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# HOUSE COMMITTEE REPORT

(11)

Date Referred: May 5, 1989

FURTHER REFERRALS:

Date of Committee Action: 5/6/89

The FINANCE Committee considered:

CSSB 277 (FINANCE)

CS FOR SENATE BILL NO: 277 (Finance)

[VALDEZ DISASTER INVESTIGATIVE COMMISSION]

"An Act establishing a commission to investigate the Exxon Valdez oil spill disaster and to recommend changes needed to minimize the possibility and effects of similar oil spills; and providing for an effective date."

### RECOMMENDATIONS:

- [ ] be replaced with HCS CSSB 277 (Finance) [ ] the same title  
[ ] a new title  
[ ] have attached amendment(s)  
[  ] do pass  
[ ] do not pass  
[ ] no recommendation  
[ ] individual recommendations  
[ ] additional referral to the \_\_\_\_\_ Committee

ADOPTS: H. Fin letter of intent

ATTACHES NEW FISCAL NOTE(S):  
(Dept)

APPROVES PREVIOUS:

(Date/Dept)

- [ ] fiscal impact \_\_\_\_\_  
[ ] zero fiscal note \_\_\_\_\_  
[ ] zero with analysis \_\_\_\_\_

- [  ] fiscal note(s) Gov. Office 4/28/89  
[ ] zero fiscal note(s) \_\_\_\_\_  
[ ] zero fn/analysis \_\_\_\_\_

### SIGNING DO PASS:

### SIGNING:

(Check approp. column)

Do Not Pass No Rec Amend

[Signature] Swackhammer  
[Signature] Koponeh  
[Signature] Olmer  
[Signature] Barnes  
[Signature] Shultz  
[Signature] Phillips

SIGNING:	Do Not Pass	No Rec	Amend
<u>[Signature]</u> Wallis		<input checked="" type="checkbox"/>	

[Signature] vice chair  
Chairman's Signature

**FISCAL NOTE**

**REQUEST:**

Revision Date: 4/27/89  
 Title: "An Act establishing a commission to investigate the Exxon Valdez oil spill..."  
 Sponsor: Faiks, Halford, Kelly, et al.  
 Requestor: Senator Faiks  
 Agency Affected: Office of the Governor  
 BRU: Commissions and Special Offices  
 Components: \_\_\_\_\_

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	8.5	76.3				
TRAVEL	13.0	95.0				
CONTRACTUAL	53.0	248.7				
SUPPLIES	5.5	25.0				
EQUIPMENT	20.0					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>100.0</b>	<b>445.0</b>				
<b>CAPITAL</b>						
<b>REVENUE</b>						

**FUNDING: (Thousands of Dollars)**

GENERAL FUND	100.0	445.0				
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	<b>100.0</b>	<b>445.0</b>				

**POSITIONS:**

FULL-TIME	2	2				
PART-TIME						
TEMPORARY						

**ANALYSIS :** (Attach a separate page if necessary)

See attached analysis

Prepared by: Michael A. Nizich, Director *Man* Phone: 465-3616  
 Division: Division of Administrative Services Date: 4/28/89

Approved by Commissioner: Garrey M. Peska *[Signature]* Date: 4/28/89  
 Agency: Chief of Staff

**Distribution (by preparer):**

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

CS SB 277 (Finance) Fiscal Analysis:

Due to the complexity of this proposed legislation, it is not possible to accurately assess the cost of the Exxon Valdez Oil Spill Commission.

The number of staff the commission would need to hire, including legal counsel, investigative staff, and administrative staff with legal expertise is unknown. The timeframe specified for the commission to complete its investigations and gather information for its final recommendations would indicate a substantial staffing requirement. For the purposes of this analysis, the minimum staff requirement for 1 month in FY 89 and 9 months in FY 90 is assumed at one coordinator, salary range 22A, and one secretary, salary range 12A. Additional personal services expenses for legal/investigative staff is reflected in the contractual line.

The number of meetings that will be necessary in order to hear testimony, review documents and depositions, evaluate information and formulate final recommendations are impossible to predict. In addition to travel and per diem as set out in AS 39.20.180, each non-governmental member of the commission will receive \$150.00 per day while on commission business.

