

SB

215

HFIN

FILE

(11)

Date Referred: April 29, 1994

HOUSE COMMITTEE REPORT
FURTHER REFERRALS:

Date of Committee Action: 5/5/94

The FINANCE Committee considered:

CSSB 215(FIN) am(efd fld)

CS FOR SENATE BILL NO. 215(FIN) am(efd fld)

OIL/HAZARDOUS SUBS. RELEASE RESPONSE FUND

"An Act relating to oil and hazardous substances; redesignating the oil and hazardous substance release response fund and relating to it; repealing the Citizens' Oversight Council on Oil and Other Hazardous Substances and the authority in law by which marine highway vessels may be designed and constructed to aid in oil and hazardous substance spill cleanup in state marine water using money in the oil and hazardous substance release

RECOMMENDATIONS:

be replaced with HCS (CSSB 215 (FIN)) the same title a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): _____ (Dept)

APPROVES PREVIOUS: _____ (Dept/Date)

fiscal impact _____

fiscal note(s) Revenue 4/27/94

zero fiscal note BIS

4 zero fiscal note(s) DPS 4/27/94; DEC 4/27/94

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Eileen P. Maclean</i> Maclean	<input checked="" type="checkbox"/>				
<i>Richard J. Foster</i> FOSTER	<input checked="" type="checkbox"/>	<i>Mark Hanley</i> Hanley		<input checked="" type="checkbox"/>	
		<i>Lorne Martin</i> Martin		<input checked="" type="checkbox"/>	
		<i>Sean Parnell</i> Parnell		<input checked="" type="checkbox"/>	
		<i>Ben Grusser</i> Grusser		<input checked="" type="checkbox"/>	
		<i>Tom Hoffman</i> Hoffman		<input checked="" type="checkbox"/>	
		<i>Jay Brown</i> Brown			<input checked="" type="checkbox"/>
		<i>Tom Therniault</i> Therniault		<input checked="" type="checkbox"/>	

Eileen P. Maclean
CHAIRMAN'S SIGNATURE
Maclean

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO: HCS CSSB 215(RES)

Revision Date: 04/21/94 Dept. Affected: Public Safety
 Title: Oil/Hazardous Subs Release Response Fund BRU: Alaska State Troopers
 Component: Detachments
 Sponsor: Senator Miller
 Requestor: H.RES COMPONENT SERIAL NO. 799

EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL EXPENDITURES	-0-	-0-	-0-	-0-	-0-	-0-
CHANGE IN REVENUES () <small>Revenue Code</small>	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

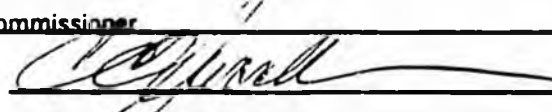
Estimate of current year (FY 94) impact: \$ _____

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary.)

No impact is anticipated to the Department of Public Safety.

Prepared By: Lee Ann Lucas Phone: 465-4322
 Division: Office of Commissioner Date: 04/25/94
 Approved by Commissioner:  Date: 04/25/94
 Agency: Richard L. Burton, Dept. of Public Safety

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. HCSCSSB 215 (RES)

Revision Date: April 25, 1994
Title: "...redesignating the oil and hazardous release response fund..."
Sponsor: Senator Miller
Requestor: Senate Resources

Department Affected: Department of Law
BRU: EXXON VALDEZ Litigation
Component: EXXON VALDEZ Litigation
COMPONENT SERIAL NO. 1175

EXPENDITURES/REVENUES:

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND &						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
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REVENUE						
---------	--	--	--	--	--	--

FUNDING:

1002 Federal						
1003 GF Match						
1004 GF						
1005 GF/Program						
1006 GF/MHTIA						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

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

Estimate of current year (FY94) impact: -0-

ANALYSIS: (Attach a separate page if necessary.)

The House Resources Committee Substitute for SB 215 makes minor technical changes and will not be a fiscal impact for the Department of Law.

Richard I. Peques

Prepared by: Richard I. Peques, Director
Division: Administrative Services Division

Phone: 465-3672

Date: April 25, 1994

Approved by Commissioner: Bruce M. Botelho, Attorney General

Agency: Department of Law

Date: April 25, 1994

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FISCAL NOTE

No. 11
 Bill Version: HCSCSSB 215 (RES)
 (H) Publish Date: 4/27/94

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL

Revision Date: _____ Dept. Affected: Administration
 Title: "An Act relating to oil and hazardous substances..." BRU: Finance
 Component: Finance
 Sponsor: Sen. Miller
 Requestor: (H) Resources COMPONENT SERIAL NO. 59

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of current year (FY94) cost: none

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Don Wanie, Director Phone: 465-2240
 Division: Finance Date: _____
 Approved by Commissioner: Nancy Bear Usura Date: 4/26/94
 Agency: Administration

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FISCAL NOTE

No. 10
 Bill Version HCSCSSB 215 (RES)
 (H) Publish Date: 4/27/94

STATE OF ALASKA
 1994 LEGISLATIVE SESSION

BILL 1

Revision Date:
 Title: Oil/Hazardous Substance Fund,
Tax, Plans
 Sponsor: Senate Resources Committee
 Requestor: House Resources Committee

Department Affected: Environmental Conservation
 BRU: Spill Prevention and Response
 Component: All SPAR Components, Response Fund
Admin. Component in Admin. BRU
 COMPONENT SERIAL NO. All of the above.

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTLA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY94) cost: 5

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)
 SEE ATTACHED

Prepared by: Bob Poe, Director
 Division: Information & Administrative Services

Phone: 465-5010
 Date: 4/25/94

Approved by Commissioner: [Signature]
 Agency: Department of Environmental Conservation

Date: 4/25/94

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COMMITTEE COPY

Fiscal Analysis for
HCS CSSB215(RES)

	No Change From Existing Statute	HCS CSSB215 (RES) Entire Spill Reserve to Response Account
Fiscal Year 1995		
Beginning Balance of Response Fund	\$63.2	
Beginning Balance of Response Account		\$47.7
Beginning Balance of Prevention Account		\$15.5
Total .05 Surcharge Collected in FY95	\$26.2	
Total Response Surcharge Collected in FY95		\$5.2
Total Prevention Surcharge Collected in FY95		\$15.7
Interest Earned in FY95		\$2.5
Prevention & Response Prgm. All Agencies	\$13.5	\$13.5
Estimated Response Account Use	\$0.8	\$0.8
Estimated Cost Recovery to Response Account	\$0.3	\$0.3
Amount of Prevention Program Under-Funded	\$0.0	\$0.0
Ending Balance of Response Fund	\$48.9	
Ending Balance of Response Account		\$46.9
Ending Balance of Prevention Account		\$2.0
Suspension and Reimposition Calculation	(\$6.1)	\$52.5
Fiscal Year 1996		
Beginning Balance of Response Fund	\$75.1	
Beginning Balance of Response Account		\$52.5
Beginning Balance of Prevention Account		\$20.2
Total .05 Surcharge Collected in FY96	\$25.3	
Total Response Surcharge Collected in FY96		\$0.0
Total Prevention Surcharge Collected in FY96		\$15.2
Interest Earned in FY96		\$2.5
Prevention & Response Prgm. All Agencies	\$13.9	\$13.9
Estimated Response Account Use	\$0.8	\$0.8
Estimated Cost Recovery to Response Account	\$0.3	\$0.3
Amount of Prevention Program Under-Funded	\$0.0	\$0.0
Ending Balance of Response Fund	\$60.7	
Ending Balance of Response Account		\$51.7
Ending Balance of Prevention Account		\$6.3
Suspension and Reimposition Calculation	\$4.5	\$62.0

Fiscal Analysis for
HCS CSSB215(RES)

	No Change From Existing Statute	HCS CSSB215 (RES) Entire Spill Reserve to Response Account
Fiscal Year 1997		
Beginning Balance of Response Fund	\$86.0	
Beginning Balance of Response Account		\$52.0
Beginning Balance of Prevention Account		\$24.0
Total .05 Surcharge Collected in FY97	\$24.8	
Total Response Surcharge Collected in FY97		\$0.0
Total Prevention Surcharge Collected in FY97		\$14.9
Interest Eamed in FY97		\$2.5
Prevention & Response Prgm. All Agencies	\$14.3	\$14.3
Estimated Response Account Use	\$0.8	\$0.8
Estimated Cost Recovery to Response Account	\$0.3	\$0.3
Amount of Prevention Program Under-Funded		\$0.0
Ending Balance of Response Fund	\$71.2	
Ending Balance of Response Account		\$51.2
Ending Balance of Prevention Account		\$9.7
Suspension and Reimposition Calculation	\$14.2	\$51.5
Fiscal Year 1998		
Beginning Balance of Response Fund	\$96.0	
Beginning Balance of Response Account		\$51.5
Beginning Balance of Prevention Account		\$27.0
Total .05 Surcharge Collected in FY98	\$23.8	
Total Response Surcharge Collected in FY98		\$0.0
Total Prevention Surcharge Collected in FY98		\$14.3
Interest Eamed in FY98		\$2.5
Prevention & Response Prgm. All Agencies	\$14.8	\$14.8
Estimated Response Account Use	\$0.8	\$0.8
Estimated Cost Recovery to Response Account	\$0.3	\$0.3
Amount of Prevention Program Under-Funded	\$0.0	\$0.0
Ending Balance of Response Fund	\$80.7	
Ending Balance of Response Account		\$50.7
Ending Balance of Prevention Account		\$12.3
Suspension and Reimposition Calculation	\$22.4	\$57.0

Fiscal Analysis for
HCS CSS8215(RES)

	No Change From Existing Statute	HCS CSS8215 (RES) Entire Spill Reserve to Response Account
Fiscal Year 1999		
Beginning Balance of Response Fund	\$104.5	
Beginning Balance of Response Account		\$51.0
Beginning Balance of Prevention Account		\$29.1
Total .05 Surcharge Collected in FY99	\$22.4	
Total Response Surcharge Collected in FY99		\$4.5
Total Prevention Surcharge Collected in FY99		\$13.4
Interest Earned in FY99		\$2.5
Prevention & Response Prgm. All Agencies	\$15.2	\$15.2
Estimated Response Account Use	\$0.8	\$0.8
Estimated Cost Recovery to Response Account	\$0.3	\$0.3
Amount of Prevention Program Under-Funded	\$0.0	\$0.0
Ending Balance of Response Fund	\$88.8	
Ending Balance of Response Account		\$50.2
Ending Balance of Prevention Account		\$13.9
Suspension and Reimposition Calculation	\$28.8	\$54.9
Total Prevention Program Underfunding	\$0.0	\$0.0
Total Response Account Surcharge Paid	\$122.5	\$9.7
Total Prevention Account Surcharge Paid	\$0.0	\$73.5
Total Surcharges Paid	\$122.5	\$83.2
Total Surcharge Savings to Payor (5 Years)	\$0.0	\$39.3

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. HCS CSSB 215 (RES)

Revision Date: _____ Dept. Affected: Revenue
 Title: An Act relating to oil and hazardous substances... BRU: Revenue Operations
 Component: Oil & Gas Audit
 Sponsor: Miller
 Requestor: House Resources COMPONENT SERIAL NO. 115

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE FUND SOURCE:	-5,300.0	-10,000.0	-9,900.0	-9,500.0	-4,500.0	-9,500.0
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FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

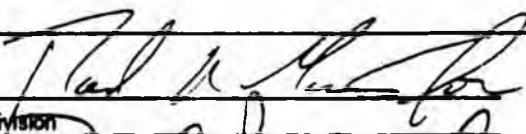
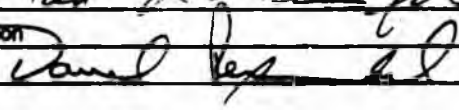
POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY94) impact: \$ 0.0

ANALYSIS: (Attach a separate page if necessary.)

Revenue reduction estimates are based on production and tax revenues included in the *Revenue Sources Book, Fall 1993*, and expenditure analysis provided by the Department of Environmental Conservation. The fiscal note represents a simple mathematical calculation based on those estimates.

Prepared by: Leslie K. Stewart  Phone: 276-1363 ext. 271
 Division: Oil & Gas Audit Division Date: April 25, 1994
 Approved by Commissioner: Darrel J. Rexwinkel  Date: April 25, 1994
 Agency: Revenue

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**HOUSE CS FOR CS FOR SENATE BILL NO. 215(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - SECOND SESSION**

BY THE HOUSE FINANCE COMMITTEE

**Offered:
Referred:**

Sponsor(s): SENATORS MILLER, Kelly

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to oil and hazardous substances; redesignating the oil and
2 hazardous substance release response fund and relating to it; repealing the
3 Citizens' Oversight Council on Oil and Other Hazardous Substances and the
4 authority in law by which marine highway vessels may be designed and
5 constructed to aid in oil and hazardous substance spill cleanup in state marine
6 water using money in the oil and hazardous substance release response fund and
7 repealing the authority of the Department of Environmental Conservation to levy
8 and collect fees for review of certain submissions related to oil; altering
9 requirements applicable to liens for recovery of state expenditures related to oil
10 or hazardous substances; terminating the nickel-per-barrel oil conservation
11 surcharge; levying and collecting two new oil surcharges; and providing for the
12 suspension and reimposition of one of the new surcharges."

HELD

AMENDMENT #16

Reappropriation bill 8-LS8001\D
5/2/94

New Section: The unexpended and unobligated balance of the appropriation made in Section 13, Chapter 79, SLA 93, page 5, lines 6-12 (Department of Transportation and Public Facilities - road connecting the Seward Highway and the Port o. Whittier, \$15,000,000) is repealed.

CS FOR HOUSE BILL NO. 455(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): **HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR**

A BILL

FOR AN ACT ENTITLED

1 **"An Act making and amending operating and capital appropriations and ratifying**
2 **certain state expenditures; and providing for an effective date."**

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

4 * **Section 1.** The sum of \$1,621,400 is appropriated to the Office of the Governor, office
5 of management and budget, to pay costs resulting from salary adjustments required to comply
6 with 29 U.S.C. 201-219 (Fair Labor Standards Act) for the fiscal year ending June 30, 1993,
7 and the fiscal year ending June 30, 1994, from the following sources:

8	Capital improvement project	
9	receipts	\$665,600
10	General fund	955,800

11 * **Sec. 2.** The sum of \$1,694,900 is appropriated from the general fund to the Department
12 of Administration for longevity bonus payments for the fiscal year ending June 30, 1994.

13 * **Sec. 3.** The sum of \$466,000 is appropriated from the general fund to the Department
14 of Administration, public defender agency, for increased operating costs for the fiscal year

1 ending June 30, 1994.

2 * Sec. 4. The sum of \$554,700 is appropriated from the general fund to the Department
3 of Administration, office of public advocacy, for operating costs due to increased caseload for
4 the fiscal year ending June 30, 1994.

5 * Sec. 5. The sum of \$100,000 is appropriated from the general fund to the Department
6 of Administration, division of personnel, office of equal employment opportunity, for costs
7 of arbitration cases for the fiscal year ending June 30, 1994.

8 * Sec. 6. The sum of \$18,000 is appropriated from the general fund to the Department of
9 Administration, division of personnel, office of equal employment opportunity, for cost of
10 grievance awards for the fiscal year ending June 30, 1994.

11 * Sec. 7. The sum of \$60,000 is appropriated from the general fund to the Department of
12 Administration, division of personnel, office of equal employment opportunity, for costs
13 relating to a salary survey and geographic differential study, ordered by the court, for the
14 fiscal year ending June 30, 1994.

15 * Sec. 8. The sum of \$1,752,400 is appropriated from the general fund to the Department
16 of Administration for additional lease costs in the leasing program for the fiscal year ending
17 June 30, 1994.

18 * Sec. 9. (a) The sum of \$1,219,376 is appropriated from the general fund to the
19 Department of Law to pay judgments and claims against the state for the fiscal year ending
20 June 30, 1994.

21 (b) The sum of \$50,000 is appropriated from the general fund to the Department of
22 Education for legal fees related to pupil transportation issues in the case of Ten Eyck v. State
23 (4FA-93-213 CIV), for the fiscal year ending June 30, 1994.

24 (c) The sum of \$77,145.55 is appropriated from the international airports revenue fund
25 (AS 37.15.430) to the Department of Transportation and Public Facilities to pay the award of
26 court costs and fees relating to Birch v. State, for the fiscal year ending June 30, 1994.

