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HOUSE COMMITTEE REPORT

(11)

Date Referred: May 3, 1989

FURTHER REFERRALS:

Date of Committee Action: 5/6/89

The FINANCE Committee considered:

CSSB 261 (FINANCE)

CS FOR SENATE BILL NO. 261 (Finance)

[OIL/HAZ. SUBST. CONTINGENCY PLANS]

"An Act requiring the Department of Environmental Conservation to prepare and to annually review and revise a master oil and hazardous substance discharge and prevention contingency plan for the state and regional oil and hazardous substance discharge and prevention contingency plans for certain regions of the state, and to the implementation of those plans; and RECOMMENDATIONS: effective date."

- [] the same title
 [] be replaced with _____ [] a new title
 [] have attached amendment(s)
 [] do pass
 [] do not pass
 [] no recommendation
 [✓] individual recommendations
 [] additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):
 (Dept)

APPROVES PREVIOUS: (Date/Dept)

- [] fiscal impact _____
 [] zero fiscal note _____
 [] zero with analysis _____

- [✓] fiscal note(s) DEC 4/28/89
 [] zero fiscal note(s) _____
 [] zero fn/analysis _____

SIGNING DO PASS:

SIGNING:

(Check approp. column)

Do Not Pass No Rec Amend

Swackhammer
Brown
Koponeh
Ulmer
Wallis

Signature	Name	Do Not Pass	No Rec	Amend
<u>Hoffman</u>	Hoffman		X	
<u>Larson</u>	Larson		X	
<u>Phillips</u>	Phillips	✓		
<u>Shultz</u>	Shultz	✓		
<u>Rieger</u>	Rieger	✓		

cc - Ronald J. Jan
 Chairman's Signature
 cc - Hoffman

FISCAL NOTE

REQUEST:

Revision Date: 4/27/89 Agency Affected: DEC
 Title: An Act relating to oil and hazardous substance discharge contingency plans BRU: Environmental Quality
 Sponsor: Duncan, Kerttula, Szymanski Components: Environmental Quality
 Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES		246.9	246.9	246.9	246.9	246.9
TRAVEL		20.0	20.0	20.0	20.0	20.0
CONTRACTUAL		165.0	165.0	40.0	40.0	40.0
SUPPLIES		5.0	5.0	5.0	5.0	5.0
EQUIPMENT		25.0	25.0	25.0	25.0	25.0
LAND & STRUCTURES						
GRANTS, CLARIS						
MISCELLANEOUS						
TOTAL OPERATING		461.9	461.9	336.9	336.9	336.9

CAPITAL						
----------------	--	--	--	--	--	--

REVENUE						
----------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER		461.9	461.9	336.9	336.9	336.9
TOTAL		461.9	461.9	336.9	336.9	336.9

POSITIONS:

FULL-TIME		5	5	5	5	5
PART-TIME		0	0	0	0	0
TEMPORARY		0	0	0	0	0

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Lynn Tomich Kent Phone: 465-2630
 Division: Environmental Quality Date: 4/27/89

Approved by Commissioner: *A. D. Hule* Date: 4/27/89
 Agency: Department of Environmental Conservation

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

STATE OF ALASKA

STEVE COWPER, GOVERNOR

DEPT. OF ENVIRONMENTAL CONSERVATION

Telephone:
(907) 465-2600

FISCAL ANALYSIS

CSSB 261 (Fin).

April 28, 1989

Contact: Lynn Kent

PREPARE MASTER AND REGIONAL CONTINGENCY PLANS (461.9)

The Department estimates that four technical positions and one clerical position would be required to develop an initial state master plan and regional contingency plans, to annually review and revise the plans, and to annually conduct hearings on the plans. For the first two years, contractual services in the amount of \$125.0 would be required for a consultant to assist in developing the initial plans.

The following is a breakdown of position costs. The Ecologist III would be located in the Central Office in Juneau, one Ecologist II would be located in each of the three Regional Offices (Fairbanks, Anchorage, and Juneau), and the Clerk Typist II would support efforts in the Central and Regional Offices.

