

**HB**

**578**

DATE: 5/1/90

FURTHER: Finance

DATE TURNED INTO OFFICE: 5-6-90

Resources Committee considered CSHB 578 (Finance) am  
Citizens' oversight council on oil and other hazardous substances;  
authorizing funding of the council through the oil and hazardous substance  
release response fund.

and recommended:

replace with SCS CS HB 578 (Res)  
 or adopt \_\_\_\_\_ CS \_\_\_\_\_  
 attached amendment(s)  
 \_\_\_\_\_ letter of intent adopted

same title  
 new title  
 technical  
title change  
(HB only)

- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to \_\_\_\_\_

ATTACHES NEW FISCAL NOTE(S):  
 fiscal note(s) \_\_\_\_\_ Dept/Date: \_\_\_\_\_  
 zero fiscal note(s) \_\_\_\_\_  
 appropriation-no fiscal note

APPROVES PREVIOUS:  
 fiscal note(s) Leg Council Dept/Date: \_\_\_\_\_  
 zero fiscal note(s) \_\_\_\_\_  
 Governor's bill w/fiscal note

SIGNING DO PASS:  
[Signature]  
[Signature]  
[Signature]  
[Signature]

OTHER RECOMMENDATIONS:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

[Signature]  
Chair: Signature and Recommendation

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_ Affected Agency: Legislative Affairs Agency  
 Title: "An Act creating a citizen's oversight council on oil & other hazardous..." BRU: Legislative Council  
 Sponsor: H. Resources Components: Council & Subcommittees  
 Requestor: H. Finance

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY91	FY92	FY93	FY94	FY95	FY96
Personal Services	96.5	96.5	96.5	96.5	96.5	96.5
Travel	18.9	18.9	18.9	18.9	18.9	18.9
Contractual	108.6	108.6	108.6	108.6	108.6	108.6
Supplies	2.0	2.0	2.0	2.0	2.0	2.0
Equipment	10.7	0	0	0	0	0
Land & Structures						
Grants, Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>236.7</b>	<b>226.0</b>	<b>226.0</b>	<b>226.0</b>	<b>226.0</b>	<b>226.0</b>

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)

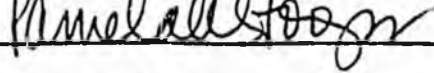
General Fund						
Federal Fund						
Other	236.7	226.0	226.0	226.0	226.0	226.0
<b>TOTAL</b>	<b>236.7</b>	<b>226.0</b>	<b>226.0</b>	<b>226.0</b>	<b>226.0</b>	<b>226.0</b>

POSITIONS:

Full-Time	2	2	2	2	2	2
Part-Time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

CSHB 578(Res) establishes a Citizen's Oversight Council on Oil and Other Hazardous Substances. Funding will be from the Oil & Hazardous Release Response Fund. The following is requested to adequately support the Council:

Prepared By: Pamela A. Stoops, Director  Phone: 465-3850  
 Division: Administrative Services Date: 4/20/90

Approved By: Warren Endicott, Executive Director   
 Agency: Legislative Affairs Agency Date: 4/20/90

DISTRIBUTION (BY PREPARER)  
LEGISLATIVE FINANCE  
LEGISLATIVE SPONSOR

REQUESTOR  
OFFICE OF MANAGEMENT & BUDGET  
AGENCY (IES)

CONTINUATION OF FISCAL NOTE: CSHB 578(Fin)

**PERSONAL SERVICES**

Staff is requested as follows to assist the Citizens Oversight Council on Oil & Other Hazardous Substances:

Administrative Officer - Range 21A			
\$3,831 x 12 months =	\$45,972		
\$45,972 x 36% benefits =	\$16,550		
	<u>\$62,522</u>		62.5
Secretary - Range 12A			
\$2,082 x 12 months =	\$24,984		
\$24,984 x 36% benefits =	\$8,994		
	<u>\$33,978</u>		34.0
			<u>96.5</u>

**TRAVEL**

It is anticipated there will be 6 meetings of the Council.

