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SENATE COMMITTEE REPORT

FURTHER

4/21/89

DATE TURNED INTO OFFICE

4/28/89

Mr. President:

Finance

Committee considered

SB 261

requiring the Dept. 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 and recommended regions of the state, and to implementation of that plan;

- replace with CS SB 261 (Fin)) same title
- or adopt CS) 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) zero fiscal impact appropriation no FN
 new updated previous
 same as previous fiscal note(s) published _____

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

James ...

Chair: *Paul ... (DO PASS)* signature and recommendation

Committee Backup attached

R/O 3FC 4-28-89

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: CCSR 261 (Fin)
PUBLISH DATE: _____

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, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		461.9	461.9	336.9	336.9	336.9

CAPITAL						
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REVENUE						
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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: *ADH* 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
	<i>RANGE</i>						
Ecologist III	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	<u>125.0</u>
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.

Chenoueth,
4/27/89

Adopted
4/28/89

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
18 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
22 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).
27
28
29

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: CSSB.261 (0FG)
PUBLISH DATE: 4/17/89

1/5

REQUEST: draft **FISCAL NOTE**

Revision Date: _____ Agency Affected: Environmental Conservation
Title: An Act relating to oil and hazardous substance discharges, etc. BRU: Environmental Quality, Administrative Services
Sponsor: Duncan, Kerttula, Szymanski, et. Components: Environmental Quality
Requestor: _____ Administrative Services

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES		975.0	975.0	975.0	975.0	975.0
TRAVEL		85.0	85.0	85.0	85.0	85.0
CONTRACTUAL		2,595.0	2,595.0	1,370.0	1,370.0	1,370.0
SUPPLIES		275.0	275.0	25.0	25.0	25.0
EQUIPMENT		390.0	390.0	140.0	140.0	140.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		4,320.0	4,320.0	2,595.0	2,595.0	2,595.0

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER		4,320.0	4,320.0	2,595.0	2,595.0	2,595.0
TOTAL		4,320.0	4,320.0	2,595.0	2,595.0	2,595.0

POSITIONS:

FULL-TIME		15	15	15	15	15
PART-TIME		-0-	-0-	-0-	-0-	-0-
TEMPORARY		-0-	-0-	-0-	-0-	-0-

ANALYSIS : (Attach a separate page if necessary)

(See Attached)

Prepared by: Dan Easton Phone: 465-2640
Division: Environmental Quality Date: April 14, 1989

Approved by Commissioner: A.D. Gale Date: 4/14/89
Agency: Alaska 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

DRAFT

FISCAL ANALYSIS

CSSB 261

(4-14 WORK DRAFT)

April 14, 1989

THE FOLLOWING IS A VERY PRELIMINARY ANALYSIS BASED ON A BRIEF REVIEW OF THE PROPOSED LEGISLATION. THE ANALYSIS AND INCLUDED ESTIMATES WILL BE REFINED DURING THE COMMITTEE PROCESS.

ESTABLISH DEPOTS AND RESPONSE STATIONS (\$2,000.0)

The Department estimates that \$2,000.0 will be required for each of the first two years to establish and stock depots and response stations at a minimum of two locations: Valdez and on the Kenai Peninsula. Once established, subsequent year costs are expected to decline to \$500.0 for contracted services to maintain inventories and response readiness.

100	\$ -0-
200	\$ -0-
300	\$1,500.0
400	\$ 250.0
500	\$ 250.0
Total	<u>\$2,000.0*</u>

*includes \$1,500.0 in first- and second-year costs

PREPARE MASTER AND REGIONAL CONTINGENCY PLANS (\$350.0)

The Department estimates that four technical positions and one clerical position would be required to evaluate the existing state contingency plan, to oversee a contract to expand the existing plan to incorporate the additional items specified by the legislation, to annually review and revise the plan, to annually conduct hearings on the plan, and to develop and revise regional 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.

100	\$	235.0
200	\$	20.0
300	\$	65.0
400	\$	5.0
500	\$	25.0
Total	\$	<u>350.0*</u>

*includes \$125.0 in first- and second-year costs

ADMINISTER OIL AND HAZARDOUS SUBSTANCE SPILL CONTAINMENT FUND
(\$170.0)

The Department projects the need for an accountant and an accounting technician to set up and administer the fund, and to track and approve payments from the fund (\$120.0).

The Department also foresees a need for \$50.0 in contractual funds to prepare, publish and distribute the annual report on discharges, environmental effects, the operational status of the response corps, and needed changes.