27 (d) The sum of \$152,000 is appropriated from the general fund to the Department of
28 Environmental Conservation, division of environmental quality, for the Noey v. State
29 settlement for the fiscal year ending June 30, 1994.

30 (e) The sum of \$492,147 is appropriated from the mental health trust income account
31 (AS 37.14.011) to the Department of Law for attorney fees related to Weiss v. State for the

1 fiscal year ending June 30, 1994.

2 * Sec. 10. The sum of \$462,379 is appropriated from the general fund to the Department
3 of Law to pay the award of court costs and fees against the state relating to the
4 reapportionment case of Southeast Conference v. Hickel (1JU-91-1608 CIV), for the fiscal
5 year ending June 30, 1994.

6 * Sec. 11. The sum of \$142,607 is appropriated from the dividend fund (AS 43.23.045)
7 to the Department of Revenue, permanent fund dividend division, to cover additional costs of
8 printing and delivering the 1994 permanent fund dividend applications, for the fiscal year
9 ending June 30, 1994.

10 * Sec. 12. The sum of \$3,195,000 is appropriated from Alaska Permanent Fund
11 Corporation receipts to the Department of Revenue, Alaska Permanent Fund Corporation, to
12 cover additional equity management fees and international custody fees for the fiscal year
13 ending June 30, 1994.

14 * Sec. 13. The sum of \$1,500,000 is appropriated from the general fund to the Department
15 of Education for the public school foundation program (AS 14.17) for increased student
16 enrollment for the fiscal year ending June 30, 1994.

17 * Sec. 14. The overexpenditure by the Department of Education reflected by the negative
18 balance of the account within the appropriation identified by the Alaska State Accounting
19 System AR number set out below, is ratified. The appropriation to which the expenditure
20 should have been charged is amended by the addition of the amount set out after the AR
21 number and the appropriation from which this expenditure was actually paid is amended by
22 increasing it by the amount paid:

23 AR 17837 Federal vocational education grants \$45

24 * Sec. 15. The sum of \$241,400 is appropriated from the dividend fund (AS 43.23.045)
25 to the Department of Health and Social Services for the permanent fund dividend hold
26 harmless program, for the increased number of eligible recipients for the fiscal year ending
27 June 30, 1994.

28 * Sec. 16. The sum of \$7,674,500 is appropriated to the Department of Health and Social
29 Services, division of medical assistance, for judgments and settlements against the state related
30 to medical assistance claims for the fiscal year ending June 30, 1994, from the following
31 sources:

1	Federal receipts	\$2,826,900
2	General fund	4,847,600

3 * Sec. 17. The sum of \$5,045,000 is appropriated to the Department of Health and Social
 4 Services, division of medical assistance, for additional expenditures for claims relating to the
 5 fiscal year ending June 30, 1993 and the fiscal year ending June 30, 1994, from the following
 6 sources:

7	Federal receipts	\$2,522,500
8	General fund	2,522,500

9 * Sec. 18. The sum of \$1,842,500 is appropriated to the Department of Health and Social
 10 Services, division of medical assistance, for payment to Charter North, South Peninsula
 11 Hospital, and North Star Hospital for claims processing and for eligible disproportionate share
 12 claims under the Medicaid program for the fiscal year ending June 30, 1994, from the
 13 following sources:

14	Federal receipts	\$921,200
15	General fund/mental health trust	921,300

16 * Sec. 19. The sum of \$3,567,400 is appropriated from federal receipts to the Department
 17 of Health and Social Services, division of medical assistance, for increased Indian Health
 18 Service billings to eligible Medicaid recipients for the fiscal year ending June 30, 1994.

19 * Sec. 20. The sum of \$887,500 is appropriated from the general fund to the Department
 20 of Health and Social Services, division of medical assistance, for increased general relief
 21 medical program growth for the fiscal year ending June 30, 1994.

22 * Sec. 21. The sum of \$6,000,000 is appropriated from federal receipts to the Department
 23 of Health and Social Services, division of medical assistance, Medicaid state programs, for
 24 disproportionate share payments under the Medicaid program for Alaska Psychiatric Institute
 25 operations for the fiscal year ending June 30, 1994.

26 * Sec. 22. The sum of \$238,700 is appropriated from the general fund to the Department
 27 of Health and Social Services, McLaughlin Youth Center, for increased personal services,
 28 contractual services, and supplies related to occupancy growth for the fiscal year ending
 29 June 30, 1994.

30 * Sec. 23. The sum of \$41,900 is appropriated from the general fund to the Department
 31 of Health and Social Services, Johnson Youth Center, for increased personal services and

1 supplies related to occupancy growth for the fiscal year ending June 30, 1994.

2 * Sec. 24. The funding sources for appropriations to the Department of Health and Social
3 Services set out in sec. 40, ch. 65, SLA 1993, page 51, lines 13 and 14, are amended as
4 follows, to reflect uncollectible program receipts from laboratory services for the fiscal year
5 ending June 30, 1994:

6	General Fund Receipts	<u>122,527,300</u>	[122,203,600]
7	General Fund/Program Receipts	<u>13,447,600</u>	[13,382,600]

8 * Sec. 25. (a) Section 38, ch. 65, SLA 1993, page 22, line 31, is amended to read:

9		APPROPRIATION	GENERAL	OTHER
10		ITEMS	FUND	FUNDS
11	Institutions and Administration	<u>31,681,400</u>	<u>17,353,900</u>	<u>14,327,500</u>
12		[31,056,800]	[22,729,300]	[8,327,500]

13 (b) Section 38, ch. 65, SLA 1993, page 23, line 4, is amended to read:

14 ALLOCATIONS

15	Alaska Psychiatric	
16	Institute	<u>16,692,400</u>
17		[16,067,800]

18 * Sec. 26. The sum of \$400,000 is appropriated from mental health receipts in the general
19 fund to the Department of Health and Social Services for Harborview Development Center,
20 to cover costs related to certification deficiencies and heating for the fiscal year ending
21 June 30, 1994.

22 * Sec. 27. The sum of \$37,500 is appropriated from the general fund to the Department
23 of Military and Veterans' Affairs for additional costs of the veteran's death gratuity program
24 for the fiscal year ending June 30, 1994.

25 * Sec. 28. The sum of \$4,643,800 is appropriated from the general fund to the Department
26 of Natural Resources for additional fire suppression costs for the fiscal year ending June 30,
27 1994.

28 * Sec. 29. The expenditures by the Department of Natural Resources reflected by negative
29 balances of accounts within the appropriations identified by the Alaska State Accounting
30 System AR numbers set out below are ratified. The appropriations to which these
31 expenditures should have been charged are amended by the addition of the amount set out

1 after each AR number and the appropriations from which these expenditures were actually
2 paid are amended by increasing them by the amount paid:

- 3 (1) AR 39290-89 Parks construction bonds \$5,958.16
- 4 (2) AR 36734-89 Porcupine Burn access road 377.33
- 5 (3) AR 36736-89 Tok/Eagle access road 905.26

6 * Sec. 30. The sum of \$20,000 is appropriated from the fish and game fund (AS 16.05.100)
7 to the Department of Fish and Game for additional vendor compensation for king salmon tags
8 for the fiscal year ending June 30, 1994.

9 * Sec. 31. Section 38, ch. 65, SLA 1993, page 29, line 21, is amended to read:

	APPROPRIATION	GENERAL	OTHER
	ITEMS	FUND	FUNDS
12 Subsistence	3,014,900	<u>1,746,712</u>	<u>1,268.188</u>
		[1,686,200]	[1,328,700]

14 * Sec. 32. The expenditures by the Department of Fish and Game reflected by negative
15 balances of accounts within the appropriations identified by the Alaska State Accounting
16 System AR numbers set out below are ratified. The appropriations to which these
17 expenditures should have been charged are amended by the addition of the amount set out
18 after each AR number and the appropriations from which these expenditures were actually
19 paid are amended by increasing them by the amount paid:

- 20 (1) AR 41502-88 Commercial fisheries \$101,472.03
- 21 (2) AR 41542-89 Rockfish poster account 7,299.09
- 22 (3) AR 41568-89 Groundfish data 1,685.00
- 23 (4) AR 41556-90 NOAA nonobservable mortality project 1,080.56
- 24 (5) AR 41573-89 Stream classification 675.53
- 25 (6) AR 42838-85 Northern employee housing 5,722.79
- 26 (7) AR 42840-85 Bunkhouse maintenance 167.29
- 27 (8) AR 42808-86 Anadromous fish study 42.59
- 28 (9) AR 41754-87 USFS Marx Creek 60.25
- 29 (10) AR 42706-87 Terror Lake Aqua Monitoring 68.40
- 30 (11) AR 42750-87 Juneau watershed study 1,300.00
- 31 (12) AR 41701-88 Fisheries rehabilitation & enhancement 5,245.31

	WORK DRAFT	WORK DRAFT	WORK DRAFT
1	(13)	AR 41759-88 Alaska/Japan mariculture	0.45
2	(14)	AR 42878-88 Tuluksak study	4.06
3	(15)	AR 41701-89 Fisheries rehabilitation & enhancement	43,666.11
4	(16)	AR 41701-90 Fisheries rehabilitation & enhancement	112.24
5	(17)	AR 42734-91 Big Lake hatchery	49,722.19
6	(18)	AR 42739-91 Kodiak sockeye enhancement	122.08
7	(19)	AR 41645-85 APA Susitna hydro project	3.57
8	(20)	AR 41645-86 APA Susitna hydro project	64.13
9	(21)	AR 42704-86 National Park Service/Naknek	3,519.90
10	(22)	AR 42816-85 APA Susitna hydro project	3,795.44
11	(23)	AR 41945-85 Bear tooth aging	469.62
12	(24)	AR 41950-85 Steller sea pup	77.99
13	(25)	AR 41952-85 Marine mammals - NOAA	3.48
14	(26)	AR 41961-85 Brown bear tooth aging	0.30
15	(27)	AR 41951-86 Milne Point caribou study	2.35
16	(28)	AR 41942-86 Pinniped-National Marine Fisheries Service	2,296.91
17	(29)	AR 41949-86 Milne Point caribou study	0.58
18	(30)	AR 41966-88 US/state refuge coordinator	11,195.00
19	(31)	AR 42716-86 USF&W cooperative Arctic caribou	225.76
20	(32)	AR 42824-86 Regional habitat management guide	33.38
21	(33)	AR 42051-88 Office of the commissioner	6,167.99
22	(34)	AR 42726-85 Encumbered administration	7,260.00
23	(35)	AR 42846-85 APA - administrative support	135.93
24	(36)	AR 42864-86 Department of Transportation RSA	9,826.05
25	(37)	AR 42401-90 Subsistence	13,000.00
26	(38)	AR 42450-88 Intergovernmental personnel act agreement -	
27		National Park Service	18,461.24
28	(39)	AR 42442-86 Regional habitat management guide	102.54
29	(40)	AR 42815-88 UAA - Tongass resource use co-op study	143.43
30	(41)	AR 42543-86 Oil and gas leasing program	84.37
31	(42)	AR 42544-86 Alaska coastal management plan	126.77

1	(43)	AR 42553-87 R2 instream flow	2,136.34
2	(44)	AR 42559-87 Goldstream fisheries - Tanana Chiefs, Inc.	1,000.00
3	(45)	AR 42743-88 Habitat fisheries restoration	12,156.04
4	(46)	AR 42547-88 Monitoring compliance	3.00
5	(47)	AR 42541-89 Alaska coastal management program	0.44
6	(48)	AR 42836-86 APA Susitna and Bradley Lake hydro project	90.87
7	(49)	AR 42843-86 Habitat coal mining	36.47
8	(50)	AR 41851-86 Data processing	2,278.06
9	(51)	AR 42853-86 Plan and design automated budget system	26.21
10	(52)	AR 42855-86 CFEC RSA - Department of Law	1.73

* Sec. 33. Section 19, ch. 79, SLA 1993, page 19, line 20, is amended to read:

	APPROPRIATION	GENERAL
	ITEMS	FUND
14	Bristol Bay Salmon - <u>Ugashik</u> [WOOD] River smolt	
15	<u>45,000</u>	<u>45,000</u>
16	[55,000]	[55,000]

* Sec. 34. The sum of \$331,900 is appropriated from program receipts in the general fund to the Department of Public Safety, division of motor vehicles, for additional data processing chargeback costs for the fiscal year ending June 30, 1994.

* Sec. 35. The sum of \$70,400 is appropriated from the general fund to the Department of Public Safety for increased operating costs for the contract jails program for the fiscal year ending June 30, 1994.

* Sec. 36. The funding sources for appropriations to the Department of Transportation and Public Facilities set out in sec. 40, ch. 65, SLA 1993, page 54, lines 11 and 12, are amended as follows, to reflect uncollectible program receipts from rural airport landing fees:

26	General Fund Receipts	<u>94,679,600</u> [93,129,600]
27	General Fund/Program Receipts	<u>3,376,200</u> [4,926,200]

* Sec. 37. The sum of \$34,702 is appropriated from the International Airports Revenue Fund (AS 37.15.430) to the Department of Transportation and Public Facilities to pay public employee's retirement costs for an employee for the fiscal years ending June 30, 1991, June 30, 1992, and June 30, 1993, as required by stipulated settlement in a court case.

1 * Sec. 38. The sum of \$1,631,300 is appropriated from the general fund to the Department
2 of Corrections for increased costs for the prisoner health care program for the fiscal year
3 ending June 30, 1994.

4 * Sec. 39. The sum of \$85,100 is appropriated from the general fund to the Department
5 of Corrections for an arbitration settlement related to a reinstated employee for the fiscal year
6 ending June 30, 1994.

7 * Sec. 40. The sum of \$39,500 is appropriated from the general fund to the Department
8 of Corrections for costs related to a court-appointed monitor for the fiscal year ending
9 June 30, 1994.

10 * Sec. 41. The sum of \$200,000 is appropriated from the general fund to the Department
11 of Corrections for additional beds at Spring Creek Correctional Center for the fiscal year
12 ending June 30, 1994.

13 * Sec. 42. The sum of \$73,000 is appropriated from the general fund to the Department
14 of Corrections for additional legal costs for the fiscal year ending June 30, 1994.

15 * Sec. 43. (a) Section 120, ch. 41, SLA 1993, is amended to read:

16 Sec. 120. The sum of \$4,865,400 [~~\$5,553,400~~] is appropriated from the general
17 fund to the Department of Corrections, statewide operations, for the fiscal year ending
18 June 30, 1993.

19 (b) The sum of \$688,000 is appropriated from the general fund to the Department of
20 Corrections for community residential center beds for the fiscal year ending June 30, 1994.

21 * Sec. 44. The sum of \$36,708 is appropriated from the general fund to the Department
22 of Environmental Conservation to reimburse the United States Environmental Protection
23 Agency for state expenditures of federal receipts during the period from June 28, 1985 through
24 January 31, 1988 that a federal audit has determined to be ineligible for federal participation
25 and to pay interest and penalties expected to accrue before the reimbursement.

26 * Sec. 45. The sum of \$220,000 is appropriated from the general fund to the University
27 of Alaska for costs for installation of an emergency water well for the fiscal year ending
28 June 30, 1994.