Position		100	200	300	400	500	Total
Ecologist III	<i>RANGE</i> 20	57.7	5.0	8.0	1.0	5.0	76.7
Ecologist II	18	57.7	5.0	8.0	1.0	5.0	76.7
Ecologist II	18	51.1	5.0	8.0	1.0	5.0	70.1
Ecologist II	18	51.1	5.0	8.0	1.0	5.0	70.1
Clerk Typist II	7	29.3	0	8.0	1.0	5.0	43.3
Total		246.9	20.0	40.0	5.0	25.0	336.9

*In addition, there are \$125.0 in first- and second-year costs:

Position Total	336.9
Additional Contractual	125.0
Grant Total	461.9

This fiscal note shows "other" funds as the funding source because funding will come from the Oil and Hazardous Substance Release Fund. However, additional resources will need to be provided to the Response Fund, as there is not currently an adequate balance to support this effort.

Original sponsors: Duncan, Kerttula,
Szymanski, et al.

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2

CS FOR SENATE BILL NO. 261 (Finance)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act requiring the Department of Environmental

7

Conservation to prepare and to annually review and

8

revise a master oil and hazardous substance discharge

9

and prevention contingency plan for the state and

10

regional oil and hazardous substance discharge and

11

prevention contingency plans for certain regions of

12

the state, and to the implementation of those plans;

13

and providing for an effective date."

14

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

15

* Section 1. FINDINGS AND PURPOSE. (a) The legislature finds that the

16

March 24, 1989, oil spill disaster in Prince William Sound demonstrates a

17

need for the state to have an independent spill containment and cleanup

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capability in the event of future discharges of oil or a hazardous sub-

19

stance.

20

(b) It is the purpose of this Act to provide assurance to the people

21

of the state that their health, safety, and well-being will be protected

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from the adverse consequences of oil and hazardous substance releases of a

23

magnitude that presents a grave and substantial threat to the economy and

24

the environment of the state.

25

* Sec. 2. AS 46.04 is amended by adding new sections to read:

26

ARTICLE 2. OIL AND HAZARDOUS SUBSTANCE DISCHARGE AND

27

PREVENTION CONTINGENCY PLANS.

28

Sec. 46.04.200. STATE MASTER PLAN. (a) The department shall

29

prepare and annually review and revise a statewide master oil and

1 hazardous substance discharge and prevention contingency plan.

2 (b) The state master plan prepared under this section must

3 (1) take into consideration the elements of an oil dis-
4 charge contingency plan approved or submitted for approval under
5 AS 46.04.030;

6 (2) clarify and specify the respective responsibilities of
7 each of the following in the assessment, containment, and cleanup of a
8 catastrophic oil discharge or of a significant discharge of a hazard-
9 ous substance into the environment of the state:

10 (A) agencies of the state;

11 (B) municipalities of the state;

12 (C) appropriate federal agencies;

13 (D) operators of facilities;

14 (E) private parties whose land and other property may
15 be affected by the oil or hazardous substance discharge; and

16 (F) other parties identified by the commissioner as
17 having an interest in or the resources to assist in the contain-
18 ment and cleanup of an oil or hazardous substance discharge;

19 (3) specify the respective responsibilities of parties
20 identified in (2) of this subsection in an emergency response; and

21 (4) identify actions necessary to reduce the likelihood of
22 catastrophic oil discharges and significant discharges of hazardous
23 substances.

24 (c) In preparing and annually reviewing the state master plan,
25 the commissioner shall

26 (1) consult with municipal and community officials, and
27 with representatives of affected regional organizations;

28 (2) submit the draft plan to the public for review and
29 comment;

1 (3) submit to the legislature for review, not later than
2 the 10th day following the convening of each regular session, the plan
3 and any annual revision of the plan; and

4 (4) require or schedule unannounced oil spill drills to
5 test the sufficiency of an oil discharge contingency plan approved
6 under AS 46.04.030 or of the cleanup plans of a party identified under
7 (b)(2) of this section.