6 meetings x 5 members at 3 days each			
airfare - 6 meetings x 5 members = 30 airfares			
30 airfares x \$390 =	\$11,700		
per diem - 6 meetings x 5 members = 30			
30 x 3 days per diem = 90			
90 x \$80 =	\$7,200		
	<u>\$18,900</u>		18.9

**CONTRACTUAL**

Professional services for contracts to investigate compliance with environmental laws and regulations relating to production, transport and storage of oil and other hazardous substances - \$75,000 75.0

Lease office space - 1,000 sq. ft x \$2.00 sq. ft. = \$2,000; \$2,000 x 12 months = \$24,000 24.0

Phones & postage - \$800 a month x 12 months = \$9,600 9.6

**SUPPLIES**

Office supplies - paper, stationery, etc. - \$2,000 2.0

**EQUIPMENT**

Initial office setup - 2 desks, 2 chairs, 1 computer, 1 printer, phones, filing cabinets, bookcases - \$10,700 10.7

Q. WHY CREATE A CITIZEN'S COUNCIL?

>ONE OF THE HIGHEST RECOMMENDATIONS BY THE ALASKA OIL SPILL COMMISSION WAS THE CREATION OF A CITIZEN'S COUNCIL.

>NO AGENCY OF STATE OR FEDERAL GOVERNMENT HAS, AS ITS SOLE RESPONSIBILITY, THE SAFE TRANSPORTATION AND HANDLING OF OIL AND HAZARDOUS SUBSTANCES.

>ONLY AN INDEPENDENT CITIZEN'S GROUP CAN PROVIDE CONTINUING VIGILANCE OVER STATE AND FEDERAL AGENCIES.

Q. WHY PUT THIS CITIZEN'S COUNCIL IN THE LEGISLATURE?

>THE LEGISLATURE, BEST REPRESENTS A WIDE DIVERSITY OF INTERESTS AND CONCERNS IN THE STATE.

>THE LEGISLATIVE COUNCIL MEETS YEAR AROUND AND SO CITIZEN'S COUNCIL SEATS COMING OPEN DURING THE INTERIM CAN BE EASILY FILLED.

>LODGING THE CITIZEN'S COUNCIL IN THE LEGISLATIVE COUNCIL WILL BEST INSULATE IT FROM WIDE POLITICAL SWINGS THAT MIGHT RESULT FROM LOCATING IT IN THE ADMINISTRATION.

>WALT PARKER AND ESTHER WUNNICKE OF THE ALASKA OIL SPILL COMMISSION SUPPORT PUTTING THE CITIZEN'S COUNCIL IN THE LEGISLATURE

O. WHY EXCLUDE INDUSTRY MEMBERS FROM THIS PANEL?

>SAFE TRANSPORTATION AND HANDLING OF OIL AND HAZARDOUS SUBSTANCES IS A TRIANGLE OF INTERESTS, INDUSTRY--GOVERNMENT--CITIZENS. THIS COUNCIL WILL BE RESPONSIBLE FOR INSURING CITIZEN INPUT AND ADVICE TO THE OTHER TWO ENTITIES.

>INDUSTRY AND GOVERNMENT MEMBERS WILL BE ON ADVISORY PANELS THE COUNCIL MAY ESTABLISH.

O. WHY ARE THE TERMS SO LONG?

>THE MEMBERS WILL BE FOLKS WITH A VESTED INTEREST IN PREVENTING OIL SPILLS, BUT WILL GENERALLY NOT BE TECHNICAL EXPERTS. LONG TERMS WILL ALLOW TIME TO BECOME FAMILIAR WITH THE ISSUES AND HELP PRESERVE INSTITUTIONAL MEMORY.

>A 4 YEAR TERM SERVES TO UNDERSCORE THE SERIOUSNESS OF THE COMMITMENT.

O. CAN WE AFFORD ANOTHER COMMISSION?

>THE COST OF THE CITIZEN'S COUNCIL AMOUNTS TO TWO (2) DAYS OF THE "470" FUND.

>ALASKA PRODUCES 25% OF THE US DAILY PRODUCTION OF OIL. IS A CITIZEN'S COUNCIL TO OVERSEE THIS MAMMOTH TRANSPORTATION TASK TOO MUCH TO ASK?

>THE SYSTEM IN PLACE A YEAR AGO CLEARLY DIDN'T WORK. THE OIL SPILL COMMISSION BELIEVES THIS WILL.

Q. CAN WE REALLY PREVENT OIL SPILLS?

>THE OIL SPILL COMMISSION FOUND THAT WITH PRE-SPILL PREVENTION SYSTEMS WE COULD EXPECT AN EXXON-VALDEZ SPILL EVERY 13 YEARS.