The needed funds are indicated from the general fund. As the specified charges of the commission appear to be duplication of the work of existing entities, i.e., the Department of Law, the Department of Environmental Conservation, federal efforts under the Clean Water Act and the T.A.P.S. Act, N.O.A.A.'s long-term impact studies, etc., recovery of commission costs from Exxon is unlikely.

Original sponsors: Faiks, Halford,  
Kelly, et al.

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 277 (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 establishing a commission to investigate the  
7 Exxon Valdez oil spill disaster and to recommend  
8 changes needed to minimize the possibility and ef-  
9 fects of similar oil spills; and providing for an  
10 effective date."

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

12 \* Section 1. EXXON VALDEZ OIL SPILL COMMISSION. (a) There is estab-  
13 lished in the Department of Administration the Exxon Valdez Oil Spill  
14 Commission consisting of seven distinguished members appointed by the  
15 governor.

16 (b) The members must include

17 (1) five state residents with broad experience or expertise in  
18 one or more of the following areas: physical or biological science, oil  
19 transportation, fisheries, economics, sociology, or law; these members may  
20 not be federal or state employees or employees of a political subdivision  
21 of the state or be employees or independent contractors of any corporation  
22 directly involved in the Exxon Valdez oil spill disaster;

23 (2) two persons who are recognized nationally for their exper-  
24 tise in science, technology, or management and are not employees of a  
25 governmental entity.

26 (c) The commission members shall elect from among themselves a chair  
27 and vice-chair.

28 (d) The commission may hire staff it considers necessary to perform  
29 its duties, including legal counsel.

1 (e) Members of the commission serve without compensation, but are  
2 entitled to \$150 a day while on commission business plus per diem and  
3 travel expenses authorized for boards and commissions under AS 39.20.180.

4 (f) The commission shall meet regularly to direct its investigation,  
5 hold hearings, review progress, and draft final recommendations.

6 \* Sec. 2. DUTIES OF THE COMMISSION. (a) The commission shall gather  
7 information relating to

8 (1) the series of events that allowed the Exxon Valdez oil  
9 discharge on March 24, 1989, to occur; and

10 (2) the ensuing efforts to contain and clean up the oil dis-  
11 charged.

12 (b) By January 8, 1990, the commission shall submit a report to the  
13 governor and to the legislature containing its findings and recommendations  
14 on

15 (1) the containment and cleanup actions that were taken or not  
16 taken after the discharge, the extent to which current technology was  
17 available and used, and ways to improve oil spill response technology and  
18 procedures;

19 (2) steps that should be taken by all levels of government and  
20 by the oil industry to ensure proper management, handling, and transporta-  
21 tion of crude and refined oil and to improve the statewide ability of  
22 industry and governmental agencies to respond to oil discharges;

23 (3) the extent to which oil industry practices and governmental  
24 practices or laws should be changed to minimize the potential for future  
25 events similar to the grounding of the Exxon Valdez; and

26 (4) legislative proposals to encourage and fund prevention,  
27 response, cleanup, and mitigation of all future discharges of oil.

28 \* Sec. 3. INVESTIGATIONS; HEARINGS. (a) The commission may issue  
29 subpoenas, administer oaths, hold hearings, and conduct investigations

1 related to its duties.

2 (b) The commission may compel the attendance of witnesses and produc-  
3 tion of papers, books, records, accounts, documents, and testimony, and may  
4 have the deposition of witnesses taken in a manner prescribed by court rule  
5 or law for the taking of depositions in civil actions when consistent with  
6 the duties assigned to the commission.

7 (c) On a majority vote of the commission, subpoenas and subpoenas  
8 duces tecum may be issued and served in the manner prescribed by AS 44.62.-  
9 430(b) and (c) and court rule. The failure, refusal, or neglect to obey a  
10 subpoena is punishable as contempt in the manner prescribed by law or court  
11 rule. The superior court may compel obedience to the commission's subpoena  
12 in the same manner as prescribed for obedience to a subpoena issued by the  
13 court.

14 (d) State agencies shall, to the extent permitted by law, cooperate  
15 with the commission and provide it with information it requests for carry-  
16 ing out its duties.