8 Sec. 46.04.210. REGIONAL MASTER PLAN. (a) For any region of
9 the state, the boundaries of which are determined by the commissioner
10 by regulation, in which the department is required to review and
11 approve an oil discharge contingency plan submitted by a person under
12 AS 46.04.030, the department shall prepare and annually review and
13 revise a regional master oil and hazardous substance discharge and
14 prevention contingency plan.

15 (b) The provisions of AS 46.04.200(b) and (c) apply to prepara-
16 tion and review of a regional master plan under this section.

17 * Sec. 3. AS 46.08.040 is amended to read:

18 Sec. 46.08.040. PURPOSES OF THE FUND. The commissioner may use
19 money from the fund to

20 (1) investigate and evaluate the release or threatened
21 release of oil or a hazardous substance, and contain, clean up, and
22 take other necessary action, such as monitoring and [,] assessing, to
23 address a [INVESTIGATING, AND EVALUATING THE] release or threatened
24 release of oil or a hazardous substance that poses an imminent and
25 substantial threat to the public health or welfare, or to the environ-
26 ment;

27 (2) provide matching funds for participation in federal oil
28 discharge cleanup activities and under 42 U.S.C. 9601 - 9657 (Compre-
29 hensive Environmental Response, Compensation, and Liability Act of

1 1980); [AND]

2 (3) recover the cost to the state or to a municipality of a
3 containment and cleanup resulting from the release or the threatened
4 release of oil or a hazardous substance;

5 (4) prepare, review, and revise

6 (A) the state's master oil and hazardous substance
7 discharge and prevention contingency plan required by AS 46.04.-
8 200; and

9 (B) a regional master oil and hazardous substance
10 discharge and prevention contingency plan required by AS 46.04.-
11 210; and

12 (5) restore the environment by addressing the effects of an
13 oil or hazardous substance release.

14 * Sec. 4. PREPARATION OF INITIAL PLANS. The commissioner of environ-
15 mental conservation shall present the initial statewide master plan pre-
16 pared under AS 46.04.200, enacted by sec. 2 of this Act, and any initial
17 regional master plans required by AS 46.04.210, enacted by sec. 2 of this
18 Act, to the governor by July 1, 1990, and to the legislature in January,
19 1991, in accordance with AS 46.04.200(c)(3), added by sec. 2 of this Act.

20 * Sec. 5. APPLICABILITY OF ACT. This Act does not relieve a person
21 responsible for an oil terminal facility, offshore exploration or produc-
22 tion facility, or a vessel that transports crude oil, or a person who has
23 control of a hazardous substance, from the responsibility for containing
24 and cleaning up a discharge of oil or the hazardous substance as required
25 by law.

26 * Sec. 6. This Act takes effect immediately under AS 01.10.070(c).

Alaska State Legislature

Senator Drue Pearce, Chair
Senator Tim Kelly
Senator Rick Halford
Senator Paul Fischer
Senator Al Adams



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ANCHORAGE, ALASKA 99503
(907) 561-2018

SENATE SPECIAL COMMITTEE ON OIL AND GAS

To: Members of the Senate Special
Committee on Oil and Gas

From: Committee staff

Re: SB 261, Sectional Analysis

Date: April 11, 1989

Section 1. Purpose:

The purpose of this act is to provide the state's residents with assurance that their health and safety needs will be protected from the effects of oil and hazardous substance releases.

Section 2. AS. 46.04

Chapter 4, Oil Pollution Control, is amended by adding new sections to require oil and hazardous substance discharge and prevention contingency plans.

AS 46.04.200. State Master Plans

The Department of Environmental Conservation shall prepare and annually review and revise a statewide master oil and hazardous substance discharge and prevention plan. This plan must consider the elements of the oil discharge contingency plan required to be submitted for oil terminal facilities, offshore exploration or production facilities, or for tank vessels or barges.

The plan should clarify and specify the responsibilities of state, federal and municipal agencies, the operators of facilities and other private parties regarding assessment, containment, and cleanup of a catastrophic oil discharge or a significant discharge. The master plan should specify the responsibilities of the above groups in an emergency response and identify the actions necessary to reduce the likelihood of catastrophic releases.