>WITH ALL OF THE ALASKA OIL SPILL COMMISSION RECOMMENDATIONS IN PLACE, WE CAN EXPECT AN EXXON-VALDEZ SPILL EVERY 56 YEARS.

>THE CITIZEN'S COUNCIL IS AN INTEGRAL PART OF THE OIL SPILL COMMISSION RECOMMENDATIONS. (SEE OIL SPILL COMMISSION HANDOUT)

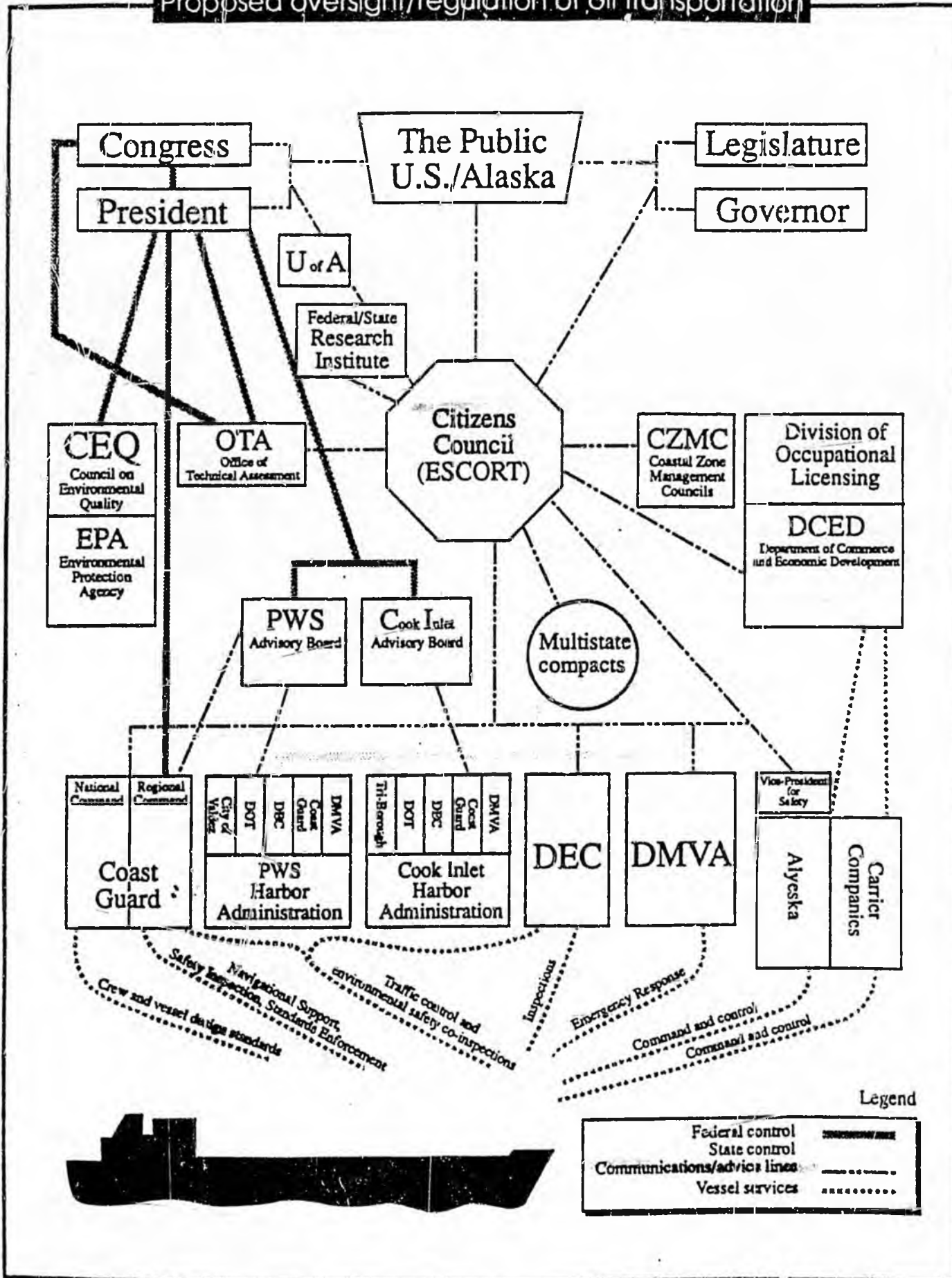
Q. ISN'T AN ALASKA CITIZEN'S COUNCIL REDUNDANT?

