Honorable Ted Stevens and the Honorable Frank Murkowski,
24 U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska
25 delegation in Congress.