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SENATE COMMITTEE REPORT

FURTHER

4/8/89

DATE TURNED INTO OFFICE

4/11/89

Mr. President:

Finance

Committee considered

SB 256

reimbursement to persons and municipalities for costs incurred as a result of released hazardous substance; efd

and recommended

- replace with _____ CS _____) same title
- or adopt _____ CS SB 256 (CLRA)) new title
- attached amendment(s) and technical title change (HB only)
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

- FISCAL NOTE(S) ^{New} zero fiscal impact appropriation no FN
- new ^{Docu} updated previous ^{DEC}
- same as previous fiscal note(s) published _____

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Signature]

Paul Gish

Paul Vely (No Rec)

Chairman signature and recommendation

Committee Backup attached

[Signature] Co-Chair

R/O JFC 4-11-89

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: CSSB 256 (C&RA)
PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Department of Law
 Title: "An Act relating to reimbursement for costs...released hazardous substance..." BRU: Prosecution, Legal Services
 Sponsor: Senate C&RA Components: All
 Requestor: Senate C&RA

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Please see the attached analysis.

Richard I. Pegus
 Prepared by: Richard I. Pegus, Director Phone: 465-3672
 Division: Administrative Services Date: April 6, 1989
Richard I. Pegus FOR 1
 Approved by Commissioner: Douglas B. Bailey, Attorney General Date: April 6, 1989
 Agency: Department of Law

Distribution (by preparer):

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

RECEIVED
APR 7 1989

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CSSB 256

This bill, because it imposes no new responsibilities on the department, will not have a fiscal impact on the Department of Law. However, the department anticipates a major impact on state resources arising out of litigation that it expects in respect to the collection of state imposed civil penalties, pursuit of claims by the state for damages against the responsible parties, and the defense of damage claims against the state by fishermen and other affected persons, as a result of the Exxon Valdez oilspill. Because this impact is not directly related to the bill it will be addressed separately by the department. Penalty collections and claims litigation will be extensive and very expensive. The department hopes to be able to advise the legislature on these matters within the next few days.

r/o SEC 4-11-89

4/6

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: CS SB 256 (C & RA)
PUBLISH DATE: 4/8/89

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Environmental Conservation
Title: An Act relating to reimbursement to persons and municipalities for costs incurred as a result of a released hazardous substance BRU: EO
Sponsor: Senator Szymanski Components: _____
Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS: None

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

CHANGES IN CEQA CO HAVE
NO FISCAL EFFECT. THIS IS
APPROPRIATE.

Prepared by: Mark Thorson Phone: 765-2621
Division: Administrative Services Date: 4/5/89

Approved by Commissioner: Mark D. Thorson for DDK Date: 4/5/89
Agency: Environmental Conservation

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

Original sponsors: Szymanski, Kerttula,
Kelly, and Sturgulewski

1 IN THE SENATE
2 CS FOR SENATE BILL NO. 256 (C&RA)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - FIRST SESSION
5 A BILL
6 For an Act entitled: "An Act relating to reimbursement for costs incurred
7 and recovery of money expended as a result of a
8 released hazardous substance; and providing for an
9 effective date."
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
11 * Section 1. AS 46.08.070(b) is amended to read:
12 (b) The attorney general, at the request of the commissioner,
13 shall immediately [MAY] seek to recover money expended by the depart-
14 ment under this chapter or other law to contain and clean up oil or a
15 hazardous substance that has been released or to control the threat-
16 ened release of oil or a hazardous substance.
17 * Sec. 2. AS 46.08.070(c) is amended to read:
18 (c) The department may reimburse a municipality for actual
19 expenses, other than normal operating expenses, incurred in the abate-
20 ment of a release or threatened release of oil or a hazardous sub-
21 stance if
22 (1) the municipality has entered into an agreement with the
23 commissioner under AS 46.09.020(e) [BEFORE INCURRING THE EXPENSES FOR
24 WHICH REIMBURSEMENT IS SOUGHT]; and
25 (2) the commissioner determines that the expenses were for
26 a necessary emergency first response to a release or threatened re-
27 lease that posed an imminent and substantial threat to the public
28 health or welfare, or to the environment.
29 * Sec. 3. This Act is retroactive to March 24, 1989.

1 * Sec. 4. This Act takes effect immediately under A. 01.10.070(c).



Alaska Environmental Lobby, Inc.

P.O. Box 22151 Juneau, Alaska 99802

907-586-2345

AEL ISSUE PAPER-SB 256: REIMBURSEMENT FOR COSTS INCURRED AS A RESULT OF OIL/HAZARDOUS SUBSTANCE RELEASE

The Alaska Environmental Lobby supports the Senate Community And Regional Affairs CS for SB 256. It is absolutely necessary that the money spent on the Prince William Sound cleanup by the Department of Environmental Conservation, municipalities, and other entities be recovered from the responsible parties.