>NO! EVEN SENATOR STEVENS IN A LETTER TO THE HOUSE RESOURCES COMMITTEE STATED THAT THE STATE'S CITIZEN'S COUNCIL WILL COMPLEMENT ANY FEDERAL LEGISLATION

>THE STATE SHOULD NOT RELY ON INDUSTRY OR THE FEDERAL GOVERNMENT TO KEEP ITS HOUSE IN ORDER.

THE CITIZEN'S COMMISSION WILL BE ABLE TO ENCOURAGE INTERSTATE COMPACTS !!!!!!!!!!!!!!!!!!!!!

Proposed oversight/regulation of oil transportation



Jay

*Because many individuals and communities are placed at risk by modern oil transportation systems, citizens should be involved in oversight arrangements at every level of government.*

Recommendation 3  
Citizen knowledge of risk

Shipping oil involves inherent risk. The risk cannot be eliminated, only reduced. Citizens deserve to know and make informed social judgments about what constitutes an acceptable level of risk. Reducing the risk involves costs, both public and private. Citizens may or may not be willing to pay the incremental costs of reducing particular risks, but to make informed choices they should be made aware of the tradeoffs involved. Present federal committees for oversight and policymaking are made up of industry and government representatives. There are no equivalent state committees.

*The nation and the state need strong, alert regulatory agencies fully funded to scrutinize and safeguard the shipment of oil.*

Recommendation 4  
Regulatory vigilance

The notion that safety can be insured in the shipping industry through self-regulation has proved false and should be abandoned as a premise for policy. Alert regulatory agencies, subject to continuous public oversight, are needed to enforce laws governing the safe shipment of oil.

National and state agencies formally vested with responsibility for overseeing the environmental safety of oil transportation frequently have been complacent. Regulatory authority has been weak, and there has been a dramatic decline in vigilance since 1981. State authority has been further impaired by conflict with federal authority. Funding ordinarily furnished to protection agencies has left broad areas of concern without oversight. Between disasters, appropriations have tended to decline. As federal administrations have changed, funding and commitment have fluctuated as well. Missions have been attenuated by the addition of further responsibilities without further funds, as in the case of the U.S. Coast Guard, whose duties have greatly expanded without a commensurate increase in budget.

In such an environment the nation's maritime oil transportation system becomes more, not less, prone to risk of accident. The nation's regulatory agencies must be committed to the safe shipment of oil and other hazardous substances, and they must be encouraged by the regular oversight of citizens who have the greatest stake in the relevant environments. Without such an invigoration of these agencies, accidents such as the *Exxon Valdez* are bound to increase.

state presence in the oversight of oil industry affairs and demoralize state personnel engaged in such activity.

In the absence of the state presence, the already weak federal regulatory presence declined further. In 1990 Congress is likely to adopt legislation that would eliminate any presumption of federal preemption in actions taken by the state with respect to safety and response. Thus, the way is open for the state to reassert its historic role in resource protection.

*A citizens advisory council should be established in the Office of the Governor and given responsibility for overseeing the safe transportation of oil, gas and other hazardous substances.*

Recommendation 12  
Oversight council

No state agency has as its primary mission oversight of environmentally safe transportation of Alaska's resources. Regulatory authority over such transportation is spread among several agencies that do not always coordinate information or resources. The only overall view of the system is exercised by the governor, but he has no single designated officer or council to provide information or maintain consistent oversight.

The state should establish a citizens advisory council, supported by a full-time executive director and small staff, to provide focus to state oversight. Members should be chosen from among the general public, selected for their concern for environmental safety. The council should have power to subpoena information and witnesses, to inspect facilities, to conduct investigations, and to collect information and statistics on safety.

The council's duties should be to:

- Advise the governor and legislature on the environmental safety of the transportation of Alaska oil, gas and other substances posing environmental risks;
- Advise on potential initiatives in state and federal regulations and at the governor's request, represent the state's interests in the development of multistate compacts and national and international policy;
- Identify unmet needs and recommend priorities, strategies and obstacles to achieving them;
- Encourage coordination of spill prevention and response programs currently spread among several agencies that cumulatively deserve high priority;

- Make budget and resource allocation recommendations;
- Evaluate programs and recommend elimination of marginal activities;
- Recommend changes based on new technologies and scientific impacts;
- Designate advisory panels, if deemed necessary, including appropriate representation, ex-officio, of appropriate departments of the state and municipalities, regional oil spill authorities, representatives of fishing and environmental groups, and shippers, owners and residential groups on the pipeline route; and
- Issue an annual report and safety assessment. Reports to the governor should include regular statistical and special reports on accidents and near-misses, the status of major risks, the performance of state and federal agencies, and long-term options for improving safety.

