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COMMITTEE REPORT
SENATE

FURTHER:

Date _____

Mr. President

The Committee on _____ considered _____

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Chairman

Chairman recommendation

Alaska State Legislature

BETTYE FAHRENKAMP, Chairman
ROBERT H. ZIEGLER, SR., Vice Chairman
DICK ELIASON
PAUL FISCHER
VIC FISCHER
BOB MULCAHY
ARLISS STURGULEWSKI



POUCH V
STATE CAPITAL
JUNEAU, ALASKA 99811
(907) 465-3834
(907) 465-3835

Senate

Committee on Resources

SENATE RESOURCES COMMITTEE
LETTER OF INTENT
FOR
CSSB 503 (Resources)

It is the intent of the Legislature that the Department of Environmental Conservation obtain from the United States Environmental Protection Agency authorization to administer and enforce a hazardous waste program in Alaska. The Department should focus its efforts so that the state's final application for full management control be complete by July 1, 1986.

To this end and with respect to the mandate to be codified at AS 46.03.299 (a)(2), the Department is instructed to adopt regulations relating to the management of hazardous waste that exhibit the characteristics of toxicity, persistence, or carcinogenicity and other characteristics of hazardous waste as identified by EPA. The department shall evaluate the most appropriate mechanism by which to identify a waste characteristic of toxicity, persistence or carcinogenicity and other characteristic as identified as hazardous by EPA. This evaluation must include the methods described in the proposed state regulations dated October 26, 1983 that identify hazardous wastes by the characteristics mentioned above. Regulations developed under AS 46.299(a)(2) must incorporate the results of this analysis.

The regulations ultimately adopted by the state are to take effect three years from this bill's enactment, July 1, 1987. The department is to develop and implement a program to educate those effected by this legislation about the requirements of this act during the third year.

In order to gain experience managing a hazardous waste program, the department should assume through cooperative agreement with EPA as much active control as feasible of the currently operating hazardous waste program. The assumption of these duties by the department should begin immediately.

The exemptions for mining waste and waste associated with oil and gas production as defined should be effective until the completion of the studies indicated in the legislation. After each study has been completed and the findings of these studies and proposed federal regulations have been considered by the department, the department may terminate the exemption or promulgate amendments to the state's hazardous waste regulations.

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF ENVIRONMENTAL CONSERVATION

OFFICE OF THE COMMISSIONER
POUCH O, JUNEAU, ALASKA 99811

Telephone (907)
Address.

465-2500

April 25, 1984

The Honorable Bettye Fahrenkamp
Senator
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Senator Fahrenkamp:

I believe that some confusion may arise about the intent of the April 16, 1984, work draft of CSSB 503(Res). In Section 1 of the bill, Sec. 46.03.99(a) says, basically, that the Department of Environmental Conservation (DEC) shall (1) adopt RCRA regulations by reference; and (2) not later than July 1, 1986, adopt other regulations.

Mr. Stan Hungerford reported to me, that the work group Mr. Palmer chaired on April 9, 1984, discussed this issue thoroughly, and concluded that DEC should increase its hazardous waste staffing during FY 85 and under a cooperative agreement with the Environmental Protection Agency (EPA), operate as much of the full range of RCRA activities in Alaska as possible. He has confirmed that this is, in fact, the intent of the proposed bill in subsequent conversations with Mr. Palmer and Mr. Steve Kadish of Senator Vic Fischer's office.

It is possible to construe the language of this section to require DEC to first seek and obtain EPA's authorization of a state RCRA program, and then revise its regulations and seek a second authorization of a program based on the potential risks of wastes exhibiting the additional characteristics of carcinogenicity, toxicity and persistence.

Since the work group expressed the need for DEC to increase its staff and gain experience enforcing the evolving federal program during the next two years, I suggest the following change to Section 1 of the proposed bill:

"Sec. 46.03.99 REGULATION OF HAZARDOUS WASTE. a) Not later than July 1, 1986, the department shall in accordance with the Administrative Procedure Act (AS 44.62), adopt regulations which take effect on July 1, 1987, for the identification and management of hazardous waste
1) as defined by the Environmental Protection Agency and
2) wastes which exhibit the characteristics of toxicity, persistence, or carcinogenicity."

April 25, 1984

This wording would assure that the agency not be diverted from the ultimate objective of preparing and submitting a final application for EPA's approval by July 1987, which incorporates the comprehensive hazardous waste program proposed in the October 26, 1983, draft regulations.