17 (e) The commission is subject to AS 44.62.

18 \* Sec. 4. This Act is repealed February 15, 1990.

19 \* Sec. 5. This Act takes effect immediately under AS 01.10.070(c).  
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# Alaska State Legislature

## HOUSE OF REPRESENTATIVES

### *Committee on Finance*

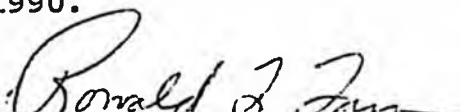
Official Business

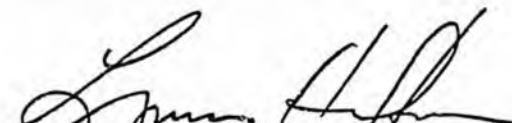
P.O. Box V  
State Capitol  
Juneau, Alaska 99811

LETTER OF INTENT  
FOR  
HCS CSSB 277 (FINANCE)

It is the intent of the Legislature that, within the context of its prescribed duties, the major goal of the commission should be to provide the state and federal governments with specific recommendations which will dramatically improve the management, handling and transportation of oil and other hazardous substances throughout Alaska. Because achievement of the goal will require congressional action, as well as state legislation, the commission should include within its work plan, coordination and consultation with other coastal states.

It is the intent of the Legislature that, in addition to the prescribed deadline for its report, the commission should structure a work plan which will permit submission of specific recommended legislation to the Legislature by February 1, 1990.

  
Representative Ron Larson  
Co-Chairman

  
Representative Lyman Hoffman  
Co-Chairman

Amendment #1 *adopted*.

HCS CSSB 277 (Resources)

Page 1, line 12:

Delete "ALASKA" and insert "EXXON VALDEZ".

Page 1, line 13:

Delete "ALASKA" and insert "Exxon Valdez".

Amendment #2

*adopted*

HCS CSSB 277 (Res)

Page 2, line 11:

✓ Delete "December 1, 1989" and insert "January 8, 1990"

✓ Page 3, line 17:

Delete "January 30" and insert "February 15"

**Letter of Intent:**

Change date of "January 8, 1990" in letter to "February 1, 1990" for due date for legislative recommendations.

Original sponsors: Faiks, Halford,  
Kelly, et al.

1 IN THE SENATE BY THE RESOURCES COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 277 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act establishing a commission to investigate the  
7 Exxon Valdez oil spill disaster and to recommend  
8 changes needed to minimize the possibility and ef-  
9 fects of similar oil spills; and providing for an  
10 effective date."

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

12 \* Section 1. ~~ALASKA OIL SPILL COMMISSION~~ <sup>Exxon Valdez</sup> (a) There is established in  
13 the Department of Administration the ~~Alaska Oil Spill Commission~~ <sup>Exxon Valdez</sup> consisting  
14 of seven distinguished members appointed by the governor.

15 (b) The members must include

16 (1) five state residents with broad experience or expertise in  
17 one or more of the following areas: physical or biological science, oil  
18 transportation, fisheries, economics, sociology, or law; these members may  
19 not be federal or state employees or employees of a political subdivision  
20 of the state or be employees or independent contractors of any corporation  
21 directly involved in the Exxon Valdez oil spill disaster;

22 (2) two persons who are recognized nationally for their exper-  
23 tise in science, technology, or management and are not employees of a  
24 governmental entity.

25 (c) The commission members shall elect from among themselves a chair  
26 and vice-chair.

27 (d) The commission may hire staff it considers necessary to perform  
28 its duties, including legal counsel.

29 (e) Members of the commission serve without compensation, but are

1 entitled to <sup>\$150</sup> ~~\$250~~ a day while on commission business plus per diem and  
2 travel expenses authorized for boards and commissions under AS 39.20.180.

3 (f) The commission shall meet regularly to direct its investigation,  
4 hold hearings, review progress, and draft final recommendations.

5 \* Sec. 2. DUTIES OF THE COMMISSION. (a) The commission shall gather  
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7 (1) the series of events that allowed the Exxon Valdez oil  
8 discharge on March 24, 1989, to occur; and

9 (2) the ensuing efforts to contain and clean up the oil dis-  
10 charged.