**Recommendation 13**  
Enhanced  
regulatory strength

*The state should expand and exercise its regulatory authority over environmental safety. Measures voluntarily adopted by industry should be backed up by state regulation. Federal technical standards and safety requirements should not preclude more stringent state standards.*

The State of Alaska currently does not exercise its full power under the U.S. Constitution to regulate environmental safety. Recent congressional enactments and judicial decisions make it clear that Congress does not intend that states should hesitate to protect local environments with greater stringency than the minimums established under federal law. The state should have the power, for example, to prohibit vessels from entering or departing Alaska ports and waters under unsafe circumstances.

Regulatory effectiveness also should be improved through assessment of administrative and civil penalties to encourage prevention, no pre-enforcement review of compliance orders, environmental audits, stronger criminal penalties, and statutory provision for citizen lawsuits. Private voluntary prevention measures, though commendable, are often ignored as memories fade unless backed up by state regulations.

**Recommendation 14**  
Strengthened state  
inspections

*The state should renew and strengthen its authority to conduct inspections and spill response drills on vessels calling at Alaska ports and marine terminals.*

The Valdez tanker fleet, built in the 1970s is approaching obsolescence. Structural weaknesses, technical malfunctions and other equipment problems can be expected to increase in frequency and seriousness.

March 20, 1990

Senate Conferees  
Senate Bill 686  
U.S. Senate  
Washington, D.C. 20510

Dear Senate Conferee,

The Alaska State Legislature is currently working on legislation to create a Citizen's Oversight Council on Oil and Hazardous Substances. In testimony before the House Resources Committee there has been some discussion that this legislation may duplicate provisions in Title 8 of HR 1465/S 686. We do not believe this to be the case. In fact, we believe that federal and state legislation will complement each other to provide the highest degree of citizen oversight possible.

House Bill 578 was introduced in the Alaska State Legislature at the request of the Alaska Oil Spill Commission. After eight months work, the Commission identified citizen oversight as an essential component of any oil spill prevention program. Our legislation creates a five member state council primarily to oversee and monitor state and federal regulatory agencies. As currently written, the Citizen's Oversight Council will be an arm of the Alaska State Legislature.

The role of the Council will be to ensure vigilance on the part of government. As a statewide entity, it will also have a role in coordinating among any regional citizen councils created by state federal or local governments.

Both the federal and the state government have a compelling interest in ensuring that a disaster such as the Exxon Valdez never again occurs. We encourage you to continue with your efforts to create strong regional citizen's groups in Cook Inlet and Prince William Sound.

Thank you for your efforts.

Sincerely,

Representative Cliff Davidson  
Co-Chair

Representative Curt Menard  
Co-Chair

E. INOUE, HAWAII  
F. HOLLINGS, SOUTH CAROLINA  
J. P. JOHNSON, LOUISIANA  
M. N. BURDICK, NORTH DAKOTA  
C. J. LEAHY, VERMONT  
B. B. TENNESSEE  
D. CONCINI, ARIZONA  
J. P. ARKANSAS  
R. LAUTENBERG, NEW JERSEY  
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DON NICKLES, OKLAHOMA  
PHIL GRAMM, TEXAS

## United States Senate

COMMITTEE ON APPROPRIATIONS  
WASHINGTON, DC 20510-6028

JAMES H. ENGLISH, STAFF DIRECTOR  
J. KEITH KENNEDY, MINORITY STAFF DIRECTOR

April 05, 1990

The Honorable Curt Menard  
The Honorable Cliff Davidson  
Co-Chairs  
House Resources Committee  
Alaska State Legislature  
P.O. Box V  
Juneau, Alaska 99811

Dear Curt and Cliff:

Thanks for your letter explaining the State Legislature's proposed legislation to create a Citizens' Oversight Council on Oil and Hazardous Substances. I support provisions in the federal oil spill legislation that would create citizen advisory groups.

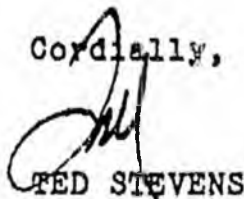
It would seem that the Alaska State Legislature's proposed legislation would not duplicate the federal provisions. Rather, it would act more as a watch dog to state and federal agencies, not to the industry which is the purpose of the federal legislation.