The Exxon Valdez oil spill disaster has had tragic consequences for the environment and the communities of Prince William Sound, and beyond. This crisis required an immediate, emergency response. **Substantial costs have been incurred both by DEC and the communities of Prince William Sound in this large-scale cleanup and containment effort.** It is essential that this money be recovered from those responsible for this grave environmental, social, and economic catastrophe.

The Alaska Environmental Lobby commends the Senate in this effort to create a framework for containment and clean up expenditure reimbursement. With this assurance of reimbursement, local entities and municipalities will be more likely to participate in future oil and hazardous substance release prevention and cleanup.

Karen Brewster
April 11, 1989

ALASKA CENTER FOR THE ENVIRONMENT • ALASKA CHAPTER, SIERRA CLUB • JUNEAU GROUP, SIERRA CLUB • SITKA GROUP, SIERRA CLUB
KNIK GROUP, SIERRA CLUB • DENALI GROUP, SIERRA CLUB • ANCHORAGE AUDUBON SOCIETY • ARCTIC AUDUBON SOCIETY
DENALI CITIZENS' COUNCIL • ALASKA FRIENDS OF THE EARTH • JUNEAU AUDUBON SOCIETY • KACHEMAK BAY CONSERVATION SOCIETY
KENAI PENINSULA AUDUBON SOCIETY • KODIAK AUDUBON SOCIETY • LYNN CANAL CONSERVATION • ALASKA WILDLIFE ALLIANCE
SITKA CONSERVATION SOCIETY • NORTHERN ALASKA ENVIRONMENTAL CENTER • SOUTHEAST ALASKA CONSERVATION COUNCIL
KNIK KANOERS AND KAYAKERS



Alaska State Legislature

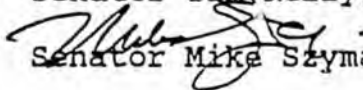
Senator Mike Szymanski

While in Session:
P.O. Box V
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Juneau, Alaska 99811
(907) 465-4978/4979
FAX (907) 465-2652

During Interim:
3111 C Street, Suite 510
Anchorage, Alaska 99503
(907) 561-7617

165 E. Parks Highway
Legislative Information Office
Wasilla, Alaska 99687
(907) 376-MIKE

M E M O R A N D U M

TO: Senator Tim Kelly, President of the Senate
FROM:  Senator Mike Szymanski
DATE: April 3, 1989
SUBJ: Introduction of Legislation Related to Oil
and Gas Hazardous Substance Releases Fund.

The purpose of this legislation is to clarify the Commissioner of the Department of Environmental Conservation's authority to enter into agreements with Municipalities to be reimbursed for costs from the date of the release of oil or hazardous substances.

Under current law, it appears that AS 46.08.070(c)(1) would require an agreement be in place before incurring expenses for reimbursement. The obvious problem here is that we have had several communities, i.e. Cordova and Valdez, who have incurred expenses from the moment of the Exxon/Valdez tanker accident. While it is important to have an agreement, it is equally important to allow the Commissioner the flexibility to have such agreements cover, when appropriate, expenses from the date of the tanker accident.

Senate District E

Mat-Su • So. Anchorage • Bird/Indian • Girdwood • Whittier • Nikiski • Cooper Landing • Hope • Seward • Cordova • Valdez

STATE OF ALASKA

STEVE COWPER, GOVERNOR

DEPT. OF ENVIRONMENTAL CONSERVATION

OFFICE OF THE COMMISSIONER
PO BOX O, JUNEAU, ALASKA 99811-1800

(907) 465-2600

April 4, 1989

Senator Mike Szymanski
Alaska State Senate
PO Box V
Juneau, AK 99811

Dear Senator Szymanski:

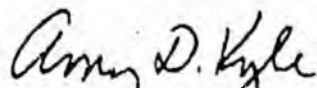
I am writing to state our support for the intent of SB 256. This bill would allow the Department to reimburse the City of Seward for legitimate expenditures for response to the oil spill in Prince William Sound.

At present, the oil and hazardous substance fund may be used for reimbursement to a municipality only if the Department has signed an agreement with the municipality before the expenditure is made. In this case, the City of Seward made expenditures to prepare to keep product away from sensitive areas before an agreement could be signed with the Department.

The Department believes that the City should not be precluded from reimbursement for these expenses simply because an agreement had not been signed. The expenditures will be reviewed by the Department according to procedures established for all municipalities participating in this response. Expenditures will be submitted for payment by EXXON before state funds are used.

Please let me know if there are any additional questions.

Sincerely,



Amy D. Kyle
Deputy Commissioner