100	\$	80.0
200	\$	5.0
300	\$	60.0
400	\$	5.0
500	\$	20.0
Total	\$	<u>170.0</u>

ESTABLISH OIL AND HAZARDOUS SUBSTANCE RESPONSE OFFICE (\$1,800.0)

The Response Office would consist of a full-time staff of nine agency personnel: a director, six response specialists, one clerk-typist and one administrative assistant. First-year costs to establish and staff the office are estimated at \$700.0. Subsequent year costs are estimated at \$600.0. Other costs include training contracts (\$200.0), contracts with local governments (\$500.0), wages and per diem for volunteer training (\$300.0), and contracts with private response specialists (\$100.0).

100	\$	660.0
200	\$	60.0
300	\$	970.0
400	\$	15.0
500	\$	95.0
Total	\$	<u>\$1,800.0*</u>

*include \$100.0 in first- and second-year costs

SUMMARY

	100	200	300	400	500	TOTAL
Depots/Response Stations	-0-	-0-	\$1,500.0	\$250.0	\$250.0	\$2,000.0
Master Contingency Plans	\$235.0	\$20.0	\$ 650.0	\$ 5.0	\$ 25.0	\$ 350.0
Administer Spill Fund	\$ 80.0	\$ 5.0	\$ 60.0	\$ 5.0	\$ 20.0	\$ 170.0
Response Office	\$660.0	\$60.0	\$ 970.0	\$ 15.0	\$ 95.0	\$1,800.0
TOTAL	\$975.0	\$85.0	\$2,595.0	\$275.0	\$390.0	\$4,320.0*

*includes \$1,725.0 in first- and second-year, one-time costs

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: CSSB 261 (Res)
PUBLISH DATE: April 21, 1989

FISCAL NOTE

REQUEST:

Revision Date: 4/24/89 Agency Affected: Environmental Conservation
Title: An Act relating to oil and hazardous substance discharge contingency plans BRU: Environmental Quality
Sponsor: Duncan, Korttula, Szymanski, etc. Components: Environmental Quality
Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES		235.0	235.0	235.0	235.0	235.0
TRAVEL		20.0	20.0	20.0	20.0	20.0
CONTRACTUAL		190.0	190.0	65.0	65.0	65.0
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, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		475.0	475.0	350.0	350.0	350.0

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER		475.0	475.0	350.0	350.0	350.0
TOTAL		475.0	475.0	350.0	350.0	350.0

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)

See attached

Prepared by: Lynn Kent Phone: 465-2630
Division: Environmental Quality Date: April 24, 1989

Approved by Commissioner: *R. D. L.* Date: 4/24/89
Agency: Alaska Department of Environmental Conservation

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

RECEIVED
APR 24 1989

STATE OF ALASKA

STEVE COWPER, GOVERNOR

DEPT. OF ENVIRONMENTAL CONSERVATION

FISCAL ANALYSIS

CSSB 261 (Res)

April 24, 1989

PREPARE MASTER AND REGIONAL CONTINGENCY PLANS (\$475.0)

The Department estimates that four technical positions and one clerical position would be required to develop an initial state master plan and regional contingency plan, 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.

100	\$ 235.0
200	\$ 20.0
300	\$ 190.0
400	\$ 5.0
500	\$ 25.0
Total	\$ 475.0*

*includes \$125.0 in first- and second-year costs

This fiscal note shows "other" funds as the funding source because funding will come from the Oil and Hazardous Substance Release Response 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.

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: SB 261
PUBLISH DATE: 4/18/89

bill file *A/B*

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Environmental Conservation
Title: An Act requiring DEC to prepare and BRU: Environmental Quality
annually review a master contingency plan
Sponsor: Duncan, Kerttula, et. al. Components: Environmental Quality
Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES		134.0	134.0	134.0	134.0	134.0
TRAVEL		10.0	10.0	10.0	10.0	10.0
CONTRACTUAL		149.0	149.0	24.0	24.0	24.0
SUPPLIES		3.0	3.0	3.0	3.0	3.0
EQUIPMENT		15.0	15.0	15.0	15.0	15.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		311.0	311.0	186.0	186.0	186.0

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER		311.0	311.0	311.0	311.0	311.0
TOTAL		311.0	311.0	311.0	311.0	311.0

POSITIONS:

FULL-TIME		3.0	3.0	3.0	3.0	3.0
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

(See Attached)

Prepared by: Dan Easton Phone: 465-2640
Division: Environmental Quality Date: April 10, 1989

Approved by Commissioner: A. D. Kelly Date: 4/12/89
Agency: Alaska 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) 465-2640

April 10, 1989

Contact: Dan Easton

FISCAL NOTE ANALYSIS

SB 261

The Department estimates that two new technical positions and one clerical position would be required to evaluate the existing state contingency plan, to oversee a contract to expand the existing plan to incorporate the additional items specified by the legislation, to annually review and revise the plan, to annually conduct hearings on the plan, and to develop and revise regional plans. For the first two years, contractual services in the amount of \$125.0 would be required for a consultant to develop the initial plans.