29 * Sec. 46. The following amounts are appropriated from the general fund to the following
30 departments for the fiscal year ending June 30, 1994, to pay miscellaneous claims and
31 staledated warrants:

1	DEPARTMENT	APPROPRIATION
2	Administration	\$ 163,152
3	Education	2,757
4	Environmental Conservation	50
5	Health and Social Services	119,300
6	Labor	188
7	Commerce and Economic Development	15,495
8	Military and Veterans' Affairs	38,020
9	Fish and Game	853
10	Transportation and Public Facilities	5,288
11	Corrections	2,100
12	Public Safety	2,318
13	Law	689

14 * Sec. 47. The sum of \$35,000 is appropriated from the general fund to the Department
 15 of Administration, division of personnel/OEEO, for costs of ethics complaints [grievance
 16 awards] for the fiscal year ending June 30, 1994. INVESTIGATIONS

17 * Sec. 48. The expenditures by the Department of Transportation and Public Facilities
 18 reflected by negative balances of accounts within the appropriations identified by the Alaska
 19 State Accounting System AR numbers set out below are ratified. The appropriations to which
 20 these expenditures should have been charged are amended by the addition of the amount set
 21 out after each AR number and the appropriations from which these expenditures were actually
 22 paid are amended by increasing them by the amount paid:

23	(1)	AR 57702-85 International Airport Revenue Fund	
24		Rate Implementation	\$13,759.61
25	(2)	AR 57704-85 Fairbanks Planning Support	503.75
26	(3)	AR 57705-85 School Facility Survey	73,727.97
27	(4)	AR 57707-85 Alaska Railroad	1,576.73
28	(5)	AR 57708-85 Northern Administrative Services - Data	
29		Processing	34,841.41
30	(6)	AR 57714-85 Alaska Oil and Gas Commission	4,498.85
31	(7)	AR 57718-85 Chilkat State Park Road	1,544.40

	WORK DRAFT	WORK DRAFT	WORK DRAFT
1	(8)	AR 57729-85 Erosion Control	1,706.19
2	(9)	AR 57748-85 Anchorage and Fairbanks International	
3		Airport Accounts	10,736.07
4	(10)	AR 57750-85 Fiscal Year 1985 Bunkhouse Maintenance	2,781.08
5	(11)	AR 57752-85 Cook Inlet Pretrial	255.23
6	(12)	AR 57755-85 Study Storm Damage	20,580.17
7	(13)	AR 57709-86 Accident Status Report	1,415.67
8	(14)	AR 57714-86 International Airport Revenue Fund Rate	
9		Implementation	7.80
10	(15)	AR 57722-86 Project 2 Graphics Fair	900.00
11	(16)	AR 57730-86 Museum Heating System	20,010.86
12	(17)	AR 57739-86 Maintenance and Operations Contract Records	419.59
13	(18)	AR 57743-86 Thanksgiving Day Storm	20,495.95
14	(19)	AR 63358-86 Alaska Avalanche and Fire	20.21
15	(20)	AR 63423-86 Parks Road	0.84
16	(21)	AR 63427-86 Montana Creek Trespass	0.67
17	(22)	AR 63450-86 James Hoff v. State of Alaska	1.14
18	(23)	AR 63678-86 Data and Word Processing	29,038.09
19	(24)	AR 63802-86 Fiscal Year 1986 Bunkhouse Maintenance	980.56
20	(25)	AR 57721-87 Second Street Parking Lot	823.91
21	(26)	AR 63360-87 Accident Statistics	1,014.77
22	(27)	AR 63884-87 Anchorage Pioneer Home Boiler	40,000.00
23	(28)	AR 58864-88 Contractual Services	218.75
24	(29)	AR 58523-89 Fairbanks Natural Resources Building	
25		Maintenance	1,649.63
26	(30)	AR 62070-90 Southeast Region Housing Repair	800.00
27	(31)	AR 62074-90 Productivity Improvement	2,014.73
28	(32)	AR 62075-90 Facilities Maintenance and Operations	
29		Project	422.89
30	(33)	AR 62835-90 Central Employee Housing Operations	179.91
31	(34)	AR 58467-91 Maintenance and Operations Heavy Duty	

1		Mechanic	844.00
2	(35)	AR 63330-92 Design and Construction Support Maintenance	
3		and Operations Facilities	5.40
4	(36)	AR 63346-92 Yupik Museum Library Cultural	1,079.69
5	(37)	AR 65376-15 Snettisham Hatchery	55,442.01
6	(38)	AR 65015-15 Egegik Borrow Investigation	4,113.02
7	(39)	AR 65108-94 McLaughlin Youth Center	
8		Addition Remodel	25,034.50
9	(40)	AR 63468-92 University Plaza Mini Cafeteria	2,781.02
10	* Sec. 49. An amount equal to the fiscal year 1993 general fund receipts from the seafood		
11	marketing assessment under AS 16.51.120, less the amount of those receipts that were		
12	expended or obligated for expenditure during fiscal year 1993, is appropriated from the		
13	general fund to the Alaska Seafood Marketing Institute for marketing Alaska seafood products		
14	for the fiscal year ending June 30, 1994.		
15	* Sec. 79. The expenditures by the Department of Public Safety reflected by negative		
16	balances of accounts within the appropriations identified by the Alaska State Accounting		
17	System AR numbers set out below are ratified. The appropriations to which these		
18	expenditures should have been charged are amended by the addition of the amount set out		
19	after each AR number and the appropriations from which these expenditures were actually		
20	paid are amended by increasing them by the amount paid.		
21	(1)	AR 46551-87 Fire Prevention Operations	\$10,371.99
22	(2)	AR 46558-86 Fire Service Training	.23
23	(3)	AR 46565-87 HSPA Federal Grants	.76
24	(4)	AR 46565-88 HSPA Federal Grants	1.96
25	(5)	AR 46565-89 HSPA Federal Grants	.60
26	(6)	AR 46625-90 AST Special Projects	5,315.44
27	(7)	AR 46639-86 AST Western States Information	698.72
28	(8)	AR 46688-85 AST Prisoner Transportation	4,845.39
29	(9)	AR 46696-89 AST Narcotics Task Force	3,269.68
30	(10)	AR 46696-90 AST Narcotics Task Force	3,888.30
31	(11)	AR 45745-90 Training Academy	110.00

1	(12)	AR 47021-88 FDEA Project	450.00
2	(13)	AR 47050-85 Fatal Accident (FARS)	32.79
3	(14)	AR 47111-85 RSA5048 Governor's Task Force	644.66
4	(15)	AR 47126-85 RSA4111 HSPA Child Restraint	320.00
5	(16)	AR 47151-86 RSA HSPA Administrative Revocation	4.66
6	(17)	AR 47164-85 RSA HSPA Public Information	261.75
7	(18)	AR 47164-86 RSA69007 HSPA Public Information	14.40
8	(19)	AR 47165-85 RSA HSPA 55 MPH Enforcement	4,459.96
9	(20)	AR 47166-86 RSA Legislative Security	6.03
10	(21)	AR 47167-87 RSA Trooper Housing	1,614.01
11	(22)	AR 47288-89 RSA Domestic Violence Training	300.00

12 * **Sec. 51.** The sum of \$163,861 is appropriated from the general fund to the Department
 13 of Corrections for settlement of the canine unit overtime litigation for the year ending June 30,
 14 1994.

15 * **Sec. 52.** The appropriations made in compliance with the program review procedures of
 16 AS 37.07.080(h) to implement Trustee Council restoration projects for federal fiscal year 1994
 17 set out in revised programs 18-4-9992 and 18-4-9990 lapse into the funds from which they
 18 were appropriated on June 30, 1995.

19 * **Sec. 53.** The expenditures by the Department of Administration reflected by negative
 20 balances of accounts within the appropriations identified by the Alaska state accounting system
 21 AR numbers set out below are ratified. The appropriations to which these expenditures should
 22 have been charged are amended by the addition of the amount set out after each AR number
 23 and the appropriations from which these expenditures were actually paid are amended by
 24 increasing them by the amount paid:

25	(1)	AR 7082-91 Telecommunications Services	\$ 403.75
26	(2)	AR 7042-90 Computer Services	6,475.00
27	(3)	AR 3827-86 Information Services	26.54
28	(4)	AR 4568-86 Telecommunications Services	79.91

29 * **Sec. 54.** The sum of \$50,000 is appropriated from the general fund to the Department
 30 of Health and Social Services, division of family and youth services, to pay costs of
 31 unbudgeted overtime under 29 U.S.C. 201 - 219 (Fair Labor Standards Act) for the fiscal year

1 ending June 30, 1994.

2 * Sec. 55. The unexpended and unobligated balance of that portion of the appropriation
3 made in sec. 38, ch. 65, SLA 1993, page 40, line 7, that is allocated on line 14, (Rural
4 Development Grants - \$1,595,200) lapses into the general fund on June 30, 1995.

5 * Sec. 56. The sum of \$430,000 is appropriated from the general fund to the Department
6 of Administration for payment as a grant under AS 37.05.315 to the Municipality of
7 Anchorage, Anchorage School District, for emergency structural roof repairs to Aurora
8 Elementary School for the fiscal year ending June 30, 1994.

9 * Sec. 57. The sum of \$447,130 is appropriated from the general fund to the Department
10 of Education for additional district support for the Sitka School District for the fiscal year
11 ending June 30, 1994, as a result of the impacts from the pulp mill closure and cancellation
12 of the long-term timber contract.

13 * Sec. 58. This Act takes effect immediately under AS 01.10.070(c).

Amendment # 12

Failed
5-5

Sec. ____ The sum of ^{\$100,000}~~\$250,000~~ is appropriated from the Oil and Hazardous Substance Spill Response Fund to the Alaska Department of Environmental Conservation for contract research and development of monitoring for radionuclides and other contaminants in Alaska and the Arctic environment which may be transported to Alaska through the air, water, or food chain.

WALTER J. HICKEL, GOVERNOR

DEPT. OF ENVIRONMENTAL CONSERVATION

OFFICE OF THE COMMISSIONER
410 WILLOUGHBY AVENUE, SUITE 105
JUNEAU, AK 99801-1795

Phone: (907) 465-5050
Fax: (907) 465-5070

April 29, 1994

The Honorable Drue Pearce, Co-Chairman
Senate Finance Committee
The Capitol, Room 508
Juneau, Alaska 99801

The Honorable Eileen MacLean, Co-Chairman
House Finance Committee
The Capitol, Room 507
Juneau, Alaska 99801

Dear Senator Pearce and Representative MacLean,

This letter is sent to you in conjunction with Steve Shropshire's letter from the Northern Forum regarding the need for an integrated monitoring program for radionuclides in the north to warn Alaskans about contaminants which may be harmful being transported to the state by air, water, or the food chain.

The Alaska Department of Environmental Conservation is working with the Northern Forum through the Environmental Health and Emergency Response Project, as well as the Arctic Environmental Protection Strategy, through both the Arctic Monitoring and Assessment Program (AMAP) and the Emergency Response working groups, to try to have a coordinated monitoring network and notification procedure established.

Our first effort has been to push with federal agencies to make funds for this effort available. To some extent, with Senator Stevens' help, we have been successful. However, we believe it is important to have some state financial capability to fill in the gaps in the federal system, and to make sure the system is tied both to our university, the environmental monitoring efforts of the Alaska Aerospace Development Corporation, and the emergency response efforts of ADEC and the Division of Emergency Services, DMVA.

Given current budget shortfalls, we cannot identify a source of funds for the full \$500,000 Mr. Shropshire requested, as was contemplated in the Northern Forum meeting. However, if the capital budget contained a \$250,000 line item from the Oil and Hazardous Substance Spill Response Fund to the Department of Environmental Conservation's Spill Technology Review Council, we can assure you that the Council, in advising the Department as it contracts use of this fund, will give special

Sen. Pearce and Rep. MacLean

Page Two

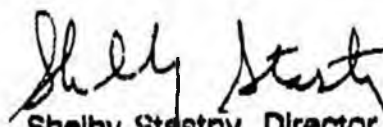
April 29, 1994

consideration to the needs to fully catalyze monitoring for radionuclides and other contaminants that may be reaching Alaska through air transport, the food chain, or water transport. In our projections for Response Fund spending this year, the \$250,000 was included in the operating budget but it does qualify as a capital budget item. It was not fully funded in the operating budget.

Mr. Shropshire's request, and the commitment our Governor made to the Northern Forum to help support this effort is important. If we have this funding available, we will do our best -- through already established processes -- to support this effort, with the intent of using federal funds first.

Thank you for your consideration.

Sincerely,



Shelby Stastny, Director
Office of Management and Budget



John Sandor, Commissioner
Alaska Dept. of Envir. Conservation

cc: Steve Shropshire, The Northern Forum

THE NORTHERN FORUM

9075616645

P. 02

THE NORTHERN FORUM

April 29, 1994

OFFICE OF THE SECRETARIAT
4101 University Drive, APU Carr-Gottstein Center, Suite 221
Anchorage, Alaska 99506
Phone: 907 561-3280 FAX: 907 561-6645
Telex: 49817212 or 405297753 (NFORUMAK)
Easylink Mailbox: 62989367

The Honorable Drue Pearce
Senator
Co Chair
Senate Finance Committee
State Capitol, Room 508
Juneau, AK 99801-1182

The Honorable Eileen Maclean
Representative
Co Chair
House Finance Committee
State Capitol, Room 507
Juneau, AK 99801-1182

Dear Senator Pearce and Representative Maclean:

I am writing you today on behalf of the board of directors of The Northern Forum to request your support for a \$500,000 appropriation to develop a comprehensive radiological monitoring network within the state of Alaska and a supplemental network in the Russian Far East.

The world community has been awakened by the real and imminent danger to both citizens and to the flora and fauna resulting from decades of nuclear explosions that now threaten our atmosphere, and from the irresponsible ocean dumping of radiation that threaten our common seas.

The aftermath of these ill practices has left behind real threats to the citizens of Russia and to those regions bordering the former Soviet Union, i.e. Alaska. The impact of these practices will be felt both today and in the future.

We believe that the efforts undertaken by the state of Alaska as the primary sponsor of The Northern Forum's Environmental Health and Emergency Response project are of great importance to the state of Alaska and to the Arctic community as a whole.

In this era of increased cooperation between Arctic regions, we have gained tremendous insights into the former Soviet Union's lax environmental practices during the Communist era.

Membership Level I

Board of Directors

Chairman

Governor Walter J. Millar
State of Alaska, U.S.A.

Vice Chairman

Governor Sigbjorn Eriksen
Representing the Regional
Authority of Northern Norway

Vice Chairman

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Sakha Republic, Russia

Governor Damdinjavyn Sambuu
Dornod Province, Mongolia

Governor Alexander S. Seleznev
St. Petersburg Oblast, Russia

Governor Vladimir A. Biryukov
Kamchatka Oblast, Russia

Governor Arnt Frieem
County of S. Trondelag, Norway

Governor Viktor I. Ianchov
Khabarovsk Krai, Russia

Governor Vyacheslav I. Krudiyev
Komi Republic, Russia

Governor Yuri Komarovskiy
Nenets Autonomous Okrug, Russia

Governor Evgeny Kravtsov
Sakha'n Okrug, Russia

Governor Veld G. Mikhailov
Magadan Oblast, Russia

Governor Alexander V. Nazarov
Chukotka Autonomous Okrug, Russia

Governor Asko Oksa
Lapland Region, Finland

Government Leader John Oelinger
Yukon Territory, Canada

Governor Qi Hui Shao
Heilongjiang Province, China

Governor Nikolai M. Volkov
Jewish Autonomous
Oblast, Russia

Governor Takahiro Yokomichi
Hokkaido Prefecture, Japan

Membership Level II

Republic of South Korea

environmental practices during the Communist regime.

THE NORTHERN FORUM

9075616645

P.03

The Honorable Drue Pearce
April 25, 1994
Page 2

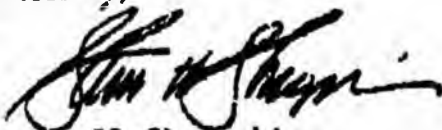
Unfortunately, history has a way of repeating itself. Therefore, it is incumbent upon the Arctic community, through the both federal and regional organizations such as The Northern Forum, to begin to protect ourselves including the indigenous peoples who rely upon the food chain for subsistence, by assessing the immediate danger and developing long monitoring and solutions to these problems.

These solutions include the following: establishment of internet ties for data sharing within Northern Forum member regions; identification and mapping of all known contaminated sites within the Russian Far East; identification of alternate methods of disposing of contaminated wastes including radioactive materials; establishment of a comprehensive monitoring network within those regions; and development of joint response plan.

These initiatives, some of which have already been funded by the federal government have all been supported by Governor Hickel as chairman of The Northern Forum and by the board of directors representing over 20 northern regions. The state of Alaska's assistance in this effort is essential in minimizing the long term health threats to the future generations of Alaskans.

I would be happy to answer any specific questions that you might have. I hope that we can count on funding support from the legislature on this important undertaking.

Sincerely,




Steven H. Shropshire
Executive Director

passed
N/O

13

Amendment ~~78~~

by Senator Taylor 
Representative Grussendorf

SLA 93

Chapter 79, Page 48 line 8 is amended to read:

Petersburg Water Access	[1,800,000]	1,700,000
and Improvement project at Cabin Creek (ED2)		

Add a new section:

The sum of \$100,000 is appropriated to the City of Wrangell as a grant for Zimovia Highway water and sewer laterals.