The commissioner shall consult with local officials and regional representatives of organizations and may submit a draft plan for public review.

AS 46.04.210. Regional Master Plan

The department shall prepare and annually review a regional master plan for an area where a oil discharge contingency plan is required. The commissioner will determine the boundaries of the area by regulation. The regional plan is subject to the criteria specified for the master state plan.

Section 3. AS 46.08.040. Purposes of the Fund.

This section of existing law, dealing with the uses of the oil and hazardous substance release fund, is amended to include the cost of preparing, revising and reviewing the master and regional oil discharge and prevention contingency plans. It also amends the section to allow restoration of the environment as a purpose for which the fund can be used.

Section 4. Preparation of Initial Plans.

The plans should be presented to the legislature and the governor by July 1, 1990.

RECEIVED APR 11 1989

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907 465-3800

LEGISLATIVE AFFAIRS AGENCY

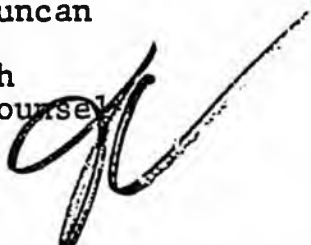
MEMORANDUM

April 11, 1989

SUBJECT: Senate Bill 261, relating to preparation and annual review of oil and hazardous substance discharge and contingency plans, and to their implementation -- sectional analysis

TO: Senator Jim Duncan

FROM: Jack Chenoweth
Legislative Counsel



This legislation adds to the duties of the Department of Environmental Conservation responsibility to prepare and annually review and revise (1) a master oil and hazardous substance discharge and prevention contingency plan for the state, and (2) regional oil and hazardous substance discharge and prevention contingency plans for certain regions of the state. The legislation identifies a source of money for that preparation, review, and revision, and makes related changes.

Bill section 1 states the purpose of the legislation.

The principal substantive additions are set out in bill section 2. Proposed AS 46.04.200 adds the requirement of a state master oil and hazardous substance discharge and prevention contingency plan and specifies the contents of that plan, the assignment of responsibilities made under the plan, and action that agencies should take to implement the plan. Preparation of the plan should take into consideration the content of oil discharge contingency plans filed by companies required to develop and obtain approval of those plans under AS 46.04.030. The section directs that, in the preparation and annual revision of the plan, the commissioner shall consult with parties designated and may submit the proposed draft for public review and comment.

Proposed AS 46.04.210, also added by bill section 2, adds parallel provisions for the development, revision, and re-

Senator Jim Duncan
Page 2
April 11, 1989

view of regional master plans. Under AS 46.04.210(a), the commissioner is to develop a regional master plan for a region, whose boundaries are determined by the commissioner, "in which the department is required to review and approve an oil discharge contingency plan submitted . . . under AS 46.04.030."

Bill section 3 amends AS 46.08.040, a section of state law defining the objectives or purposes of the state's oil and hazardous substance release response fund. The amendment made by the bill section adds to the purposes for which use of the fund balance is authorized the preparation, review, and revision of these plans, the investigation and evaluation of a release or threatened release of oil or a hazardous substance, and the restoration of the environment following a release of oil or a hazardous substance.

Bill section 4, an uncodified section, directs the commissioner of environmental conservation to prepare the initial state master plan and any initial regional master plans by July 1, 1990.

The legislation is given an immediate effective date by bill section 5.

JC:gc
WKG9/043

MEMORANDUM

State of Alaska

TO: Glenn Adams
Special Assistant
Dept. of Environmental
Conservation

DATE: May 14, 1984

FILE NO: 366-368-84

TELEPHONE NO: 465-3600

FROM: Norman C. Gorsuch
Attorney General

SUBJECT: Calculating inci-
dental administra-
tive costs in pollu-
tion incidents

By: Douglas K. Mertz *DM*
Assistant Attorney General
Department of Law

You requested our opinion regarding calculation of "incidental administrative costs", as that phrase is used in AS 46.-03.760(e). That provision makes polluters liable to the state

for the full amount of actual damages caused to the state by the violation, including direct and indirect costs associated with the abatement, containment or removal of the pollutant, restoration of the environment to its former state, and all incidental administrative costs.