11 (b) By ~~December 1, 1989~~ <sup>January 8, 1990</sup>, the commission shall submit a report to the  
12 governor and to the legislature containing its findings and recommendations  
13 on

14 (1) the containment and cleanup actions that were taken or not  
15 taken after the discharge, the extent to which current technology was  
16 available and used, and ways to improve oil spill response technology and  
17 procedures;

18 (2) steps that should be taken by all levels of government and  
19 by the oil industry to ensure proper management, handling, and transporta-  
20 tion of crude and refined oil and to improve the statewide ability of  
21 industry and governmental agencies to respond to oil discharges;

22 (3) the extent to which oil industry practices and governmental  
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24 events similar to the grounding of the Exxon Valdez; and

25 (4) legislative proposals to encourage and fund prevention,  
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6 (c) On a majority vote of the commission, subpoenas and subpoenas  
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8 430(b) and (c) and court rule. The failure, refusal, or neglect to obey a  
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12 court.

13 (d) State agencies shall, to the extent permitted by law, cooperate  
14 with the commission and provide it with information it requests for carry-  
15 ing out its duties.

16 (e) The commission is subject to AS 44.62.

17 \* Sec. 4. This Act is repealed ~~January 30, 1990~~ **February 15, 1990**

18 \* Sec. 5. This Act takes effect immediately under AS 01.10.070(c).  
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# Alaska State Legislature

JUDICIARY  
CHAIRMAN  
907-465-4523




JAN FAIKS  
POST OFFICE BOX V  
JUNEAU, ALASKA 99811

## Senate

May 5, 1989

### MEMORANDUM

TO: Representative Lyman Hoffman, Co-Chairman  
Representative Ron Larson, Co-Chairman  
House Finance Committee

FROM: Senator Jan Faiks 

SUBJECT: Senate Bill 277 - Oil Spill Commission Amendments

Upon further review of the House Resources Committee Substitute for Senate Bill 277, as the bill's prime sponsor I ask the committee's consideration of two amendments:

#### **Name of the Commission**

The Senate version of the bill establishes the "Exxon Valdez Oil Spill Commission", while the House Resources version changes the name to the "Alaska Oil Spill Commission". I request the committee's consideration of reverting back to the commission's original name.

The role of this commission is very specific and its work is in response to this disaster. As a result, I believe it more appropriate for the commission to bear a name reflecting its task.

#### **Report Due Date**

The Senate version required the commission to submit a report with its findings and recommendations to the Governor and Legislature by March 1, 1990. The House Resources Committee moves this date to

OUT OF SESSION

3111 C STREET ANCHORAGE, ALASKA 99503 907-561-7610

December 1, 1989 and in a letter of intent, asks that recommendations for legislation be submitted by January 8th.

I am concerned the December 1st deadline will not provide the commission with sufficient time to carry out its responsibilities. Its task is extremely important and it is vital they have sufficient time to do a thorough and competent job in which we can all have confidence. I therefore ask the committee's consideration in amending the report's due date to January 8th; legislative recommendations to the Legislature by February 1st; and the commission will sunset on March 1st.

The resulting timeframe will be:

Report Due	January 8, 1990
Legislative Recommendations Due	February 1, 1990
Commission Sunsets	February 15, 1990

Attached are proposed amendments for your consideration which address these points.

Thank you.

CORRECTED 5/5/89 4:30pm

STATE OF ALASKA  
1989 LEGISLATIVE SESSION

BILL VERSION: HCS CS SB 277 (Res)  
PUBLISH DATE: \_\_\_\_\_

FISCAL NOTE

REQUEST: 5

Revision Date: May 6, 1989  
Title: An Act Establishing a Commission to Investigate the Exxon Valdez Oil Spill  
Sponsor: Faiks, Halford, Kelly, et al.  
Requestor: Senator Faiks

Agency Affected: Department of Administration  
BRU: Alaska Oil Spill Commission  
Components: Alaska Oil Spill Commission

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	11.7	83.0				
TRAVEL	29.8	232.0				
CONTRACTUAL	108.4	838.6				
SUPPLIES	3.0	24.0				
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	152.9	1177.6				

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	152.9	1177.6				
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME	3.0	3.0				
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

See Attached

Prepared by: Mike Maher *Kevin Brooks (for)*  
Division: Administrative Services

Phone: 465-2277  
Date: 5-5-89

Approved by Commissioner: John M. Andrews  
Agency: Administration

Date: 5-5-89

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

### HCS CS SB 277 (Res) Fiscal Analysis

Due to the complexity of this proposed legislation, it is not possible to accurately assess the cost of the Exxon Valdez Oil Spill Commission.