CITY OF WRANGELL, ALASKA

CAPITAL IMPROVEMENT REQUEST
1994 LEGISLATIVE SESSION

ITEM DESCRIPTION: ZIMOVIA HIGHWAY WATER & SEWER EXTENSION

AMOUNT REQUESTED: PHASE I - \$2,450,000
PHASE II - \$5,175,000

COUNCIL PRIORITY: NO. 1

PROJECT NARRATIVE:

The State of Alaska, DOT&PF, are in the process of completing the field surveys and commencing design for reconstruction of Zimovia Highway from Berger Street to the APC Mill.

Should the State DOT&PF be in a position to commence construction before the City has full funding for the sewer and water extension, it would be economically desirable to the public for crossings and a portion of the mains be installed with the roadway project.

In review of the roadway alignment, it is anticipated that a portion of both the sewer main and water main will be designed within the roadway embankment, in addition to the service crossings. The estimated cost of constructing that portion of the sewer and water main with service crossings within the roadway embankment is \$2,450,000, determined as follows:

Sewer:	Design.....	\$ 225,000
	Crossings.....	\$ 775,000
	Main.....	\$ 250,000
	Subtotal:	\$1,250,000
Water:	Design.....	\$ 100,000
	Crossings.....	\$ 75,000
	Main.....	\$1,025,000
	Subtotal:	\$1,200,000
Phase I - Total:		\$2,450,000

The City of Wrangell currently provides sewer and water for most homes and businesses within the village, and for the first few homes beyond the (existing) wastewater treatment plant at about One mile (south) Zimovia.

NO OBJ

#14

HOUSE FINANCE COMMITTEE AMENDMENT TO HB

Offered by Rep. Mark Hanley

Page 3, line 22, after "Health and Social Services" insert:

"and is contingent on the department requesting proposals for design, site preparation, utility hook-ups, and construction based on the new Alaska Psychiatric Institute being no larger than 72 beds, with a per bed cost of no more than \$300,000,"

passed
5-4

#15

By: Therriault

AMENDMENT

Reappropriation bill 8-LS8001\D Cramer 5/2/94

Section 42, Page 9

Line 24-25: Delete "Department of Environmental Conservation to purchase laboratory equipment and supplies"

Add: "Department of Administration for payment as a grant under AS 37.05.315 to the City of Fairbanks for the completion of the Fairbanks Health Center project."

↓
Regional

5/4/94

S-LS1107NT.2 ✓
Chenoweth
5/4/94

A M E N D M E N T 3

OFFERED IN THE HOUSE

BY REPRESENTATIVE MACLEAN

TO: HCS CSSB 215()

Page 20, lines 27 - 29:

Delete all material and insert:

"(G) to pay or reimburse

(i) the storage tank assistance fund established in AS 46.03.410 for expenditures from that fund authorized by AS 46.03.410(b); and

(ii) the bulk fuel system storage tank emergency repair and upgrade program established and operated by the Department of Community and Regional Affairs;"

A M E N D M E N T 4

Offered in the House
HCS CSSB 215 - T version

By Rep. MacLean

Page 3, line 22 :

After "barrels of oil"

Insert : "or 5,000 gallons of refined product"

Summary of changes CSSB 215(FIN) am (efd fld) to House Versions

5/4/94
pm

CSSB 215(FIN) am (efd fld) Sec&Stat	HCS CSSB215(RES)	HCS CSSB215(STA)	Work draft 5/2/94
1. AS 26.23.020 (g)	Same as Senate	Same as Senate	Same as Senate
2. AS 29.60.500	Same as Senate	Same as Senate	Same as Senate
3. AS 29.60.510	Same as Senate	Requires C&RA to return grant money unused after one year	Same as State Affairs
4. AS 29.60.520	Same as Senate	Technical amendment adds "actual" before costs under (a)(2)(B).	Same as State Affairs
5. AS 29.60.530	Same as Senate	Same as Senate	Same as Senate
6. AS 29.60.540 (b)	Same as Senate	Same as Senate	Same as Senate
7. AS 29.60.560(a)	Same as Senate	Same as Senate	Same as Senate
8. AS 29.60.560(e)	Same as Senate	Same as Senate	Same as Senate
9. AS 29.60.599(4)	Same as Senate	Same as Senate	Same as Senate
10. AS 29.60.599(7)	Same as Senate	Same as Senate	Same as Senate
11. AS 29.60.599(9)	Same as Senate	Same as Senate	Same as Senate
12. AS 37.14.410	Same as Senate	Same as Senate	Same as Senate
13. AS 43.55.201	Same as Senate	Same as Senate	Same as Senate

CSSB 215(FIN) am (efd fld)	HCS CSSB215(RES)	HCS CSSB215(STA)	Work draft 5/2/94
14. AS 43.55.211	Same as Senate	Same as Senate	Same as Senate
15. AS 43.55.221	Same as Senate	Same as Senate	Same as Senate
16. AS 43.55.231	Same as Senate	Same as Senate	Same as Senate
17. AS 43.55.299	Same as Senate	Same as Senate	Same as Senate
18. AS 43.55.900	Same as Senate	Same as Senate	Same as Senate
19. AS 46.04.010	Adopted DEC am#1 which directs recoveries into response mitigation first.	Same as Resources	Same as Resources
20. AS 46.08.005	Same as Senate	Deletes response to "a threatened release" from uses of response fund. Also limits response uses of prevention account to smaller spills.	Same as State Affairs
21. AS 46.08.010(a)	Same as Senate	Same as Senate	Same as Senate
22. AS 46.08.010(b)	Same as Senate	Same as Senate	Same as Senate
23. AS 46.08.010(c)	Same as Senate	Same as Senate	Removes reference to Depots and Corps (same as SB 33)

CSSB 215(FIN) am (efd fld)	HCS CSSB215(RES)	HCS CSSB215(STA)	Work draft 5/2/94
24. AS 46.08.020	Directly deposits interest from the 4 accounts into the prevention account. Adds a new Section 25	Goes back to Senate version	Same as resources adds new section 25
25. AS 46.08.025	26. Same as Senate	Same as Senate	26. Same as Senate
26. AS 46.08.040(a)	27. Adds "restoration of the environment" as a use of the response fund. Also allows prevention account money for muni impact assistance grants.	Deletes language added by Resources. Also deletes response to a "threatened release" as a use of the response fund.	27. Similar to State Affairs section 26, SB 33 changes allowing funding for agreements under AS 46.08.090/040; Deletes reference to DES Depots and Corps; Add House Resources amendment regarding C&RA Municipal impact assistance grants
27. AS 46.08.040(a)(2)(D)	28. Same as Senate	Same as Senate	28. AS 46.08.040a2C, Same as Senate Bill 33
28. AS 46.08.040(c)	29. Same as Senate	Same as Senate	29. Same as Senate

CSSB 215(FIN) am (efd fld)	HCS CSSB215(RES)	HCS CSSB215(STA)	Work draft 5/2/94
29. AS 46.08.045	30. Same as Senate	Amends uses so that if the Governor DOES NOT declare a disaster, use of the response fund is limited to spills 2,500 bbls or larger. Also requires, if the governor DOES NOT declare a disaster, that the commissioner report to the governor, and LB&A within 72 hours of using response money, and that the governor approve the use of the money - in writing - not later than 72 hours after the commissioner is advised of the release.	30. same as Section 29 State Affairs New Section 31 - use of prevention account - allows unobligated portion of prevention account to be used for releases < 2500 BBLs and threatened releases. (it is the intent, but needs amendment)
30. 46.08.050(b)	31. Same as Senate	Same as Senate	32. Same as Senate
31. 46.08.060(a)	32. Additional requirement for reporting of cost recoveries on prevention account.	Deletes language added in Resources. Also expands reporting requirements to include investigating and evaluating with prevention account monies.	33. Requires reporting for the entire fund ie- both accounts
32. AS 46.08.060(b)	33. Same as Senate	Same as Senate	34. Same as Senate
33. AS 46.08.060(c)	34. Same as Senate	Same as Senate	35. Same as Senate
34. AS 46.08.070	35. Same as Senate	Same as Senate	36. Same as Senate

CSSB 215(FIN) am (efd fld)	HCS CSSB215(RES)	HCS CSSB215(STA)	Work draft 5/2/94
35. AS 46.08.075(a)	36. Same as Senate	Same as Senate	37. Same as Senate
36. AS 46.08.075(e)	37. Same as Senate	Same as Senate	38. Same as Senate
37. AS 46.08.900(5)	38. Same as Senate	Same as Senate	39. Same as Senate
38. AS 46.08.900(9)	39. Same as Senate	Same as Senate	40. Same as Senate
39. AS 46.08.900(11)	40. Same as Senate	Same as Senate	41. Same as Senate
40. AS 46.08.900(13-)	41. Deletes the definition of "catastrophic oil discharge"	Same as Senate	42. Same as Senate
41. AS 46.09.900(8)	42. Same as Senate	Same as Senate	43. Same as Senate
42. Repealers	43. Same as Senate	Same as Senate	44. Same as Senate
43. Spill Reserve	44. Same as Senate	Same as Senate	45. Same as Senate
44. Surcharge	45. Same as Senate	Same as Senate	46. Same as Senate
45. Transitional	46. Same as Senate	Same as Senate	47. Same as Senate
46. SB 33	47. Same as Senate	Same as Senate	48. Same as Senate

Adopted

~~8-LS11074~~
Chenoweth
5/2/94

5/5/94

HOUSE CS FOR CS FOR SENATE BILL NO. 215()
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): SENATORS MILLER, Kelly

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to oil and hazardous substances; redesignating the oil and
2 hazardous substance release response fund and relating to it; repealing the
3 Citizens' Oversight Council on Oil and Other Hazardous Substances and the
4 authority in law by which marine highway vessels may be designed and
5 constructed to aid in oil and hazardous substance spill cleanup in state marine
6 water using money in the oil and hazardous substance release response fund and
7 repealing the authority of the Department of Environmental Conservation to levy
8 and collect fees for review of certain submissions related to oil; altering
9 requirements applicable to liens for recovery of state expenditures related to oil
10 or hazardous substances; terminating the nickel-per-barrel oil conservation
11 surcharge; levying and collecting two new oil surcharges; and providing for the
12 suspension and reimposition of one of the new surcharges."

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

2 * Section 1. AS 26.23.020(g) is amended to read:

3 (g) In addition to any other powers conferred upon the governor by law, the
4 governor may, under AS 26.23.010 - 26.23.220,

5 (1) suspend the provisions of any regulatory statute prescribing
6 procedures for the conduct of state business, or the orders or regulations of any state
7 agency, if compliance with the provisions of the statute, order, or regulation would
8 prevent, or substantially impede or delay, action necessary to cope with the disaster
9 emergency;

10 (2) use all available resources of the state government and of each
11 political subdivision of the state as reasonably necessary to cope with the disaster
12 emergency;

13 (3) transfer personnel or alter the functions of state departments and
14 agencies or units of them for the purpose of performing or facilitating the performance
15 of disaster emergency services;

16 (4) subject to any applicable requirements for compensation under
17 AS 26.23.160, commandeer or utilize any private property, except for all news media
18 other than as specifically provided for in AS 26.23.010 - 26.23.220, if the governor
19 considers this necessary to cope with the disaster emergency;

20 (5) direct and compel the relocation of all or part of the population
21 from any stricken or threatened area in the state, if the governor considers relocation
22 necessary for the preservation of life or for other disaster mitigation purpose;

23 (6) prescribe routes, modes of transportation, and destinations in
24 connection with necessary relocation;

25 (7) control ingress to and egress from a disaster area, the movement of
26 persons within the area, and the occupancy of premises in it;

27 (8) suspend or limit the sale, dispensing, or transportation of alcoholic
28 beverages, firearms, explosives, and combustibles;

29 (9) make provisions for the availability and use of temporary
30 emergency housing;

31 (10) allocate or redistribute food, water, fuel, or clothing; and

1 (11) use money from the oil and hazardous substance release
2 response account in the oil and hazardous substance release prevention and response
3 fund, established by AS 46.08.010, to respond to a declared disaster emergency related
4 to an oil or hazardous substance discharge.

5 * Sec. 2. AS 29.60.500 is amended to read:

6 Sec. 29.60.500. PURPOSE AND POLICY. (a) The legislature finds and
7 declares that a major release of oil or hazardous substances into the environment
8 presents a real and substantial threat to the economy and public welfare of the
9 municipalities, [AND] villages, and school districts that are affected by the release
10 and the resultant activities to contain and clean up the release.

11 (b) The legislature concludes that it is in the best interest of the state and its
12 citizens to provide a readily available fund for the payment of the expenses incurred
13 by municipalities, [AND] villages, and school districts to mitigate the social and
14 economic effects that arise out of a major release of oil or hazardous substances and
15 resultant cleanup activities.

16 (c) It is the intent of the legislature and declared to be the public policy of the
17 state that money to defray the cost of social and economic effects on municipalities,
18 [AND] villages, and school districts arising from a major release of oil or a hazardous
19 substance and resultant cleanup activities and to pay for efforts to abate that release
20 will be immediately available upon

21 [(1)] a determination [BY THE GOVERNOR] that the release was
22 sudden and that it exceeds 2,500 barrels of oil, or exceeds an amount of a hazardous
23 substance that when released into the environment presents a real and substantial threat
24 to the economy and public welfare of the municipalities, [OR] villages, or school
25 districts affected by it [;

26 (2) THE DECLARATION BY THE GOVERNOR OF A DISASTER
27 EMERGENCY RELATING TO THE RELEASE; AND

28 (3) A FINDING BY THE GOVERNOR THAT

29 (A) THE RELEASE OF THE OIL OR HAZARDOUS
30 SUBSTANCE INTO THE ENVIRONMENT PRESENTS A REAL AND
31 SUBSTANTIAL THREAT TO THE ECONOMY AND PUBLIC WELFARE

1 OF THE MUNICIPALITIES AND VILLAGES THAT ARE AFFECTED BY
2 THE RELEASE AND BY THE RESULTANT ACTIVITIES TO CONTAIN
3 AND CLEAN UP THE RELEASE; AND

4 (B) IT IS IN THE BEST INTEREST OF THE STATE TO PAY
5 THE EXPENSES INCURRED BY MUNICIPALITIES AND VILLAGES TO
6 MITIGATE THE SOCIAL AND ECONOMIC EFFECTS THAT ARISE OUT
7 OF THE RELEASE OF THE OIL OR THE HAZARDOUS SUBSTANCE
8 AND THE RESULTANT CLEANUP ACTIVITIES].

9 * Sec. 3. AS 29.60.510 is amended to read:

10 Sec. 29.60.510. MUNICIPAL IMPACT GRANTS AUTHORIZED. (a)
11 Subject to (b) of this section, the [THE] commissioner may use money from the oil
12 and hazardous substance release prevention and response fund to make grants to a
13 municipality, [OR] village, or school district that is affected by the release or by the
14 response to the release and that demonstrates that the release or response to the release
15 involves extraordinary expenditures that are beyond the reasonable capability of the
16 municipality, [OR] village, or school district to meet from the current revenue sources
17 of the municipality, [OR] village, or school district if

18 [(1) THE GOVERNOR DETERMINES THAT] a release of oil [OR
19 A HAZARDOUS SUBSTANCE] exceeds 2,500 barrels of oil, or if a release of a
20 hazardous substance exceeds an amount of a hazardous substance that, when released
21 into the environment, presents a threat to the economy and public welfare of the
22 municipalities, [AND] villages, and school districts affected by it at least equivalent
23 in effect to the effect of a release of oil in an amount defined by this subsection
24 [PARAGRAPH;

25 (2) THE RELEASE HAS BEEN PROCLAIMED A DISASTER
26 EMERGENCY BY THE GOVERNOR UNDER AS 26.23.020; AND

27 (3) THE GOVERNOR FINDS THAT

28 (A) THE RELEASE OF THE OIL OR HAZARDOUS
29 SUBSTANCE INTO THE ENVIRONMENT PRESENTS A REAL AND
30 SUBSTANTIAL THREAT TO THE ECONOMY AND PUBLIC WELFARE
31 OF THE MUNICIPALITIES AND VILLAGES THAT ARE AFFECTED BY

1 THE RELEASE AND BY THE RESULTANT ACTIVITIES TO CONTAIN
2 AND CLEAN UP THE RELEASE; AND

3 (B) IT IS IN THE BEST INTEREST OF THE STATE TO PAY
4 THE EXPENSES INCURRED BY MUNICIPALITIES AND VILLAGES TO
5 MITIGATE THE SOCIAL AND ECONOMIC EFFECTS THAT ARISE OUT
6 OF THE RELEASE OF THE OIL OR THE HAZARDOUS SUBSTANCE
7 AND THE RESULTANT CLEANUP ACTIVITIES].