It has also been pointed out to me that proposed definition of "associated wastes" is a bit confusing. I suggest that, based on the wording agreed to by Mr. Tom Brooks (AOGA) and Mr. Hungerford, the definitions be revised to read:

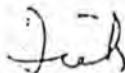
"(37) "waste associated with the exploration, development, or production of crude oil, natural gas, or geothermal energy" means

- (a) waste, including drilling muds, cuttings, hydrocarbons, brine, acid, sand, and emulsions or mixtures of fluids produced from and unique to the operation or maintenance of a well, whether naturally occurring or added for the operation or productivity of the well;
- (b) waste that is derived intrinsically from primary field operations; and
- (c) does not include spent solvents and oils from equipment maintenance activities, discarded chemical products or fuels.

(38) "waste derived intrinsically from primary field operations" means waste produced from a well, and removed

- (a) at the drill site; or
- (b) at crude oil production facilities by crude oil or wastewater treatment processes before custody transfer of the crude oil."

Sincerely,



Richard A. Love
Commissioner

RAN/SH/ne

cc: Jim Palmer
Steve Kadish

TESTIMONY OF CHRIS NOAH
DEPUTY COMMISSIONER OF THE
DEPARTMENT OF ENVIRONMENTAL CONSERVATION

Before the Senate Resources Committee
Alaska State Legislature
Regarding: CS for SB 503

April 17, 1984

Madam Chairman, other members of the committee, my name is Chris Noah, Deputy Commissioner of the Department of Environmental Conservation. I am here to testify on the committee substitute for Senate Bill 503, entitled: "An act relating to hazardous waste; changing penalties for environmental pollution violations; and providing for an effective date."

I am here primarily to endorse this bill and urge its passage in its present form. The bill is the result of negotiations and compromise on the part of various organizations and persons concerned with the manner by which waste is classified as hazardous and managed in this state. It also incorporates the essential statutory changes contained in SB 498 which had been introduced by the Governor. The changes contained in SB 498 were based on the determination by the United States Environmental Protection Agency that certain statutory changes were necessary before the state could obtain final authorization from EPA to carry out its responsibilities under the Resource Conservation and Recovery Act of 1976. With regard to these statutory changes, we have been advised by the Attorney General's Office that the present bill (CS for SB 503) does indeed include the changes required by EPA. Specifically, these are the changes to both the criminal and civil penalties contained in Sections 5, 6 and 7 of the present bill.

It is the other parts of the bill which were the subject of discussion and compromise by various persons and organizations. In particular, it is the result of an agreement reached at an informal meeting on Monday, April 9, 1984. This administration participated in these discussions and is in accord with the agreement which is now before you in the form of this bill. The bill is one which I believe all parties can live with. Further, and most importantly, it is one which will result in a hazardous waste management program which is both effective and reasonable. However, I should state and point out that the new duties which the bill would impose on the department cannot be fulfilled without adequate funding. It is my hope, therefore, that the agency operating budget and companion appropriation to this bill will also be approved by the legislature.

Thank you for this opportunity.

CN/DD/af

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPT. OF ENVIRONMENTAL CONSERVATION

OFFICE OF THE COMMISSIONER
POUCH O, JUNEAU, ALASKA 99811

Telephone: (907)

Address:

465-2600

April 17, 1984

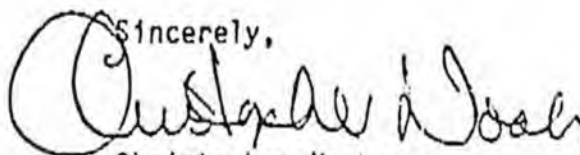
Mr. Jim Palmer
Legislative Aide to
Senator Bettye Fahrenkamp
Pouch V
Juneau, AK 99811

Dear Mr. Palmer:

Enclosed, please find our April 13 revision to the fiscal note for CSSB 503 originally submitted April 12 to your office at your request. Please note we have decreased the note by one staff person and reduced the estimated support costs to what we consider a bare minimum. In addition, we have deleted the major capital item, related to performing environmental, social and economic evaluations necessary to justify a hazardous waste management facility and obtain public support for a specific site.

A portion of the capital funds request will be used to establish criteria for evaluating the impacts of a hazardous waste management facility and making preliminary determinations of the types and potential locations of one or more facilities. I understand that Senator Fahrenkamp will support the addition of funds in the FY 86 and 87 budgets necessary to complete the analyses of two to five specific sites, estimated to range from 0.5 to 2 million dollars per potential site.

Sincerely,



Christopher Noah
Deputy Commissioner

CN/SWH/ne

enclosures

cc: Steve Kaddish
Billie Trent

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: April 13, 1984

REQUEST

Bill/Resolution No.: CSSB 503
Title: Hazardous Waste...