Specifically you ask whether each item of "incidental administrative costs" must be documented in detail (postage, office supplies, etc.), or whether another method of calculation -- e.g., a flat percentage of salary -- could be used. The statute reveals a policy of allowing the state to recoup its true costs, including all incidental costs, so we believe the courts would accept any consistent accounting method reasonably calculated to arrive at those true costs.

For example, it would probably be an acceptable method of proving incidental administrative costs to add a certain amount, to cover costs, to the fully documented costs, such as employee salary. That amount must be arrived at through a carefully structured study and must include only costs which it would be difficult or inefficient to account for on a detailed, per-item basis.

To put it in concrete terms, your department could take all the usual costs of doing business which apply to department personnel working on a particular pollution incident, such as ordinary office supplies, ordinary postage, portions of the time of support staff not assigned to that incident (such as a receptionist or administrative officer), and from these determine a true "cost of doing business". That cost could then be expressed in terms which allow inclusion in a particular project such as a certain dollar amount per employee/hour actually spent on the project. (E.g., if incidental administrative costs to the

Glenn Adams, Special Assistant
Dept. of Environmental Conservation
366-368-84

May 14, 1984
Page 2

department were calculated as \$5 per employee per hour, you would simply multiply the "incidental administrative costs" rate by the employee hours spent on the incident, or, alternatively, add the \$5 to each employee's hourly wage and benefit "rate".)

Two caveats are in order: since this method is for the purpose of showing true costs, as nearly as can be calculated, the figures should be determined through a well-designed and executed study of the actual costs, including incidental administrative costs, of running your department. 1/ Secondly, the costs included under "incidental administrative costs" should not include those costs which can just as easily be recorded on a per-item basis, such as long-distance telephone, certified mail and courier costs, and other non-routine special services. Such items are routinely itemized in costs bills submitted to courts by litigants, so it is likely that a court would insist on an itemization unless it can be shown to be impossible or inefficient.

I hope this helps. Please let me know, or consult our Administrative Services Division, if you need further help in determining a proper amount to include in your calculation of true costs to the state, including incidental administrative costs.

DKM:dlm

1/ For examples, you might consult the Department of Law's Division of Administrative Services, which periodically calculates the true cost to the state of each hour of attorney time, including support and administrative costs. The resulting figure is then used to support requests for attorney fee awards in court.

MEMORANDUM

State of Alaska

TO: Richard A. Neve'
Commissioner
Dept. of Environmental
Conservation

FROM: Norman C. Gorsuch
Attorney General

By: Douglas K. Mertz *DM*
Assistant Attorney General
Department of Law

DATE: September 2, 1983

FILE NO: 366-090-84

TELEPHONE NO: 465-3600

SUBJECT: Re: Proper expenditures from Oil Spill Expense Reserve Account

You have asked our opinion on what expenditures are proper from the Oil Spill Expense Reserve Account. That fund was created by a legislative appropriation in 1980 for the purpose of enabling the Department of Environmental Conservation to deal with oil spills. You now ask our advice on whether Reserve Account funds may be spent on travel, training, and equipment in anticipation of spills, or are limited to direct expenses incurred in controlling specific spills.

We believe it is compatible with the legislative intent behind the appropriation to spend funds on training, travel, and equipment specifically intended to be of use in combating spills, but that the funds are not available for routine administration of departmental functions, including the oil spills program.