8 (b) For each release or threatened release of oil or a hazardous substance

9 (1) for which the commissioner of environmental conservation may,
10 under AS 46.08.045, expend money from the oil and hazardous substance release
11 response account in the fund [DISASTER EMERGENCY DECLARED BY THE
12 GOVERNOR UNDER AS 26.23.020], and subject to agreement with the commissioner
13 of environmental conservation as to the amount of money in the fund that may be used
14 by the department to make grants, the commissioner may expend not more than
15 \$10,000,000 [OF THE BALANCE OF THE FUND THAT IS APPROPRIATED TO
16 THE SPILL RESERVE OR] of the unrestricted balance of the oil and hazardous
17 substance release response account in the fund for grants for purposes described
18 in AS 29.60.520; if [AUTHORIZED UNDER THIS SECTION. IF] the commissioner
19 and the commissioner of environmental conservation do not agree on the amount of
20 money in the response account in the fund that may be used by the department to
21 make grants under AS 29.60.500 - 29.60.599 for release or threatened release of oil
22 or a hazardous substance, the governor shall make the determination;

23 (2) for which money may not be expended from the response
24 account under (1) of this subsection, and subject to appropriation of money in the
25 fund that may be used by the department to make grants, the commissioner may
26 expend not more than the amount appropriated from the oil and hazardous
27 substance release prevention account in the fund for grants for purposes
28 described in AS 29.60.520.

29 (c) Notwithstanding the limitation of AS 37.07.080(e) against the transfer of
30 money between appropriations, when the commissioner and the commissioner of
31 environmental conservation have agreed to the amount of money in the oil and

1 hazardous substance release response account [FUND] that may be used by the
2 department to make grants, or when that determination has been made by the governor,
3 the commissioner of environmental conservation shall promptly transfer that amount
4 to the department for use under AS 29.60.500 - 29.60.599.

5 (d) For money that has been transferred under (c) of this section, if within any
6 one-year period thereafter the commissioner does not use the money to make a grant
7 under AS 29.60.500 - 29.60.599, the commissioner shall [, AT THE DIRECTION OF
8 THE GOVERNOR OR THE REQUEST OF THE COMMISSIONER OF
9 ENVIRONMENTAL CONSERVATION,] return the unexpended amount transferred
10 under (c) of this section to the oil and hazardous substance release response
11 account of the fund.

12 * Sec. 4. AS 29.60.520 is amended to read:

13 Sec. 29.60.520. PURPOSES OF MUNICIPAL IMPACT GRANTS. (a) A
14 grant made under AS 29.60.510 may be made

15 (1) only for

16 (A) provision of subsistence resources on which the residents
17 of the municipality, [OR] village, or school district rely for subsistence needs;

18 (B) the additional costs of a reasonable and appropriate function
19 or service, including administrative expenses for the incremental costs of
20 providing the function or service, limited to:

21 (i) public health and welfare functions and services,
22 including hospital, clinic, and emergency medical services; alcohol,
23 drug abuse, and mental health services; family support services; and the
24 operation of waste disposal systems and water quality improvement
25 systems;

26 (ii) public safety functions and services, including police
27 protection, search and rescue, and fire protection;

28 (iii) public utility functions and services, including the
29 operation of electric generating plants and distribution systems, water
30 supply systems, telephone systems, and fuel distribution systems; and

31 (iv) housing functions and services, limited to leasing or

1 making other arrangements for temporary housing to be occupied by
2 persons associated with containment or cleanup of the release;

3 (C) costs associated with leasing transportation facilities for use
4 in activities associated with the containment or cleanup;

5 (D) costs of repair or replacement of equipment or a capital
6 asset associated with a function or service set out in (B) of this paragraph the
7 useful life of which has been substantially reduced by use associated with the
8 containment or cleanup; and

9 (2) to compensate the municipality, [OR] village, or school district for

10 (A) the reduction of revenue attributable to the release of the
11 oil or hazardous substance; and

12 (B) the actual costs of projects or activities that are delayed or
13 lost because of the efforts of the municipality, [OR] village, or school district
14 responding to the release or associated with the containment or cleanup of oil
15 or the hazardous substance.

16 (b) If money received under this section is used for a capital expenditure, the
17 commissioner may require the municipality, [OR] village, or school district that
18 acquired the item as a capital expenditure to transfer it to the state at the end of the
19 period during which the item is actually used for spill response if the commissioner
20 finds that retention of the item would confer an inappropriate benefit on the
21 municipality, [OR] village, or school district.

22 * Sec. 5. AS 29.60.530 is amended to read:

23 Sec. 29.60.530. CRITERIA TO EVALUATE GRANT APPLICATIONS. (a)
24 In determining whether an expenditure or proposed expenditure by a municipality,
25 [OR] village, or school district is eligible for a grant under AS 29.60.510, the
26 department shall consider

27 (1) the degree to which the effect on the municipality, [OR] village, or
28 school district is directly caused by the oil or hazardous substance release or the
29 response to the release;

30 (2) the availability of money to the recipient from other sources that
31 can meet the costs of providing the functions or services; and

1 (3) the severity of the effect addressed in the grant application.

2 (t) The department may reject an application for a grant under AS 29.60.510
3 or approve an application for a grant in an amount that is less than the amount
4 requested by a municipality, [OR] village, or school district if the department
5 determines that payment of the amount requested is not warranted under (a) of this
6 section.

7 (c) The department shall adopt, by regulation, criteria by which to rank all or
8 a portion of applications for the purpose of establishing the priority order of awarding
9 grants if money requested by eligible municipalities, [AND] villages, and school
10 districts under this section exceeds the amount available. The criteria must be based
11 on the elements set out in (a) of this section. If the total amount of money requested
12 by eligible municipalities, [AND] villages, and school districts under this section
13 exceeds the amount available, the department shall rank applications for the purpose
14 of establishing the priority order of awarding grants in accordance with the regulations.

15 * Sec. 6. AS 29.60.540(b) is amended to read:

16 (b) Money received by a municipality, [OR] village, or school district under
17 AS 29.60.500 - 29.60.599 may not be used for a capital improvement, as that term is
18 defined in AS 46.08.900.

19 * Sec. 7. AS 29.60.560(a) is amended to read:

20 (a) For each disaster emergency declared by the governor under AS 26.23.020
21 based on a release of oil or a hazardous substance or for each other release of oil or
22 a hazardous substance for which money may be expended under AS 46.08.040, the
23 commissioner, after consulting with and securing the written approval of the attorney
24 general and after consulting with other state agencies, shall

25 (1) make an assessment of the social and economic effects of the
26 release of the oil or hazardous substance;

27 (2) develop a plan to

28 (A) recover the cost of release-related expenditures; and

29 (B) mitigate the social and economic effects of the release of
30 the oil or hazardous substance on the municipalities, the villages, the school
31 districts, and the region in which the discharge occurs.

1 * Sec. 8. AS 29.60.560(e) is amended to read:

2 (e) Expenditures made under this section may be made only from the amount
3 transferred to the commissioner under AS 29.60.510(c), unless

4 (1) the commissioner and the commissioner of environmental
5 conservation mutually agree that payment may be made from money in the oil and
6 hazardous substance release response account in the oil and hazardous substance
7 release prevention and response fund not transferred under AS 29.60.510(c); or

8 (2) the commissioner pays them from another source.

9 * Sec. 9. AS 29.60.599(4) is amended to read:

10 (4) "fund" means the oil and hazardous substance release prevention
11 and response fund established by AS 46.08.010;

12 * Sec. 10. AS 29.60.599(7) is amended to read:

13 (7) "service"

14 (A) means

15 (i) a function performed or service provided by a
16 municipality under a duty or power authorized by this title or by
17 another provision of law authorizing a municipality to perform functions
18 or provide services;

19 (ii) [, OR] a comparable function performed or service
20 provided by a village; or

21 (iii) a function performed or service provided by a
22 school district;

23 (B) includes functions not previously performed and services
24 not previously provided by the municipality or village;

25 * Sec. 11. AS 29.60.599 is amended by adding a new paragraph to read:

26 (9) "school district" has the meaning given in AS 14.30.350.

27 * Sec. 12. AS 37.14.410 is amended to read:

28 Sec. 37.14.410. REIMBURSED EXPENDITURES. (a) Amounts received by
29 the state as reimbursement for expenses related to the Exxon Valdez oil spill incurred
30 by the state on or before December 31, 1992, shall be deposited in the general fund
31 and, except as required under (b) of this section may not be credited to the oil and

1 hazardous substance release mitigation account under AS 46.04.010 or to an account
2 established in AS 46.08.020 or 46.08.025.

3 (b) A percentage of each payment deposited in the general fund under (a) of
4 this section shall be credited to the prevention account established in [OIL AND
5 HAZARDOUS SUBSTANCE RELEASE MITIGATION ACCOUNT UNDER
6 AS 46.04.010 OR] AS 46.08.020. That percentage is determined by dividing

7 (1) the amount of the expenses for which the state may be reimbursed
8 under (a) of this section that were paid from the oil and hazardous substance release
9 response fund established under AS 46.08.010, by

10 (2) the total amount of expenses for which the state may be reimbursed
11 under (a) of this section.

12 * Sec. 13. AS 43.55 is amended by adding a new section to read:

13 Sec. 43.55.201. SURCHARGE LEVIED. (a) Every producer of oil shall pay
14 a surcharge of \$.02 per barrel of oil produced from each lease or property in the state,
15 less any oil the ownership or right to which is exempt from taxation.

16 (b) The surcharge imposed by (a) of this section is in addition to and shall be
17 paid in the same manner as the tax imposed by AS 43.55.011 - 43.55.150; and is in
18 addition to the surcharge imposed by AS 43.55.300 - 43.55.310.

19 (c) A producer of oil shall make reports of production in the same manner and
20 under the same penalties as required under AS 43.55.011 - 43.55.150.

21 * Sec. 14. AS 43.55 is amended by adding a new section to read:

22 Sec. 43.55.211. USE OF REVENUE DERIVED FROM SURCHARGE. The
23 legislature may appropriate the annual estimated balance of the account maintained
24 under AS 37.05.142 for deposits into the general fund of the proceeds of the surcharge
25 levied under AS 43.55.201 to the response account in the oil and hazardous substance
26 release prevention and response fund established by AS 46.08.010.

27 * Sec. 15. AS 43.55 is amended by adding a new section to read:

28 Sec. 43.55.221. SUSPENSION AND REIMPOSITION OF THE
29 SURCHARGE. (a) Not later than 30 days after the end of each calendar quarter, the
30 commissioner of administration shall determine, as of the end of that quarter, the fiscal
31 year's

1 (1) unreserved and unobligated balance in the response account of the
2 oil and hazardous substance release prevention and response fund established in
3 AS 46.08.010; for purposes of this paragraph, the "unreserved and unobligated balance
4 in the response account" means the cash balance of the account less the sum of

5 (A) reserves for outstanding appropriations from the account;

6 (B) encumbrances of money in the account; and

7 (C) other liabilities of the account;

8 (2) balance of the account maintained under AS 37.05.142 that accounts
9 for the proceeds of the surcharge that are deposited in the general fund;

10 (3) the balance of the response mitigation account established by
11 AS 46.08.025(b) that originated from the sources described in AS 46.08.025(a)(3) and
12 that is available for appropriation to the response account of the fund established in
13 AS 46.08.010.

14 (b) Within 15 days after making the determinations required by (a) of this
15 section, the commissioner of administration shall

16 (1) add the amounts determined under (a)(1) - (3) of this section; and

17 (2) report the sum calculated under (1) of this subsection to the
18 commissioner of revenue.

19 (c) In making the determination required by (a) of this section, the
20 commissioner of administration may not consider money described in (a) of this
21 section that is subject to a dedication imposed by law that restricts the use of the
22 money to a specific purpose for which the response account of the oil and hazardous
23 substance release prevention and response fund established in AS 46.08.010 may not
24 be lawfully expended.

25 (d) If the commissioner of administration reports that the sum reported under
26 (b) of this section equals or exceeds \$50,000,000, the commissioner of revenue shall
27 suspend imposition and collection of the surcharge levied and collected under
28 AS 43.55.201. Suspension of the imposition and collection of the surcharge begins on
29 the first day of the calendar quarter next following the commissioner's receipt of the
30 commissioner of administration's report under (b) of this section. Before the first day
31 of a suspension authorized by this subsection, the commissioner shall make a

1 reasonable effort to notify all persons who are known to the department to be paying
2 the surcharge under AS 43.55.201 that the surcharge will be suspended.

3 (e) Except as provided in AS 43.55.231, if the commissioner of administration
4 reports that the sum reported under (b) of this section is less than \$50,000,000, the
5 commissioner of revenue shall require imposition and collection of the surcharge
6 authorized under AS 43.55.201. If the surcharge is not in effect, reimposition of the
7 surcharge begins on the first day of the calendar quarter next following the
8 commissioner's receipt of the commissioner of administration's report under (b) of this
9 section. Before the first day of reimposition of the surcharge authorized by this
10 subsection, the commissioner shall make a reasonable effort to notify all persons who
11 are known to the department to be required to pay the surcharge under AS 43.55.201
12 that the surcharge will be reimposed.

13 * Sec. 16. AS 43.55 is amended by adding a new section to read:

14 Sec. 43.55.231. SURCHARGE NOT IMPOSED. (a) The surcharge authorized
15 by AS 43.55.201 is not levied during any fiscal year for which

16 (1) the legislature does not, during the regular or a special legislative
17 session preceding the first day of the fiscal year, appropriate at least an amount equal
18 to the amount determined under (b) of this section from the general fund to the
19 response account in the oil and hazardous substance release prevention and response
20 fund; or

21 (2) the legislature, during the regular or a special legislative session
22 preceding the first day of the fiscal year, appropriates at least the amount of money
23 equal to the amount determined under (b) of this section from the general fund to the
24 response account in the oil and hazardous substance release prevention and response
25 fund and that appropriation is vetoed or reduced by the governor.

26 (b) The amount of money required to be appropriated from the general fund
27 to the response account in the oil and hazardous substance release prevention and
28 response fund by (a) of this section is the amount, determined for the last day of the
29 preceding fiscal year, that is the sum of the actual or estimated balance of

30 (1) the account maintained under AS 37.05.142 to account for all
31 proceeds of the surcharge that are deposited into the general fund; and

1 (2) the portion of the balance of the response mitigation account
2 established by AS 46.08.025(b) that originated from the recovery of money described
3 in AS 46.08.025(a)(3).

4 * Sec. 17. AS 43.55 is amended by adding new sections to read:

5 Sec. 43.55.299. DEFINITIONS. In AS 43.55.201 - 43.55.299,

6 (1) "response account" means the oil and hazardous substance release
7 response account established in AS 46.08.010(a)(2);

8 (2) "response mitigation account" means the oil and hazardous
9 substance release response mitigation account established in AS 46.08.025(b).

10 ARTICLE 2A. ADDITIONAL CONSERVATION SURCHARGE ON OIL.

11 Sec. 43.55.300. SURCHARGE LEVIED. (a) Every producer of oil shall pay
12 a surcharge of \$.03 per barrel of oil produced from each lease or property in the state,
13 less any oil the ownership or right to which is exempt from taxation.

14 (b) The surcharge imposed by (a) of this section is in addition to and shall be
15 paid in the same manner as the tax imposed by AS 43.55.011 - 43.55.150; and is in
16 addition to the surcharge imposed by AS 43.55.201 - 43.55.231.

17 (c) A producer of oil shall make reports of production in the same manner and
18 under the same penalties as required under AS 43.55.011 - 43.55.150.

19 Sec. 43.55.310. USE OF REVENUE DERIVED FROM SURCHARGE. The
20 legislature may appropriate the annual estimated balance of the amount maintained
21 under AS 37.05.142 for deposits into the general fund of the proceeds of the surcharge
22 levied under AS 43.55.300 to the oil and hazardous substance release prevention
23 account in the oil and hazardous substance release prevention and response fund
24 established by AS 46.08.010.