I agree that a combination of the federal and state legislation would create the ultimate level of citizen involvement to ensure that every step is taken to protect against another tragedy like The Exxon Valdez.

Thanks again for writing.

With best wishes,

Cordially,



TED STEVENS

**OIL REFORM ALLIANCE BRIEFING PAPER ON  
HB 578**

**PURPOSE OF BILL:** To combat institutional complacency and maintain proper vigilance over handling of oil and hazardous substances.

**WHY IS THIS BILL IMPORTANT?**

"Because many individuals and communities are placed at risk by modern oil transportation systems, citizens should be involved in oversight arrangements at every level of government."

*Recommendation #3, Alaska Oil Spill Commission.*

A citizens' advisory council should be established and given responsibility for overseeing the safe transportation of oil, gas, and other hazardous substances.

*Recommendation #12, Alaska Oil Spill Commission.*

"Proposed legislation would not duplicate the federal provisions." "I agree that a combination of the federal and state legislation would create the ultimate level of citizen involvement to ensure ... against another tragedy like The Exxon Valdez."

*Senator Ted Stevens*

**WHAT CAN THE COUNCIL DO?**

**OVERSEE STATE AND FEDERAL AGENCIES** responsible for preventing release of oil and hazardous substances to determine whether they are carrying out their duties.

**MAKE APPROPRIATE RECOMMENDATIONS** to prevent spills, improve regulatory performance, improve environmental safety, and enhance citizen participation.

**ASSIST IN DEVELOPMENT OF INTERSTATE COMPACTS.**

**CONDUCT INVESTIGATIONS AND SUBPOENA WITNESSES** necessary to conduct its duties.

**WHAT CAN'T THE COUNCIL DO?**

**CAN'T UNILATERALLY IMPOSE REGULATIONS, POLICIES, OR RULES.**

**CAN'T INDEPENDENTLY ESTABLISH ADDITIONAL ADVISORY COMMITTEES.**

**CAN'T BE FINANCED WITH MONEY FROM THE GENERAL FUND;** rather the council is financed by the 470 Fund.

TESTIMONY TO THE  
HOUSE FINANCE  
COMMITTEE

BY

ESTHER WUNNICKE

VICE - CHAIR

ALASKA OIL SPILL COMMISSION

10 APRIL 1990

A fundamental conclusion of the Alaska Oil Spill Commission was that strong prevention regimes at every level are essential to protect oceans and coastlines from oil spills.

Elements of a strong prevention regime cited by the Commission were:

- 1) a shipping industry devoted to the environmentally safe shipment of oil;
- 2) alert, strong, fully-funded regulatory agencies, and
- 3) systematic research on hazards and resources at risk.

The 4th element was:

local, state and interstate watchdog organizations to guard against shipper and regulatory complacency.

Recommendation Number 12 of the Commission addressed this need at the State level by calling for a citizens oversight council for overseeing the safe transportation of oil, gas and other hazardous substances. You have responded in HB578 to meet this need

This is one of the most important prevention recommendations of the Commission and one that can be implemented by the State of Alaska at little cost but with profound benefits for the future.

The Commission found that shippers, federal and state regulators alike had many other objectives and duties than the environmentally safe transport of oil. As funding decreased and other obligations and duties took precedence the necessary oversight, redundancy of

command, attention to navigation guidance and other means by which the Exxon Valdez grounding could have been avoided received less and less attention. General complacency affected almost all those participating as shipper or regulator in shipping oil from the Port of Valdez.

No agency had as its primary mission the environmentally safe transport of oil.

Because many individuals and communities are placed at risk by modern transportation systems, citizens should be involved in oversight arrangements at every level of government. A statewide citizens oversight council will go far toward meeting this recommendation and should not be seen as a duplication of industry supported or federally created citizen groups but rather as a means of coordinating and focusing the attention and concern of those groups at the highest state levels.

As pointed out in testimony submitted to the Senate Finance Committee on SB503 which expands the current Alaska Emergency Response Commission we emphasized that adding citizen members to that planning group of agency representatives was not a substitute for a small public council reporting to the Governor or the Legislature to provide a focused oversight on all aspects of oil and gas transportation.

The Citizens Oversight Council addressed in House Bill No. 578

(X)

would give this primary mission to a State council which had no competing program or conflicting duties. Such a council would be the beacon to the Governor, the Legislature and the Citizens of Alaska of the State of oil transport now and in the future.