Sponsor: Senate Resources
Requestor: Sen. Fahrenkamp & Fischer
Date of Request: April 12, 1984

FISCAL DETAIL

Agency Affected: Environmental Conservation
Program Category Affected: NRMEC

BRU, Program or Subprogram(s) Affected:
Environmental Quality Management
Air & Solid Waste Management

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING		0-months				
100 PERSONAL SERVICES		65.9	131.7	131.7		
200 TRAVEL		16.0	16.0	16.0		
300 CONTRACTUAL		8.4	16.8	16.8		
400 SUPPLIES		2.0	4.0	4.0		
500 EQUIPMENT		13.0	3.2	3.2		
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		105.9	171.7	171.7		
CAPITAL		480.0	--	--		
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		505.9	171.7	171.7		
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME		3.0	3.0	3.0		
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Stanley W. Hungerford
Division: Environmental Quality

Phone: 465-2666
Date: April 13, 1984

Approved by Commissioner: [Signature]
Agency: Environmental Conservation

Date: _____

Deputy Commissioner

Distribution (by Agency preparing fiscal note):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

- d) An aggressive program of technical assistance to the small quantity generator to assure conformance to RCRA (Applicable Federal Hazardous Waste regulations)
- e) A comprehensive public information campaign each year to maximize legal collection and disposal of hazardous wastes.
- f) Analysis of the types, quantities and sources of hazardous wastes to provide information for the state hazardous waste facility siting project.
- g) Site for the collection activity and security will be provided by local government.

Staffing needs:

1 Environmental Engineer III (Range 19) 10.0 plus support costs

C. Details of the estimated support costs for four positions.

Travel Costs:	<u>1st year</u>	<u>2nd & 3rd years</u>
Moving costs -- of the 2 Environmental Engineer IIIs: the department has found that the specialized expertise required cannot be found in Alaska.	12.0	--
Travel in support of project work (technical assistance and public information)	3.0	12.0
Travel to meet with contractors, local governments, public meetings	1.0	4.0
<u>Contractual Costs:</u>		
Office costs (5.6 per person -- telephone, xerox, janitor)	8.4	16.8
<u>Supplies:</u>		
Replace expendable laboratory, safety materials	--	2.0
Office	2.0	2.0
<u>Equipment:</u>		
Office equipment (desks, chairs, word processor)	5.1	--
Safety equipment and replacements	8.5	3.2

ANALYSIS of FISCAL NOTE
CSSB 503 AMENDED
April 13, 1984

- A. Details of the costs for recommending the site and type of state owned/sponsored hazardous waste management facility.

Assumptions:

- a) The project will take six to seven years to complete through contracts managed by the Department of Environmental Conservation.
- b) In the first year, develop the specific details of siting criteria, the appropriate types of facilities to be evaluated based on industries regulated and types of waste, and five or more general areas for evaluation.

In the second and third years, identify five potential sites, the type(s) of facility to be located at each, and begin physical evaluations of the sites. (75.0 each year)

- c) In the next three to four years, conduct detailed evaluations of the five sites, including such parameters as meteorology, geology, hydrology, access, and socioeconomic factors. The cost could range from 500.0 to 2 million per site - an average of 1.25 million is estimated to justify each site to the public. Excess funds would be reserved for the design of the facility after approval of the site by the governor and legislature. (To be included in a fiscal note in 1986 audit cycle.)
- d) In the sixth/seventh year conduct the public review of at least two sites. (50.0)
- e) Prepare recommendation for the governor and legislature.
- f) No inflation of costs or salaries.

Staffing Needs:

1	Environmental Engineer	(Range 19)	50.0 plus support costs
1	Administrative Assistant	(Range 12)	31.7 plus support costs

- B. Details of the costs for a collection and transportation service for disposal of hazardous wastes from small quantity generators and households.

Assumptions:

- a) The project will be for at least three and one half years.
- b) There will be "cleanups" in four or more cities per year. (85.0 per year)
- c) No inflation of transportation or disposal costs.

MEMORANDUM

State of Alaska

DEPARTMENT OF ENVIRONMENTAL QUALITY

TO: Nancy Lord
Legislative Aid to
Senator Vic Fischer

DATE: May 4, 1984

FILE NO:

TELEPHONE NO: 465-2666

FROM: Stanley W. Hungerford
Supervisor
Air & Solid Waste Section

SUBJECT:

As you requested, the following is a more detailed description of the contractual activities necessary during FY 85 and FY 86 to accomplish this intent of proposed Sec. 46.03.313 of CSSB 503 up to the point of actually determining the environmental impacts and public acceptance of proposed sites as required by Sec. 46.03.313(d) of one or more sites and making the recommendation required by Sec. 46.03.314. The activities listed will not necessarily each require separate contracts or contractors.