25 * Sec. 18. AS 43.55.900(15) is amended to read:

26 (15) "surcharge" means

27 (A) when used in AS 43.55.201 - 43.55.299, the surcharge
28 levied by AS 43.55.201 [AS 43.55.200];

29 (B) when used in AS 43.55.300 - 43.55.310, the surcharge
30 levied by AS 43.55.300;

31 * Sec. 19. AS 46.04.010 is amended to read:

1 Sec. 46.04.010. REIMBURSEMENT FOR CLEANUP EXPENSES. The
2 department shall promptly seek reimbursement under AS 46.03.760(e), AS 46.08.070,
3 or from an applicable federal fund, for the expenses it incurs in cleaning up or
4 containing a discharge of oil. If the department obtains reimbursement for a portion
5 of its expenses from a federal fund, the remainder of the expenses incurred may be
6 recovered under AS 46.03.760(e) or AS 46.08.070. Money received by the department
7 under this section shall be deposited in the general fund and credited to

8 (1) the oil and hazardous substance release response mitigation
9 account established under AS 46.08.025(h); the amount required to be deposited
10 under this paragraph shall represent the proportion of the expenses recovered
11 that were originally paid for from the oil and hazardous substance release account
12 established under AS 46.08.010(a)(2); or

13 (2) [A SPECIAL ACCOUNT CALLED] the ["] oil and hazardous
14 substance release prevention mitigation account established under AS 46.08.020(b);
15 the amount required to be deposited under this paragraph is the amount of
16 money recovered that exceeds the amount payable to the response mitigation
17 account under (1) of this section ["].

18 * Sec. 20. AS 46.08.005 is amended to read:

19 Sec. 46.08.005. PURPOSE. The legislature finds and declares that the release
20 of oil or hazardous substances into the environment presents a real and substantial
21 threat to the public health and welfare, to the environment, and to the economy of the
22 state. The legislature therefore concludes that it is in the best interest of the state and
23 its citizens to provide a [READILY AVAILABLE] fund containing two accounts.

24 Within the fund,

25 (1) one account consists of money readily available to the
26 commissioner for the payment of the expenses incurred by the Department of
27 Environmental Conservation during a response to a [AND THE DEPARTMENT OF
28 TRANSPORTATION AND PUBLIC FACILITIES IN THE PROTECTION OF THE
29 ENVIRONMENT OF THE STATE FROM THE] release of oil or hazardous
30 substances when authorized by AS 46.08.045 and for related purposes intended
31 to address those releases;

1 (2) the other account consists of money that the state may use
 2 during a response to a release of oil or a hazardous substance, other than one
 3 described in (1) of this subsection, and to a threatened release of oil or a
 4 hazardous substance, to pay the expenses of making preparations for the
 5 possibility of a release or threatened release of oil or hazardous substances, to
 6 reduce the amount, degree, or intensity of a release or threatened release, and for
 7 other related purposes identified in law [OR HAZARDOUS SUBSTANCES].

8 * Sec. 21. AS 46.08.010(a) is amended to read:

9 (a) There is established in the state general fund the oil and hazardous
 10 substance release prevention and response fund. The fund shall be administered by
 11 the commissioner. The fund is composed of two accounts,

12 (1) the oil and hazardous substance release prevention account;

13 (2) the oil and hazardous substance release response account.

14 * Sec. 22. AS 46.08.010(b) is amended to read:

15 (b) Money from an appropriation made to an account in the fund remaining
 16 in that account [THE FUND] at the end of a fiscal year does not lapse and remains
 17 available for expenditure in successive fiscal years.

18 * Sec. 23. AS 46.08.010(c) is amended to read:

19 (c) The fund shall be used for actual expenses incurred under AS 46.08.040.
 20 Except as provided in AS 46.08.040(a)(2)(D) for the acquisition, repair, or
 21 improvement of assets as preparedness measures [AS 46.08.040(d)(2)], the fund
 22 may not be used for capital improvements.

23 * Sec. 24. AS 46.08.020 is amended to read:

24 Sec. 46.08.020. FINANCING OF THE OIL AND HAZARDOUS
 25 SUBSTANCE RELEASE PREVENTION ACCOUNT [FUND]. (a) The legislature
 26 may appropriate from the following sources to the prevention account in the fund:

27 (1) the annual estimated balance of the account maintained under
 28 AS 37.05.142 for deposits into the general fund of the proceeds of the oil
 29 conservation surcharge levied by AS 43.55.300;

30 (2) money received from other state sources, from federal [, STATE,]
 31 or other sources, or from a private donor;

1 **(3)** [(2)] money recovered or otherwise received from parties
2 responsible for the containment and cleanup of oil or a hazardous substance at a
3 specific site, but excluding **money**

4 **(A)** [FUNDS] from performance bonds and other forms of
5 financial responsibility held in escrow pending satisfactory performance of a
6 privately financed response action; **and**

7 **(B)** **described in AS 46.08.025(a)(3);**

8 **(4)** [(3)] fines, penalties, or damages recovered under AS 46.08.005 -
9 46.08.080 or other law for costs incurred by the state as a result of the release or
10 threatened release of oil or a hazardous substance; **and**

11 **(5) the interest earned on the balance of the accounts maintained**
12 **under AS 37.05.142 for deposits into the general fund from the proceeds of the**
13 **surcharges levied under AS 43.55.201 and 43.55.300.**

14 (b) Money received by the state under **(a)(2) - (5)** [(a)(2) AND (a)(3)] of this
15 section shall be deposited in the general fund and credited to a special account called
16 the "oil and hazardous substance release **prevention** mitigation account." The
17 legislature may annually appropriate to the **prevention account in the** fund from **the**
18 **prevention mitigation** [THIS] account a sum equal to the amount received under
19 **(a)(2) - (5)** [(a)(2) AND (a)(3)] of this section during the calendar year preceding the
20 legislative session in which the appropriations are to be made.

21 * Sec. 25. AS 46.08.020 is amended by adding a new subsection to read:

22 (c) The interest earned on the balances of each of the following accounts shall
23 be deposited into the general fund and credited to the prevention account in the fund:

- 24 (1) the prevention account;
- 25 (2) the prevention mitigation account;
- 26 (3) the response account; and
- 27 (4) the response mitigation account..

28 * Sec. 26. AS 46.08 is amended by adding a new section to read:

29 Sec. 46.08.025. FINANCING OF THE OIL AND HAZARDOUS
30 SUBSTANCE RELEASE RESPONSE ACCOUNT. (a) The legislature may
31 appropriate from the following sources to the oil and hazardous substance release

1 response account in the fund:

2 (1) the annual estimated balance of the account maintained under
3 AS 37.05.142 for deposit into the general fund of the proceeds of the oil conservation
4 surcharge levied by AS 43.55.201;

5 (2) money received from other state sources, from federal or other
6 sources, or from a private donor; and

7 (3) money recovered or otherwise received from parties responsible for
8 the containment and cleanup of oil or a hazardous substance at a specific site for
9 which the state expended money from the former oil and hazardous substance release
10 response fund before the effective date of this section or for which the state expended
11 money from the response account, but excluding

12 (A) money from performance bonds and other forms of
13 financial responsibility held in escrow pending satisfactory performance of a
14 privately financed response action;

15 (B) fines, penalties, and damages described in
16 AS 46.08.020(a)(4).

17 (b) Money received by the state under (a)(2) and (3) of this section shall be
18 deposited in the general fund and credited to a special account called the "oil and
19 hazardous substance release response mitigation account." The legislature may
20 annually appropriate to the response account in the fund from the response mitigation
21 account a sum equal to the amount received under (a)(2) and (3) of this section during
22 the calendar year preceding the legislative session in which the appropriations are to
23 be made.

24 * Sec. 27. AS 46.08.040(a) is amended to read:

25 (a) In addition to money in the response account of the fund that is
26 transferred to the commissioner of community and regional affairs to make grants
27 under AS 29.60.510 and to pay for impact assessments under AS 29.60.560, the
28 commissioner of environmental conservation may use money

29 (1) from the response account in the fund

30 (A) when authorized by AS 46.08.045, [(1)] to investigate and
31 evaluate the release [OR THREATENED RELEASE] of oil or a hazardous

1 substance, and contain, clean up, and take other necessary action, such as
2 monitoring and assessing, to address a release [OR THREATENED RELEASE]
3 of oil or a hazardous substance that poses an imminent and substantial threat
4 to the public health or welfare, or to the environment;

5 **(B) to [(2) PAY ALL COSTS INCURRED TO**

6 **(A) ESTABLISH AND MAINTAIN THE OIL AND**
7 **HAZARDOUS SUBSTANCE RESPONSE OFFICE;**

8 **(B) REVIEW OIL DISCHARGE PREVENTION AND**
9 **CONTINGENCY PLANS SUBMITTED UNDER AS 46.04.030;**

10 **(C) CONDUCT TRAINING, RESPONSE EXERCISES,**
11 **INSPECTIONS, AND TESTS, IN ORDER TO VERIFY EQUIPMENT**
12 **INVENTORIES AND ABILITY TO PREVENT AND RESPOND TO OIL**
13 **AND HAZARDOUS SUBSTANCE RELEASE EMERGENCIES, AND TO**
14 **UNDERTAKE OTHER ACTIVITIES INTENDED TO VERIFY OR**
15 **ESTABLISH THE PREPAREDNESS OF THE STATE, A MUNICIPALITY,**
16 **OR A PARTY REQUIRED BY AS 46.04.030 TO HAVE AN APPROVED**
17 **CONTINGENCY PLAN TO ACT IN ACCORDANCE WITH THAT PLAN;**
18 **AND**

19 **(D) VERIFY OR ESTABLISH PROOF OF FINANCIAL**
20 **RESPONSIBILITY REQUIRED BY AS 46.04.040;**

21 **(3) PAY THE EXPENSES INCURRED BY THE ALASKA DIVISION**
22 **OF EMERGENCY SERVICES FOR THE OIL AND HAZARDOUS SUBSTANCE**
23 **RESPONSE CORPS AND THE OIL AND HAZARDOUS SUBSTANCE RESPONSE**
24 **DEPOTS WHEN PRESENTED WITH APPROPRIATE DOCUMENTATION BY**
25 **THE DIVISION;**

26 **(4)] provide matching funds in the event of a release of oil or a**
27 **hazardous substance for which use of the response account is authorized by**
28 **AS 46.08.045 for participation**

29 **(i) in federal oil discharge cleanup activities; and**

30 **(ii) under 42 U.S.C. 9601 - 9657 (Comprehensive**
31 **Environmental Response, Compensation, and Liability Act of 1980);**

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and

(C) to [(5)] recover the costs to the state, a municipality, [OR] a village, or a school district of a containment and cleanup resulting from the release [OR THE THREATENED] release of oil or a hazardous substance for which money was expended from the response account:

(2) from the prevention account in the fund,

(A) to investigate and evaluate

(i) any threatened release of oil or a hazardous substance; and

(ii) when authorized by AS 46.08.047, the release of oil or a hazardous substance, except a release described in AS 46.08.045, and to contain, clean up, and take other necessary action, such as monitoring and assessing, to address a release of oil or a hazardous substance that poses an imminent and substantial threat to the public health or welfare, or to the environment, except a release described in AS 46.08.045;

(B) to pay all costs incurred

(i) to establish and maintain the oil and hazardous substance response office;

(ii) under agreements entered into under AS 46.04.090 or AS 46.09.040;

(iii) to review oil discharge prevention and contingency plans submitted under AS 46.04.030;

(iv) to conduct training, response exercises, inspections, and tests, in order to verify equipment inventories and ability to prevent and respond to oil and hazardous substance release emergencies, and to undertake other activities intended to verify or establish the preparedness of the state, a municipality, or a party required by AS 46.04.030 to have an approved contingency plan to act in accordance with that plan; and

(v) to verify or establish proof of financial

1 responsibility required by AS 46.04.040;

2 (C) to pay, when presented with appropriate documentation
3 by the Alaska State Emergency Response Commission, expenses incurred
4 by the commission for

5 (i) its activities, including staff support, when the
6 activities and staff support relate to oil or hazardous substances;
7 and

8 (ii) the costs of being prepared for and responding to
9 a request by the department for support in activities that relate to
10 response to and restoration of the effects of an oil or hazardous
11 substance release;

12 (D) to pay all costs incurred to acquire, repair, or improve
13 an asset having an anticipated life of more than one year and that is
14 acquired, repaired, or improved as a preparedness measure by which the
15 state may respond to, recover from, reduce, or eliminate the effects of a
16 release or threatened release of oil or a hazardous substance;

17 (E) to pay the costs, if approved by the commissioner, that
18 were incurred by local emergency planning committees to carry out the
19 duties assigned them by AS 46.13.080;

20 (F) to provide matching funds in the event of the release of
21 oil or a hazardous substance, except a release of oil for the containment
22 and cleanup of which use of the response account is authorized by
23 AS 46.08.045, for participation

24 (i) in federal oil discharge cleanup activities; and

25 (ii) under 42 U.S.C. 9601 - 9657 (Comprehensive
26 Environmental Response, Compensation, and Liability Act of 1980);

27 (G) to pay or reimburse the storage tank assistance fund
28 established in AS 46.03.410 for expenditures from that fund authorized by
29 AS 46.03.410(b);

30 (H) to transfer to the Department of Community and
31 Regional Affairs for payment by the commissioner of community and

regional affairs of**(i) municipal impact grants when authorized under****AS 29.60.510(b)(2); and****(ii) assessments of the social and economic effects of****the release of oil or hazardous substances as required by****AS 29.60.560 when, in the judgment of the commissioner, the****release of oil or a hazardous substance is not one that is described****in AS 46.08.045;****(I) to recover the costs to the state, a municipality, a village,****or a school district of a containment and cleanup resulting from the release****or threatened release of oil or a hazardous substance for which money was****expended from the prevention account;****(J) to [; (6)] prepare, review, and revise****(i) [(A)] the state's master oil and hazardous substance****discharge prevention and contingency plan required by AS 46.04.200;****and****(ii) [(B)] a regional master oil and hazardous substance****discharge prevention and contingency plan required by AS 46.04.210;****and****(K) to [(7)] restore the environment by addressing the effects****of an oil or hazardous substance release.***** Sec. 28. AS 46.08.040(a)(2)(C) is repealed and reenacted to read:****(C) pay, when presented with appropriate documentation by the****Department of Military and Veterans' Affairs, the expenses incurred by the****Department of Military and Veterans' Affairs for Alaska State Emergency****Response Commission activities, including staff support, when the activities****and staff support relate to oil or hazardous substances, and for the costs of****being prepared for responding to a request by the department for support in****response and restoration, but not including the costs of maintaining the****response corps and the emergency response depots under AS 26.23.045;***** Sec. 29. AS 46.08.040(c) is amended to read:**

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(c) Notwithstanding other provisions of this section, money from the fund may not be used for a purpose specified in (a)(1)(B) or (C) or (a)(2)(B) - (K) [(a)(2) - (7) AND (d)(2)] of this section unless money is available from an appropriation made specifically for that purpose. The legislature may use not more than three percent of the estimated annual balance of the prevention account to make appropriations for the purposes described in (a)(2)(E) of this section.

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* Sec. 30. AS 46.08 is amended by adding a new section to read:

Sec. 46.08.045. USE OF THE RESPONSE ACCOUNT. (a) The commissioner may use money from the response account in the fund to respond to a release when the governor declares a disaster related to an oil or hazardous substance discharge emergency under AS 26.23.020(c). During the effective period of the disaster emergency, the commissioner may use money from the response account to respond to the disaster emergency.

(b) Notwithstanding (a) of this section, money from the response account may be used for the purposes described in AS 46.08.040(a)(1)(A) without a declaration under AS 26.23.020(c) when the release would exceed 2,500 barrels of oil, or would exceed an amount of a hazardous substance released into the environment that presents a threat to the economy and public welfare at least equivalent in effect to the effect of a release of more than 2,500 barrels of oil if

(1) within 72 hours of being advised of the release, the commissioner prepares and provides to the governor and the members of the Legislative Budget and Audit Committee a written report relating to the release, summarizing the release, the state's actions, both taken and anticipated, the costs of the state's actions, both taken and anticipated, and other information considered appropriate by the commissioner; and

(2) not later than 72 hours after the commissioner is advised of the release, the governor, in writing, approves the commissioner's use of the money in the account; the governor shall approve or modify and approve the state's response to the release as set out in the commissioner's report and may, at any time during the period of the state's response to the release, approve, disapprove, or modify action taken or expected to be taken by the department in its use of money in the response account to

1 responsibility to the release.