The language in the appropriation itself is extremely broad. It consists of a single line item appropriation to ADEC as follows: "HB 205 Prevention & control/oil pollution \$1,542,600" -- (ch. 120, SLA 1980, at 67). HB 205 was a bill, enacted as chapter 116 of SLA 1980, which revised the State's oil pollution laws. The figure of \$1,542,600 is the total amount requested by ADEC in the fiscal note accompanying HB 205 (see 1980 House Journal Supplement No. 43). Of that amount, the note requested that \$1,000,000 be set aside as a continuing account for responding to oil spills, while the remainder was suggested as allocations for positions and support for administration of ADEC's oil spill program in FY 1981. ^{1/} The fiscal note justified creation of the reserve account by referring to the

^{1/} In 1981 the legislature made \$1,000,000 of the \$1,542,600 into a continuing appropriation. Sec. 26, ch. 16, SLA 1981.

Richard A. Neve', Commissioner
Dept. of Environmental Conservation
Our file: 366-090-84

September 2, 1983
Page 2

extraordinary costs of fighting particular spills within the state (e.g., the Lee Wang Zin and the Glacier Queen -- and outside it (e.g., the Amoco Cadiz and the Argo Merchant), where clean-up and investigation costs went into the millions. Since major spills are not predictable, either in frequency or cost, it was the department's position that the only way the state could provide for its own spill response capabilities was by setting up a separate account outside of the routine operational budget.

Legislative acts, including appropriations, must be interpreted so as to give effect to the legislature's intention. But to be binding that intention must be included in the statement of purpose of the appropriation. Other expressions of legislative intent, outside of the appropriation act, may be considered as evidence of what the legislature wished to accomplish in the enactment, but such extrinsic sources cannot substitute for expressions of purpose found in the act. In other words, although limitations expressed in an enactment are binding law, in the absence of such limitations in the enactment, other expressions such as committee reports or letters of intent do not themselves gain the force of law.

In this case, the only direct limitation on the appropriation is that it be connected with administration of HB 205 and with prevention and control of oil pollution. The fiscal note, prepared by ADEC, should be taken as a general guide to legislative intent, since the total appropriation matches that requested in the note, but cannot be taken as binding the department to particular allocations. It is the clear law in Alaska that agencies may transfer between allocations within an appropriation (AS 37.07.080(e)) as long as the stated purpose of the appropriation is observed. Thus, in this instance, the only binding obligation on DEC is that the \$1,542,600 be spent for oil pollution prevention and control.

To apply this conclusion to your specific questions, we have little difficulty with your proposed uses of the funds. Training to enable ADEC personnel to prevent or control oil spills is clearly within the scope, as are attendant necessary expenses such as travel costs. Equipment for use in controlling spills -- both replacement equipment and new technologies -- is directly related to the intended purpose. Laboratory equipment used to analyze spilled oil, either to identify the precise substance for better response or to identify the spiller for

Richard A. Neve', Commissioner
Dept. of Environmental Conservation
Our file: 366-090-84

September 2, 1983
Page 3

enforcement purposes 2/, also falls in this category.

We mention one caveat. In apparently adopting ADEC's oil pollution strategy, as set out in the fiscal note to HB 205, the legislature separated the reserve account from other appropriations for routine operational expenses of the department. While it can be argued that the appropriation language is broad enough to cover any oil spill related activity of the department, we think it is the better policy to reserve the fund for expenses connected with preparing for, executing, and following up on responses to spills. In other words, we advise against use of the reserve account for ordinary and routine expenses of the department, even when they have some relation to oil pollution. Of course this may leave some gray areas, but that is unavoidable given the imprecision in the language of the legislative appropriation.

Let us know if you have further questions.

DKM:dlm

cc: Keith Kelton

2/ We have previously concluded that reserve account funds may be used to support oil spill related litigation, since recovering expenses and penalties is mandated under the same substantive oil pollution laws and is a clear deterrent to discharges. See 1981 Inf. Op. Att'y Gen. (July 9; J66-795-81).