An ounce of prevention is worth a pound of cure.

OVERSIGHT

1 The council consists of five members appointed by the Alaska Legisla-  
2 tive Council. The Alaska Legislative Council shall notify members of  
3 the public throughout the state that nominations for membership are  
4 being sought. Members of the council serve without compensation but  
5 are entitled to per diem and travel expenses authorized for boards and  
6 commissions under AS 39.20.180.

7 (b) The council shall elect a chair and other officers that the  
8 council finds necessary to carry out its responsibilities.

9 (c) Members of the council serve staggered terms of four years  
10 and, upon expiration of their terms, continue to serve until their  
11 successors qualify and are appointed. A member may serve no more than  
12 two consecutive terms.

13 (d) [A member of the council may not be employed by the state or  
14 by a person engaged in the production, transport, or storage of oil or  
15 other hazardous substances, may not be an elected official of the  
16 state or of a political subdivision of the state other than those  
17 established under AS 14, and may not work as an independent contractor  
18 for a person engaged in the production, transport, or storage of oil  
19 or other hazardous substances, or for a state agency charged with  
20 regulating the production, transport, or storage of oil or other  
21 hazardous substances.] The Alaska Legislative Council shall appoin  
22 members who have an interest in and commitment to preventing oil and  
23 hazardous substance releases in the state.

24 (e) The council shall make a formal request to the Alaska Legis-  
25 lative Council for funds it considers necessary for the staff, per  
26 diem, travel, and contractual expenses [of the council]. Funds distri-  
27 buted to the council are to be disbursed and accounted for under  
28 procedures required by the Legislative Affairs Agency. The council  
29 chair shall approve all expenditure documents.

6-1969M  
Chenoweth/  
Gaguine  
5/5/90

Original sponsor(s): Resources Committee

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 578 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act creating a citizens' oversight council on oil  
7 and other hazardous substances; and authorizing  
8 funding of the council through the oil and hazardous  
9 substance release response fund."

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

11 \* Section 1. LEGISLATIVE FINDINGS. The legislature finds that

12 (1) a pervasive contributing factor to the Exxon Valdez disaster  
13 was the complacency of the oil industry and the federal and state agencies  
14 responsible for monitoring the operation of the Valdez oil terminal and oil  
15 tanker traffic in Valdez Arm and Prince William Sound;

16 (2) it is essential to involve local citizens to help ensure  
17 compliance with environmental laws and regulations relating to the produc-  
18 tion, transport, and storage of oil and other hazardous substances in order  
19 to overcome this complacency;

20 (3) a state oversight council will provide a valuable mechanism  
21 for citizen participation and an opportunity for citizens to express their  
22 concerns to the legislature and the governor about environmental safety in  
23 production, transport, and storage of oil and other hazardous substances.

24 \* Sec. 2. AS 24.20 is amended by adding new sections to read:

25 ARTICLE 4. CITIZENS' OVERSIGHT COUNCIL ON  
26 OIL AND OTHER HAZARDOUS SUBSTANCES.

27 Sec. 24.20.600. CITIZENS' OVERSIGHT COUNCIL ON OIL AND OTHER  
28 HAZARDOUS SUBSTANCES. (a) There is created in the legislature the  
29 Citizens' Oversight Council on Oil and Other Hazardous Substances.

1 The oversight council consists of five members appointed by the Alaska  
2 Legislative Council. The Alaska Legislative Council shall notify  
3 members of the public throughout the state that nominations for mem-  
4 bership are being sought. Members of the oversight council serve  
5 without compensation but are entitled to per diem and travel expenses  
6 authorized for boards and commissions under AS 39.20.180.

7 (b) The oversight council shall elect a chair and other officers  
8 that the oversight council finds necessary to carry out its respon-  
9 sibilities.

10 (c) Members of the oversight council serve staggered terms of  
11 four years and, upon expiration of their terms, continue to serve  
12 until their successors qualify and are appointed. A member may serve  
13 no more than two consecutive terms.

14 (d) The Alaska Legislative Council shall appoint as members of  
15 the oversight council persons who have an interest in and commitment  
16 to preventing oil and hazardous substance releases in the state.