2 * **Sec. 31.** AS 46.08 is amended by adding a new section to read:

3 Sec. 46.08.047. **USE OF THE PREVENTION ACCOUNT.** Money from the
4 prevention account may be used for the purposes described in
5 AS 46.08.040(a)(2)(A)(ii) when the release would not exceed 2,500 barrels of oil, or
6 would not exceed an amount of a hazardous substance released into the environment
7 that presents a threat to the economy and public welfare at least equivalent in effect
8 to the effect of a release of not more than 2,500 barrels of oil if

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9 (1) within 72 hours of being advised of the release, the commissioner
10 prepares and provides to the governor and the members of the Legislative Budget and
11 Audit Committee a written report relating to the release, summarizing the release, the
12 state's actions, both taken and anticipated, the costs of the state's actions, both taken
13 and anticipated, and other information considered appropriate by the commissioner;
14 and

15 (2) not later than 72 hours after the commissioner is advised of the
16 release, the governor, in writing, approves the commissioner's use of the money in the
17 account; the governor shall approve or modify and approve the state's response to the
18 release as set out in the commissioner's report and may, at any time during the period
19 of the state's response to the release, approve, disapprove, or modify action taken or
20 expected to be taken by the department in its use of money in the response account to
21 respond to the release.

22 * **Sec. 32.** AS 46.08.050(b) is amended to read:

23 (b) A [THE] department that is appropriated or allocated money from the
24 fund, either directly or through a reimbursable service agreement with the
25 Department of Environmental Conservation, shall develop procedures governing the
26 expenditure of, and accounting for, money it expends [EXPENDED] from the fund.
27 The Department of Environmental Conservation may not reimburse or pay money
28 to another state agency for the agency's activities under AS 46.08.040 unless the
29 state agency provides to the department the information necessary to complete the
30 report required by AS 46.08.060 [, AND MAY NOT DELAY IMPLEMENTATION
31 OF THIS CHAPTER PENDING THE EFFECTIVE DATE OF THE PROCEDURES].

1 * **Sec. 33.** AS 46.08.060(a) is amended to read:

2 (a) The commissioner shall submit a report to the legislature not later than the
3 10th day following the convening of each regular session of the legislature. The report
4 may include information considered significant by the commissioner but must include:

5 (1) the amount of money expended by the department under
6 AS 46.08.040(a) during the preceding fiscal year;

7 (2) the amount and source of money received and money recovered by
8 or on behalf of the department during the preceding fiscal year under

9 (A) AS 46.08.020; and

10 (B) AS 46.08.025 [AS SPECIFIED IN AS 46.08.020];

11 (3) a summary of municipal participation in the department's responses
12 that were paid for [FUNDED] by the fund;

13 (4) a detailed summary of department activities in responses paid for
14 [FUNDED] by the fund during the preceding fiscal year, including response
15 descriptions and statements outlining the nature of the threat; in this paragraph,
16 "detailed" includes information describing each personal services position and total
17 compensation for that position, each contract in excess of \$10,000 [\$20,000], and each
18 purchase in excess of \$10,000; and

19 (5) the projected cost to the department for the next fiscal year of
20 monitoring, operating, and maintaining sites where response has been completed or is
21 expected to be continued during the fiscal year.

22 * **Sec. 34.** AS 46.08.060(b) is amended to read:

23 (b) As part of the department's on-going identification efforts associated with
24 oil spill or hazardous substance release or waste sites, the commissioner shall include
25 in the report under this section

26 (1) the number [A SUMMARY] of [THE] sites that are included in
27 the department's contaminated sites data base, whether the site is active or closed;
28 and [IDENTIFIED BY THE DEPARTMENT;]

29 (2) a prioritized listing of those sites, both statewide and by
30 community, based on the immediate and long-term threats to the public health or
31 welfare or to the environment [POSED BY THESE SITES; AND

1 (3) THE APPROPRIATE ACTIONS NEEDED TO ABATE THESE
2 THREATS, AND THEIR ESTIMATED COST].

3 * Sec. 35. AS 46.08.060(c) is amended to read:

4 (c) In addition to the department's report required under (a) of this section, the
5 governor shall submit a report about use of the fund during the previous fiscal year to
6 the legislature not later than the 10th day following the convening of each regular
7 session of the legislature. In the report, the governor shall describe in detail the
8 governor's use of money from the fund, with separate explanations, by agency, of the
9 activities that were paid for [FUNDED] under the authority of AS 46.08.045
10 [AS 46.08.040(b)].

11 * Sec. 36. AS 46.08.070 is amended by adding a new subsection to read:

12 (d) The department shall adopt regulations to implement the cost recovery
13 requirements of (a) and (b) of this section, but may not delay cost recovery actions
14 pending the effective date of the adoption of the regulations.

15 * Sec. 37. AS 46.08.075(a) is amended to read:

16 (a) The state has a lien for expenditures by the state from the [OIL AND
17 HAZARDOUS SUBSTANCE RELEASE RESPONSE] fund, or from any other state
18 fund, for the costs of response, containment, removal, or remedial action resulting from
19 an oil or hazardous substance release [SPILL], or, with respect to response costs, for
20 the costs of response to a threatened [THE SUBSTANTIAL THREAT OF A] release
21 of oil or a hazardous substance, against all property owned by a person who is
22 determined by the commissioner to be liable for the expenditures under this chapter,
23 AS 46.03, AS 46.04, 42 U.S.C. 9607, or other state or federal law. The lien includes
24 interest, at the maximum rate allowable under AS 45.45.010(a), from the date of the
25 expenditures. The state may file an action in a court of competent jurisdiction in order
26 to foreclose on the lien.

27 * Sec. 38. AS 46.08.075(e) is amended to read:

28 (e) A person with an ownership interest in property against which a lien is
29 recorded may bring an action in a court of competent jurisdiction to require that the
30 lien be released. The lien may be released to the extent of that person's ownership
31 interest if the court finds that the person is not liable for the expenses incurred by the

1 state in connection with the costs of response, containment, removal, or remedial
2 action resulting from the [OIL OR HAZARDOUS SUBSTANCE] release or from the
3 threatened [THREAT OF] release, of oil or a hazardous substance.

4 * Sec. 39. AS 46.08.900(5) is amended to read:

5 (5) "fund" means the oil and hazardous substance release prevention
6 and response fund;

7 * Sec. 40. AS 46.08.900(9) is amended to read:

8 (9) "release"

9 (A) means any spilling, leaking, pumping, pouring, emitting,
10 emptying, discharging, injecting, escaping, leaching, dumping, or disposing into
11 the environment;

12 (B) [, EXCEPT THAT "RELEASE"] does not include

13 (i) a permitted release; or

14 (ii) an act of nature;

15 * Sec. 41. AS 46.08.900(11) is amended to read:

16 (11) "threatened release" means [AN IMMINENT DANGER] that a
17 release is imminent; a release is imminent if

18 (A) it is impending, or on the point of happening; or

19 (B) though not impending, in the judgment of the
20 commissioner

21 (i) the incident or occurrence may reasonably be
22 expected to culminate in an actual release; and

23 (ii) that actual release may reasonably be expected to
24 cause personal injury, other injury to life, or loss of or damage to
25 property, including the environment [WILL OCCUR];

26 * Sec. 42. AS 46.08.900 is amended by adding new paragraphs to read:

27 (13) "catastrophic oil discharge" and "catastrophic oil release" have the
28 meaning given the term "catastrophic oil discharge" in AS 46.04.900;

29 (14) "prevention account" means the oil and hazardous substance
30 release prevention account established in AS 46.08.010(a)(1);

31 (15) "prevention mitigation account" means the oil and hazardous

1 substance release prevention mitigation account established in AS 46.08.020(b);

2 (16) "response account" means the oil and hazardous substance release
3 response account established in AS 46.08.010(a)(2);

4 (17) "response mitigation account" means the oil and hazardous
5 substance release response mitigation account established in AS 46.08.025(b).

6 * Sec. 43. AS 46.09.900(8) is amended to read:

7 (8) "threatened release" means [AN IMMINENT DANGER] that a
8 release is imminent; a release is imminent if

9 (A) it is impending, or on the point of happening; or

10 (B) though not impending, in the judgment of the

11 commissioner

12 (i) the incident or occurrence may reasonably be
13 expected to culminate in an actual release; and

14 (ii) that actual release may reasonably be expected to
15 cause personal injury, other injury to life, or loss of or damage to
16 property, including the environment [WILL OCCUR].

17 * Sec. 44. AS 19.65.025; AS 24.20.600, 24.20.610, 24.20.620, 24.20.630; AS 43.55.200,
18 43.55.210, 43.55.220, 43.55.230, 43.55.240; AS 44.46.025(a)(4) and (5); AS 46.08.040(b),
19 46.08.040(d); and sec. 3, ch. 112, SLA 1989 are repealed.

20 * Sec. 45. TREATMENT OF APPROPRIATION TO FORMER SPILL RESERVE FOR
21 PURPOSES OF AS 43.55.230. For the purpose of former AS 43.55.230(a)(2), repealed by
22 sec. 42 of this Act, an appropriation to the former spill reserve referred to in AS 29.60.510(b),
23 the reference to which is deleted by sec. 3 of this Act, is not an expenditure.

24 * Sec. 46. SURCHARGE IMPOSED BY AS 43.55.201 - 43.55.231 SUSPENDED AND
25 REIMPOSED. In addition to the circumstances set out in AS 43.55.231, the surcharge
26 authorized by AS 43.55.201 is not levied on and after the effective date of this section and
27 until June 30, 1995, if

28 (1) the Eighteenth Alaska State Legislature does not, during the Second
29 Regular Session or during any special session held before the effective date of this section,
30 appropriate at least an amount equal to the estimated amount, as of the day before the
31 effective date of this section, of the unexpended and unobligated balance of the former oil and

1 hazardous substance release response fund to the response account in the oil and hazardous
2 substance release prevention and response fund; or

3 (2) the governor vetoes or reduces the amount appropriated under (1) of this
4 section.

5 * Sec. 47. TRANSITIONAL PROVISIONS APPLICABLE TO CONSERVATION
6 SURCHARGE ON OIL IMPOSED BY AS 43.55.200 AFTER JUNE 30, 1994, AND
7 BEFORE THE EFFECTIVE DATE OF THIS SECTION. After June 30, 1994, and before the
8 effective date of this section, every producer of oil who is required by AS 43.55.200 -
9 43.55.240, repealed by this Act, to pay the oil conservation surcharge of \$.05 per barrel of oil
10 shall pay that levy. The provisions of AS 43.55.210 - 43.55.240, repealed by this Act, apply
11 to the amounts received by the state under AS 43.55.200 - 43.55.240, but as to the amounts
12 received after June 30, 1994, and before the effective date of this section, if so appropriated
13 by the legislature and notwithstanding any other provision of law relating to the deposit of and
14 accounting for those receipts,

15 (1) on the effective date of this section, the commissioner of revenue shall
16 allocate

17 (A) 40 percent of the amount received to the response account
18 established by AS 46.08.010(a)(2), as amended by sec. 21 of this Act; and

19 (B) 60 percent of the amount received to the prevention account
20 established by AS 46.08.010(a)(1), as amended by sec. 21 of this Act; and

21 (2) the allocations made under (1) of this section are credited to the respective
22 accounts for purposes of determination of the suspension and reimposition of the surcharge
23 under AS 43.55.221 and 43.55.231, added by secs. 15 and 16 of this Act.

24 * Sec. 48. Section 28 of this Act takes effect only if a version of Senate Bill 33
25 transferring the Alaska State Emergency Response Commission from the Department of
26 Environmental Conservation to the Department of Military and Veterans' Affairs is enacted
27 by the Eighteenth Alaska State Legislature and becomes law.

Therault

Adopted

AMENDMENT 1
HCS CSSB215(); T-draft, 5 /2/94

Sec. 30, Page 22:

Line 19 After "oil" Delete remainder of the section

(this will eliminate the 72 hour notice and approval requirement)

Sec 31, Page 23:

Line 5 delete "(ii)"

(clarifies that the balance of the prevention account may be used for investigation and evaluation of both threatened releases and releases that are less than 2500 BBLS)

Line 8, After "oil" Delete remainder of the section

(this will eliminate the 72 hour notice and approval requirement)

Adopted

8-LS1107T.1
Chenoweth
5/3/94

AMENDMENT 2

OFFERED IN THE HOUSE

TO: Draft HCS CSSB 215() "T" Version

Page 17, line 31:

Delete "[OR THREATENED RELEASE]"

Insert "or threatened release"

Page 18, line 2:

Delete "[OR THREATENED RELEASE]"

Insert "or threatened release"

Page 19, line 4:

Delete "[OR THE THREATENED]"

Insert "or the threatened"

#4

5-5-94

(L) [(7)] restore the environment by addressing the effects of an oil or hazardous substance release.

* Sec. 28. AS 46.08.040(a)(2)(D) is repealed and reenacted to read:

(D) pay, when presented with appropriate documentation by the Department of Military and Veterans' Affairs, expenses incurred by the Department of Military and Veterans' Affairs for

(i) Alaska State Emergency Response Commission activities, including staff support, when the activities and staff support relate to oil or hazardous substances; and

(ii) the costs to the Department of Military and Veterans' Affairs of being prepared for and responding to a request by the department for support in activities that relate to response to and restoration of the effects of an oil or hazardous substance release;

* Sec. 29. AS 46.08.040(c) is amended to read:

(c) Notwithstanding other provisions of this section, money from the fund may not be used for a purpose specified in (a)(1)(B) or (C) or (a)(2) [(a)(2) - (7) AND (d)(2)] of this section unless money is available from an appropriation made specifically for that purpose. The legislature may use not more than three percent of the estimated annual balance of the prevention account to make appropriations for the purposes described in (a)(2)(F) of this section.

* Sec. 30. AS 46.08 is amended by adding a new section to read:

Sec. 46.08.045. USE OF THE RESPONSE ACCOUNT. (a) The commissioner may use money from the response account in the fund to respond to a release or threatened release when the governor declares a disaster related to an oil or hazardous substance discharge emergency under AS 26.23.020(c). During the effective period of the disaster emergency, the commissioner may use money from the response account to respond to the disaster emergency.

(b) Notwithstanding (a) of this section, money from the response account may be used for the purpose in AS 46.08.040(a)(1)(A) without a declaration under AS 26.23.020(c). However, when exercising authority under this subsection, the commissioner shall, within 120 hours of using money in the response account when

50 days

1 authorized by this subsection, provide a written report to the governor and to the
2 Legislative Budget and Audit Committee summarizing the release, the state's actions,
3 both taken and anticipated, the costs of the state's actions, both taken and anticipated,
4 and other information considered appropriate by the commissioner or the governor.
5 The governor may, at any time during the state's response, approve, disapprove, or
6 amend the action.

7 * Sec. 31. AS 46.08.050(b) is amended to read:

8 (b) A [THE] department that is appropriated or allocated money from the
9 fund, either directly or through a reimbursable service agreement with the
10 Department of Environmental Conservation, shall develop procedures governing the
11 expenditure of, and accounting for, money it expends [EXPENDED] from the fund.
12 The Department of Environmental Conservation may not reimburse or pay money
13 to another state agency for the agency's activities under AS 46.08.040 unless the
14 state agency provides to the department the information necessary to complete the
15 report required by AS 46.08.060 [, AND MAY NOT DELAY IMPLEMENTATION
16 OF THIS CHAPTER PENDING THE EFFECTIVE DATE OF THE PROCEDURES].