- Project 1. Inventory the types, amounts and location of hazardous waste generated in Alaska as regulated by proposed state regulations. \$10,000

- Project 2. Determine the type(s) and capacity(ies) of hazardous waste management facilities needed to provide an economic means for managing wastes including transportation, storage, chemical treatment, recycling and disposal facilities with particular emphasis on encouraging alternatives to land disposal. \$35,000

- Project 3. Develop regulations required by AS 46.03.313(b)(2) interpreting and clarifying siting criteria and establishing the public process for determining approvability of a site. \$45,000

- Project 4. Determine five or more areas which are suitable for the types of facilities proposed in project 2. \$50,000

- Project 5. Based on the criteria developed in project 1, determine the suitability of three or more specific sites for facilities. \$75,000

Project 6. Identify alternative models of industrial and governmental financing for the proposed facilities and incentives/inducements to encourage community acceptance of a facility.

\$10,000

\$225,000

SWH/ne

cc: Chris Noah
Keith Kelton
Jim Palmer
Paula Scavera
Billie Trent
David DiTraglia
Denise Olmstead

CSSB 503 - An Act Relating to Hazardous Waste

Section Analysis

Section 1. Regulation of Hazardous Waste.

(a) This section directs the DEC to adopt regulations for the management of hazardous waste. These regulations must meet minimum EPA requirements as well as regulate those hazardous wastes that are toxic, persistent, or carcinogenic. The federal program ignores the carcinogenic and toxic effects of a waste on human health and the environment. Regulations should be developed no later than July 1, 1986 and effective on July 1, 1987.

(b) Mining waste, oil and gas production wastes are temporarily excluded in this section until federal studies on these wastes have been completed. The DEC will consider the report results in the development of regulations for these wastes.

(c) This part simply instructs the state to take actions necessary to receive EPA authorization for the hazardous waste program.

(d) The quantities of waste to be regulated are described here.

(e) This section requires the Department to conduct an education program about the regulations for those affected.

Section 2. Transportation of Hazardous Waste.

Before a hazardous waste is transported, a manifest which includes information about the type of material, disposal site, and handling procedures, must be sent to DEC. DEC then sends a copy of the manifest to local and state public safety agencies.

Section Analysis Continued

Section 3. Temporary Collection of Hazardous Waste.

This section institutionalizes in statute a very successful pilot program currently offered by DEC, known as "Hazardous Waste Clean-ups".

Temporary collection and transfer operations will be held for small quantity and household generators of hazardous waste four times a year.

Section 4. Hazardous Waste Management Facilities and Sites.

This section outlines the criteria and public comment procedures DEC should use to determine hazardous waste management sites and facilities in Alaska. Recommendations to the Governor and Legislature should be submitted not later than July 1, 1987. Final sites and facilities should be determined two years later.

Section 5 - 8. Penalties for Violations.

These sections include the technical amendments needed to satisfy federal requirements to obtain final authorization of the hazardous waste program.

Section 9. Definitions.

This section defines certain terms found in the legislation.

CSSB 503 - An Act Relating to Hazardous Waste

A Brief History.

In 1981, legislation (SB 29) was passed that directed the state to seek EPA authorization to administer and enforce a hazardous waste program in Alaska. The program would otherwise be managed by EPA.

Over two years later at the end of 1983, with the proposed regulations and other aspects of the authorization package nearly completed, it became apparent that the penalty sections of the current Alaska statute would have to be amended to meet EPA specifications.

Two bills SB 498 - Rules by Request of the Governor and SB 503 Resources were introduced at the beginning of the session to meet this obligation. The Governor's legislation provided the amendments to the penalty sections only, and as such was an endorsement of the hazardous waste regulation developed by the Department of Environmental Conservation. In its proposed regulations, DEC was attempting to develop a hazardous waste management program that made sense for Alaska and did not simply mimic the federal approach. SB 503 also included similar language regarding changes to the penalty codes, but limited the development of the state hazardous waste program to be the same as the federal program.

These two bills represented divergent and contradictory approaches. All interested agreed that the state should take over the management of the hazardous waste program. However, there was disagreement as to how this should be accomplished.

CSSB 503 Hazardous Waste Legislation, History

In addition, two other bills relating to hazardous waste were introduced at the start of this session. These are SB 450 - Vic Fischer regarding the disposal of hazardous waste, and SB 486 - Josephson providing the public the right to know about the storage and disposal of hazardous materials and wastes.

All four items were referred to Senate Resources Committee, which combined them into one mega-workdraft in the form of a committee substitute for SB 503. The workdraft was sent to over 30 groups and individuals to seek their comments including business, labor, environmental, health, resource development, government, and civic interests. After this review was complete, the Resources Committee then convened a meeting on April 9, 1984 of these same interested parties to hammer out compromise legislation.

After a full day of intense negotiation, agreement was reached by all the work group participants. Alaska Oil and Gas Association, Associated General Contractors, environmentalists, Alaska District Council of Laborers, Municipality of Anchorage, and various legislative and state government offices were represented. The result is the committee substitute for SB 503 before this committee.