The number of staff the commission would need to hire, including legal counsel, investigative staff, and administrative staff with legal expertise is unknown. The time frame specified for the commission to complete its investigations and gather information for its final recommendations would indicate a substantial staffing requirement. For the purposes of this analysis, the minimum staff requirement for 1 month in FY 89 and 7 months in FY 90 is assumed at one coordinator, salary range 22A, one accounting technician, salary range 12A, and one secretary, salary range 12A. Additional personal services expenses for legal/investigative staff is reflected in the contractual line.

The number of meetings that will be necessary in order to hear testimony, review documents and depositions, evaluate information and formulate final recommendations are impossible to predict. Costs in this fiscal note are based on 12 meeting days per month. In addition to travel and per diem as set out in AS 39.20.180, each non-governmental member of the commission will receive \$250.00 per day while on commission business.

The needed funds are indicated from the general fund. As the specified charges of the commission appear to be duplication of the work of existing entities, i.e., the Department of Law, the Department of Environmental Conservation, federal efforts under the Clean Water Act and the T.A.P.S. Act, N.O.A.A.'s long-term impact studies, etc., recovery of commission costs from Exxon is unlikely.

This funding will be restricted in the State Accounting System until such time as the coordinator and staff of the commission are able to provide the Commissioner of Administration a detailed budget.

Every attempt will be made to live within the amount appropriated, however it should be made clear from the onset that should this level of funding prove to be insufficient, the commission will request a supplemental.

ALASKA OIL SPILL COMMISSION (7 MEMBERS)

June 1, 1989 to January 30, 1990 (8 months)

<u>Personal Services:</u>	<u>FY89</u>	<u>FY90</u>	<u>Total</u>
Coordinator - Range 22A	5.7	40.0	45.7
Accounting Technician I - Range 12A	3.0	21.5	24.5
Secretary - Range 12A	<u>3.0</u>	<u>21.5</u>	<u>24.5</u>
Total Personal Services	11.7	83.0	94.7
 <u>Travel:</u>			
Honorarium			
7 members X 12 days/month X 8 months X \$250.00 per day	21.0	147.0	168.0
Per Diem			
7 members X 12 days/month X 8 months X \$80.00 per day	6.8	47.0	53.8
Travel (including 5.0 for Coordinator)	<u>2.0</u>	<u>38.0</u>	<u>40.0</u>
Total Travel	29.8	232.0	261.8
 <u>Contractual:</u>			
Professional Services:			
Naval Architect	10.0	70.0	80.0
Naval Engineer	10.0	70.0	80.0
Chief Oil Spill Specialist	10.0	70.0	80.0
Chief Investigator	10.0	70.0	80.0
Investigators (3 @ 64.0)	19.0	173.0	192.0
Chief Writer/Editor	10.0	70.0	80.0
Writer (1 @ 64.0)	6.4	57.6	64.0
Secretarial	10.0	70.0	80.0
Legal - Attorneys	10.0	70.0	80.0
Hearing Officer	<u>4.0</u>	<u>36.0</u>	<u>40.0</u>
Total Professional Services	99.4	756.6	856.0

	<u>FY89</u>	<u>FY90</u>	<u>Total</u>
Communications:			
Phones, data lines, postage	3.0	24.0	27.0
Printing:	0	10.0	10.0
Rentals and Leases:			
Office Space	3.0	24.0	27.0
Equipment - - Copier, computers, FAX	<u>3.0</u>	<u>24.0</u>	<u>27.0</u>
Total Contractual	108.4	838.6	947.0
Supplies	<u>3.0</u>	<u>24.0</u>	<u>27.0</u>
TOTAL	152.9	1177.6	1330.5