17 (e) The oversight council shall make a formal request to the  
18 Alaska Legislative Council for money it considers necessary for staff,  
19 per diem, travel, and contractual expenses. Money distributed to the  
20 oversight council is to be disbursed and accounted for under proce-  
21 dures required by the Legislative Affairs Agency. The chair of the  
22 oversight council shall approve all expenditure documents.

23 Sec. 24.20.610. POWERS AND DUTIES OF THE OVERSIGHT COUNCIL. (a)  
24 The oversight council shall

25 (1) determine whether state and federal agencies responsi-  
26 ble for the prevention of the release of oil and other hazardous  
27 substances, and for responding to releases, are carrying out their  
28 duties in these areas;

29 (2) recommend to the legislature, the governor, agencies of

1 the federal government, and private entities appropriate policies and  
2 actions to prevent releases of oil and other hazardous substances;

3 (3) assist the legislature and the governor in the develop-  
4 ment of interstate compacts and policy recommendations to the federal  
5 government regarding the prevention of releases of oil and other  
6 hazardous substances;

7 (4) file an annual report with the legislature and the  
8 governor assessing the status of major areas of risk, the performance  
9 of state and federal regulatory agencies, and changes in the long-term  
10 options for improving environmental safety;

11 (5) request the attorney general to bring or request the  
12 attorney general to move to intervene in legal actions in order to  
13 ensure compliance with state laws and regulations regarding the re-  
14 lease of oil and other hazardous substances;

15 (6) make recommendations to the legislature, the governor,  
16 and the federal government on the creation, funding, and composition  
17 of regional or local advisory committees and on the relationship  
18 between the oversight council, local advisory committees, and other  
19 citizens' oversight groups on oil and other hazardous substances; and

20 (7) schedule regular meetings with local and regional  
21 advisory committees as they are created to make sure that they comple-  
22 ment each other and avoid overlap in oversight and advisory functions.

23 (b) The oversight council may

24 (1) hire an administrator and additional administrative  
25 staff, and enter into contracts for personal services that the over-  
26 sight council finds necessary to carry out its responsibilities under  
27 this section; all employees of the oversight council are in the exempt  
28 service under AS 39.25.110;

29 (2) subpoena witnesses, administer oaths, take testimony,

1 and require the production for examination and copying of books or  
2 papers relating to matters within the responsibility of the oversight  
3 council; and

4 (3) conduct investigations, studies, and analyses necessary  
5 to enable the oversight council to carry out its duties under (a) of  
6 this section; and

7 (4) appoint advisory panels in specialized areas to include  
8 representatives of appropriate groups such as state and municipal  
9 regulatory agencies, oil spill prevention and response authorities,  
10 fishing and environmental groups, residents of areas of risk, scien-  
11 tists, and shippers and owners of oil and other hazardous substances  
12 produced or transported in the state.

13 Sec. 24.20.620. COOPERATION BY STATE AGENCIES. Each agency of  
14 the executive branch of state government shall, to the extent permit-  
15 ted by state or federal law, cooperate fully with the oversight coun-  
16 cil by providing information and assistance, including disclosure of  
17 records relating to the agency's enforcement of laws and regulations  
18 for the prevention of and response to releases of oil and other haz-  
19 ardous substances.

20 Sec. 24.20.630. DEFINITIONS. In AS 24.20.600 - 24.20.630,

21 (1) "hazardous substance" has the meaning given in AS 46.-  
22 08.900;

23 (2) "oil" has the meaning given in AS 46.08.900; and

24 (3) "oversight council" means the Citizens' Oversight  
25 Council on Oil and Other Hazardous Substances.

26 \* Sec. 3. AS 46.08.040 is amended by adding a new subsection to read:

27 (b) Upon a request from the Alaska Legislative Council, the  
28 commissioner shall use money from the fund to reimburse the Alaska  
29 Legislative Council for expenditures that it makes for the operation

1 of the Citizens' Oversight Council on Oil and Other Hazardous Sub-  
2 stances, established under AS 24.20.600.

3 \* Sec. 4. INITIAL APPOINTMENTS. Notwithstanding AS 24.20.600(c), as  
4 enacted by sec. 2 of this Act, one initial member of the Citizens' Over-  
5 sight Council on Oil and Other Hazardous Substances shall be appointed to a  
6 term of one year, one initial member shall be appointed to a term of two  
7 years, one initial member shall be appointed to a term of three years, and  
8 two initial members shall be appointed to terms of four years. The members  
9 appointed to terms of one and two years are eligible to serve two full  
10 terms following the completion of their initial shortened terms.  
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