Alaska Water Resources Board
Resolution No. 89-17

Authority For Immediate Oil Spill Response by
State or Federal Authorities

WHEREAS: Recent oil spills by tankers and other vessels in Alaska waters have demonstrated that immediate and effective response may make a critical difference between success or failure of the eventual containment and clean-up of the spill; and

WHEREAS: Conventional assumptions regarding the vessel and cargo owner's responsibility hold that the owners must be given first opportunity to take effective measures to contain and clean-up the spill, and that only after a demonstrated failure to do so may the state or federal agencies assume control of the clean-up and control strategy; and

WHEREAS: The vessel and cargo owners' motivations and actions regarding clean-up may in some instances be influenced by economic rather than environmental considerations; and

WHEREAS: The potential for delay while inadequate or ineffective control measures are attempted has potentially drastic consequences for the natural environment and the economic livelihood of Alaskans.

NOW THEREFORE BE IT RESOLVED: The Alaska Water Resources Board urges the Governor to request that the Attorney General analyze any legal constraints on the ability of the State to enact legislation permitting the Alaska Department of Environmental Conservation or the U.S. Coast Guard, as appropriate, to take control of the containment and clean-up of an oil spill immediately after it is discovered, if the agency has reason to believe that effective response may otherwise be delayed, or the resources potentially affected are of such high value, that immediate governmental direction is required.

Adopted this 9th day of March, 1989
Alaska Water Resources Board



Peg Tileston, Chairwoman
Alaska Water Resources Board

*Wally
Cantam
JLQ*

SOUTHEAST CONFERENCE

P.O. Box 22286

Juneau, Alaska 99802

BULLETIN
APRIL 1989

Bill Privett, President Ted Ferry, 1st V.P. McKie Campbell, 2nd V.P.

FROM THE PRESIDENT: The Southeast Conference Board of Directors has been very active lately. The development of the Tongass Position and the subsequent distribution, as well as testimony at the Congressional hearings in Sitka, has been consuming. As we presented in Sitka, the position is a bottom line compromise, one that will not diminish the importance of the timber industry in Southeast Alaska. Its intent is to maintain the timber industry based on market demand for timber, as well as preserving and providing for other values and industries of the forest. The State has now adopted the Conference position as the State's position and Governor Cowper joined us in Sitka for our presentation to the Senate Committee. Our position was well received, and in several instances, referred to as the 'best shot' the industry has for protecting jobs and contracts.

On another note, the Board of Directors by a vote of 8 yes and 1 no, passed a resolution in support of Senate Bill 261 requiring the Department of Environmental Conservation to prepare a State Master Oil and Hazardous Substance Discharge Plan. It also urged the State and Federal governments to assure the protection of the people and the environment of Southeast Alaska by preparing a Southeast Region Oil and Hazardous Substance Discharge and Prevention Plan and by making available appropriate oil spill containment equipment and supplies in Yakutat, Sitka and Annette Island and any other appropriate locations. This resolution was entered for consideration by the Board of Directors by Sitka Mayor John Dapceovich. If you are interested in a copy of the resolution, please call 463-3445.

The sun has been out and we all need to think of our ferry ride to the Annual Meeting in Skagway in September!

FROM THE HILL - Things are moving fast and furiously here!

- Major reductions are being proposed by both the House and the Senate in the Alaska Marine Highway budget. The Senate is talking about a reduction of up to 3.5 million dollars, which would mean the lay-up of 2 vessels in order to absorb the impact of the cut.
- There has been lots of discussion about cutting Municipal Assistance and Revenue Sharing by 10-15%. We are working on keeping these cuts to a more livable level of 5 - 7 1/2%. Currently, the House budget cuts Revenue Sharing by 10% and Municipal Assistance by 15%.
- The proposed funding for Senior Citizen Property Tax Exemptions is at the current fiscal year level in both the House and the Senate.
- The current proposal for funding school debt is at \$104 million, which is a 10% reduction in the current funding level. We are working to get that figure up to \$109 million on the Senate side.

Northern Transportation Link - At the request of Senator Jim Duncan, the Juneau Economic Development Council prepared a study of transportation options linking Juneau to Canada. Major recommendations of the report include: that the State make a commitment to improve hard surface access to and from Juneau, either up the east side of Lynn Canal to Haines or up the Taku River Valley, and that the State secure funding for Environmental Impact Statements on these two options. Work on both of these recommendations is progressing.

"Working For All Alaska"