17 * Sec. 32. AS 46.08.060(a) is amended to read:

18 (a) The commissioner shall submit a report to the legislature not later than the
19 10th day following the convening of each regular session of the legislature. The report
20 may include information considered significant by the commissioner but must include:

21 (1) the amount of money expended by the department under
22 AS 46.08.040(a)(1)(A) [AS 46.08.040(a)] during the preceding fiscal year;

23 (2) the amount and source of money received and money recovered by
24 or on behalf of the department during the preceding fiscal year under

25 (A) AS 46.04.010 (reimbursement of cleanup expenses):

26 (B) AS 46.08.020(a)(4) (recovery of fines, penalties, and
27 damages): and

28 (C) AS 46.08.020(a)(3) and 46.08.025(a)(3) (cost recoveries)
29 [AS SPECIFIED IN AS 46.08.020];

30 (3) a summary of municipal participation in the department's responses
31 that were paid for [FUNDED] by the response account [FUND];

A M E N D M E N T

IIII

#5

passed
9-1

Offered in the House
HSC CSSB 215 - T version

By Rep. MacLean

Page 21, line 3 :

Delete : "and"

Page 21, line 8, after "AS 46.08.045;"

Insert : "and"

Page 21, after line 8 :

Insert : "(iii) grants to repair, improve or replace fuel storage facilities under the bulk fuel system emergency repair and upgrade program;"

AMENDMENT

#6

with change

OFFERED IN THE HOUSE

BY REPRESENTATIVE BROWN

TO: HCS CSSB 215() "T" Draft 5/2/94

Page 9, line 31 - Page 10, line 1:

Delete "the oil and hazardous substance release"

Insert "a [THE OIL AND HAZARDOUS SUBSTANCE RELEASE]"

Page 10, line 4:

After "prevention"

Insert "mitigation"

After "in"

Insert "AS 46.08.020(b)"

Page 10, line 6:

Delete "OR] AS 46.08.020"

Insert "OR AS 46.08.020]"

Page 20, lines 27 - 29:

Delete all material.

Page 20, line 30:

Delete "(H)"

Insert "(G)"

Page 21, line 9 :

Delete "(I)"

Insert "(H)"

Page 21, line 13:

Delete "J"

Insert "I"

Page 21, line 20:

Delete "K"

Insert "J"

AMENDMENT

#7

passed
NO
OBJ

OFFERED IN THE HOUSE

BY REPRESENTATIVE BROWN

TO: HCS CSSB 215() 5/2/94 work draft

Page 14, line 27, after "response to a":

Insert "release or threatered"

AMENDMENT

8 failed

OFFERED IN THE HOUSE

BY REPRESENTATIVE BROWN

TO: HCS CSSB 215() 5/2/94 work draft

Page 19, after line 5, insert a new subsection to read:

“(D) restore the environment by addressing the effects of an oil or hazardous substance release or threatened release.”

Page 21, line 20 through line 21:

Delete all material.

AMENDMENT 9

OFFERED IN THE HOUSE

BY REPRESENTATIVE BROWN

TO: HCS CSSB 215() 5/2/94 work draft

Page 22, line 16, after "AS 26.23.020(c)" through page 23, line 1:

Delete all material.

Page 22, line 16, after "AS 26.23.020(c)":

Insert ". However, when exercising authority under this subsection, the commissioner shall, within 120 hours of using money in the response account when authorized by this subsection, provide a written report to the governor and to the Legislative Budget and Audit Committee summarizing the release, the state's actions, both taken and anticipated, and other information considered appropriate by the commissioner or the governor. The governor may, at any time during the state's response, approve, disapprove, or amend the action."

AMENDMENT

10

A d o r t

OFFERED IN THE HOUSE

BY REPRESENTATIVE BROWN

TO: HCS CSSB 215() 5/2/94 work draft

page 26, line 27 through line 28:

Delete all material.

Failed

AMENDMENT (II)

OFFERED IN THE HOUSE

BY REPRESENTATIVE BROWN

TO: HCS CSSB 215() "T" Draft 5/2/94

Page 27, lines 24 Through Page 28, line 4:

Delete all material and insert:

** Sec. 46. CONDITIONAL SUSPENSION OF SURCHARGE IMPOSED BY AS 43.55.201 - 43.55.231. In addition to the circumstances set out in AS 43.55.231, the surcharge authorized by AS 43.55.201 is not levied on and after the effective date of this section and until June 30, 1995, if

(1) the Eighteenth Alaska State Legislature does not, during the Second Regular Session or during any special session held before the effective date of this section,

(A) appropriate to the oil and hazardous substance release prevention and response fund established by AS 46.08.010(a), as amended by sec. 21 of this Act, the balance, as of July 1, 1994, of the account established under former AS 43.55.210 to receive the proceeds of the conservation surcharge; the appropriation required by this subparagraph must be allocated as follows:

(i) 40 percent of that balance to the response account established by AS 46.08.010(a)(2), as amended by sec. 21 of this Act; and

(ii) 60 percent of that balance to the prevention account established by AS 46.08.010(a)(1), as amended by sec. 21 of this Act; and

(B) appropriate at least an amount equal to the estimated amount, as of the day before the effective date of this section, of the unexpended and unobligated balance of the former oil and hazardous substance release response fund, exclusive of the amount appropriated under (A) of this paragraph, to the oil and hazardous substance release prevention and response fund; the appropriation required by this subparagraph must be allocated as follows:

(i) 40 percent of that balance to the response account established by AS 46.08.010(a)(2), as amended by sec. 21 of this Act; and

(ii) 60 percent of that balance to the prevention account established by AS 46.08.010(a)(1), as amended by sec. 21 of this Act, to be appropriated for purposes described in AS 46.08.040(a)(2)(C)(i) and (ii), added by sec. 27 of this Act, and for purposes described in AS 46.04.090 or AS 46.08.100 - 46.08.190; or

(2) the governor vetoes or reduces any of the amounts appropriated or allocated under (1) of this section."

Page 23, lines 5 - 7 :

Delete "APPLICABLE TO CONSERVATION SURCHARGE ON OIL IMPOSED BY AS 43.55.200 AFTER JUNE 30, 1994, AND BEFORE THE EFFECTIVE DATE OF THIS SECTION."

Insert ". (a)"

Page 28, line 21:

Delete "section"

Insert "subsection"

Page 28, following line 23:

Insert a new subsection to read:

"(b) On the effective date of this section, if so appropriated by the legislature, the commissioner of administration shall transfer to the oil and hazardous substance release prevention and response fund established by AS 46.08.010(a), as amended by sec. 21 of this Act, an amount equal to the estimated amount, as of the day before the effective date of this section, of the unexpended and unobligated balance of the former oil and hazardous substance release response fund; the appropriation required by this subparagraph must be allocated as follows:

(1) 40 percent of that balance to the response account established by AS 46.08.010(a)(2), as amended by sec. 21 of this Act; and

(2) 60 percent of that balance to the prevention account established by AS 46.08.010(a)(1), as amended by sec. 21 of this Act."



Regional Citizens' Advisory Council / 750 W. 2nd Ave., Suite 100 / Anchorage, Alaska 99501-2168 / (907) 277-7222 / FAX (907) 277-4523

"Citizens promoting environmentally safe operation of the Alyeska terminal and associated tankers."

Overview of the House CS for CSSB 215 (RES) and Comparison with House State Affairs Committee Substitute

This is a brief overview of the principal changes in Senate Bill (SB) 215 as passed by the senate and amended by the House Resources Committee. In general, CSSB 215 (FIN) am (efd fld) was an improvement over the Senate Resources Committee substitute. The House Resources Committee made a small number of relatively minor amendments, most of which were technical. The first set of bullets highlights features the bill of the bill as it passed the Senate and the House Resources Committee; this is followed by bullets indicating aspects of the bill that were still problematic when the left the House Resources Committee. The final section provides information on the significant problems created in the House State Affairs committee substitute. After the first sets of bullets, the HCS for CSSB 215 (RES) section is indicated to facilitate cross reference. The final section refers to HCS CSSB 215 (STA) bill sections for cross reference.

Senate Bill 215 as passed by Senate and House Resources Committee:

- The prevention account conservation surcharge is 3 cents per barrel. This surcharge level should provide sufficient revenues to fund the Alaska Department of Environmental Conservation (DEC) current spill prevention programs at FY 94 levels through the year 2000 [section 17].
- The response account conservation surcharge is 2 cents per barrel [section 13]. The \$50 million cap is maintained with clearer surcharge suspension and reimposition language [sections 15 and 16]. This new language still reduces the amount of surcharge required to be paid to reach the \$50 million cap by approximately \$48.7 million (see Alaska Department of Revenue fiscal note, April 25, 1994). The new suspension and imposition language also places cost-recovery funds that originated from the response account and deposited into the response mitigation account under the annual "blackmail or incentive clause." This means that any mitigation funds must be appropriated back into the response account or the two-cent response surcharge is suspended [section 16]. Under current statute, mitigation account funds are not included under the blackmail clause.
- The response account is accessible for response actions. Money in the response account can be used to respond to a release or threatened release of oil or a hazardous substance when 1) the governor declares a disaster emergency or 2) if within 120 hours of initiating the response action, the commissioner of DEC reports to the governor on the release, the state's action, and the anticipated cost of the response action. The governor may, at any time during the state's response, approve, disapprove, or amend the action [section 30].

Prince William Sound Regional Citizens' Advisory Council

- Response action is not limited to initial first response [language removed from section 20].
- The response account inflation proofing provision that would have resulted in a substitution of general fund deposits for surcharge collections was deleted.
- The threshold for municipal impact grants remains releases of 2,500 barrels or more (as in current statute). Grants would be made from the response account. School districts are eligible for grants [sections 1, 2 and 3].
- Language in previously proposed Senate Finance Committee substitutes authorizing use of the prevention account for response depot equipment and for the acquisition of assets for preparedness measures is clarified to help ensure that expenditures relate to oil and hazardous substances [sections 23 and 27].
- In the House Resources Committee Substitute, restoration is explicitly identified as part of spill response and clean up and thus, made a purpose of the response account (DEC amendment number three, section 27).
- In the House Resources Committee Substitute, interest on the response fund accounts is credited to the prevention account rather than available for appropriation into the account.

Continued problems:

- The Senate Finance Committee substitute and subsequent version of the bill authorizes use of the prevention account for underground storage tank grants [section 27, AS 46.08.040(a)(2)(H)]. **This is a new use of the response fund. The current backlog of grants requests totals \$65 million and the application period, which was to sunset this fiscal year, is likely to be extended. Approximately \$5 million has been spent annually on this program; the source of funding for the past two years was primarily mitigation account proceeds. The problem with this new use of the prevention account is that 1) the 3-cent surcharge is insufficient to fund the underground storage tank grant program and maintain current programs, 2) other sources of funds are available to underground storage tank owners, and 3) this action is inconsistent with the original stated intent of the proponents of response fund legislation---to provide greater equity in surcharge payments between crude and non crude operators and beneficiaries of the state response and prevention programs.**
- **The entire estimated balance of the spill reserve is appropriated to the response account [section 45]. This fails to recognize that the fund has always served two purposes---spill prevention and response. Given that future nickels are divided three cents for prevention and two cents for response, it makes sense that previous nickels should be divided similarly.** In addition, approximately 42 percent of the balance originating from state general funds and not surcharge payments.

Prince William Sound Regional Citizens' Advisory Council

- The 2-cent response surcharge is suspended until June 30, 1995 if the legislature fails to appropriate the entire balance of the spill reserve to the response account [section 45]. This is an improvement over the previous Senate Resources Committee version.
- Authorization for oil and hazardous substance response depot equipment purchases specifies the Alaska Department of Military and Veteran Affairs (DMVA), Division of Emergency Services. The DEC also has authority for establishing response depots and is the more appropriate lead agency for oil and hazardous substance depots or the oil and hazardous substances component of all-hazards depots. The DMVA would be the lead agency on all-hazards depots [section 27, AS 46.08.040(a)(2)(C)(ii)].
- **Restoration costs can be paid from the prevention account despite restoration being part of responding to a spill.** Restoration is part of a continuum of clean up activities. If restoration can be paid from the prevention account, there will always be pressure to identify clean up actions as restoration and shift these costs to the prevention account.
- The Citizens' Oversight Council on Oil and Other Hazardous Substances (COC) was established after the *Exxon Valdez* oil spill as one of the principal recommendations of the Oil Spill Commission. The Oil Spill Commission identified state and federal government and public complacency as one of the principal causes of the *Exxon Valdez* oil spill. The COC was established by the legislature in response to this recommendation. Similarly, Congress created the regional citizens' advisory councils of Cook Inlet and Prince William Sound in the Oil Pollution Act of 1990 (OPA 90) to oversee and advise on issues related to the transAlaska pipeline and marine transportation of crude oil. Both the COC and use of the response fund to pay for its operations were deleted.

Comparison with the HCS for CSSB 215 (STA)

The two major bill components changed in the House State Affairs Committee Substitute pertain to uses of the response account for spill response and community impact grants.

Spill Response

The most serious changes in the House State Affairs Committee substitute is the restricted access to the response account for spill response. A number of critical changes were made as follows:

The response account can not be used to respond to a threatened release. Language is deleted in sections 20, 26, and 29.

Response to threatened releases is shifted to the prevention account [section 20]. However, there is no mechanism for accessing the prevention account for spill

Prince William Sound Regional Citizens' Advisory Council

response because all uses of the prevention account are subject to legislative appropriation.

Uses of the response account for response to actual releases is restricted---1) when the governor declares a disaster emergency (same as Senate and House Resources) and 2) if the release exceeds 2,500 barrels (105,000 gallons) of oil, "or would exceed an amount of a hazardous substance released into the environment that presents a threat to the economy and public welfare at least equivalent in effect tot he effect of a release of more than 2,500 barrels of oil." An extremely unclear threshold. [section 20]

Initially, both SB 215 and HB 238 contained a disaster emergency and gallon threshold for spill response access to the response account. In both bills, this language was deleted in favor of language contained in the House CS for CSSB 215 (RES) because the restrictions were unworkable and unwarranted. Some of the reasons include,

- Spill size is not an adequate indicator of potential impact. Spill location and timing are at least equally important.
- Relying on a declaration of disaster emergency for "smaller" spills is especially burdensome for the tourism and fishing industry whose products throughout the state lose value when national attention is focused on an oil spill which declaration of disaster emergencies would do.
- At least 98 percent of Alaska's spills are below the 2,500 barrel threshold. Thus, the response account would be made either inefficient or inaccessible for spill response.
- There is no history of abuse of uses of the response fund. The Alaska Department of Environmental Conservation has spent approximately \$1.5 million from the response fund in the last five years for spill response. This is verified by a recent Division of Legislative Budget and Audit report on the response fund.

The Senate and House Resources versions of SB 215 contain a provision for reporting response activities to the governor and the ability of the governor to approve, amend or disapprove the state response at any time during the response action [HCS for CSSB 215 (RES) section 30]. This provision is made excessive and unreasonable in the House State Affairs Committee Substitute [section 29]. In the House State Affairs CS, the commissioner's written report must be delivered within 72 hours of being notified of a release (rather than 120 hours after initiating response); the written report must be provided to all members of the Legislative Budget and Audit Committee (rather than to the committee); and 3) within the same 72 hours, the governor must, in writing, approve the use of the response account. The result of this change is that at the time a release is being evaluated and a response planned, the DEC commissioner, governor and their staff are distracted preparing reports. The actual business of response is made secondary.

Community Impact Grants

Under current statute, money transferred for municipal impact grants to the commissioner of the Alaska Department of Community and Regional Affairs is returned to the response fund after one year "at the direction of the governor or the request of the commissioner of Environmental Conservation." Under the State Affairs CS, return would be automatic. While this change is assumed to be done to reduce payments from the response account, it could have the opposite effect of pressuring disbursement of grants to avoid the one-year deadline [section 3, p. 6, lines 7-9].

The undefined term "actual" is inserted pertaining to the cost of project delays or lost because of municipal, village or school district spill response activities. Under current statute, this type of damage must be documented and is difficult to prove. With the addition of the undefined term "actual," it may become impossible. This is especially true for smaller communities and school districts.

SECTIONAL ANALYSIS
CSSB 215(FIN) am(efd fld)

SECTION 1: This section amends existing law to give the Governor authority to spend money from the response account for declared disaster emergencies.

SECTION 2: Adds school districts to existing law authorizing municipal and village assistance for spill related expenses; eliminates certain references to reflect changes in Section 3; limits applicability to "sudden" releases.

SECTION 3: Adds school district reference; retains existing 2,500 barrel (or hazardous substance equivalent) threshold for grant eligibility but eliminates related requirement for a declaration of a disaster emergency and certain findings by the Governor; grant money could come from either account depending on type of spill (see Section 29); also makes technical, conforming changes.

SECTION 4: Conforming amendment - adds reference to "school districts" to section on purposes of municipal impact grants.

SECTION 5: Conforming amendment - adds "school districts" to section containing grant application evaluation criteria.

SECTION 6: Conforming amendment - adds "school district" to section prohibiting use of local grants for capital improvements.

SECTION 7: Conforming amendment - adds "school districts" to section regarding impact assessments and development of cost recovery and mitigation plans for each disaster emergency declared by the Governor; makes section apply to disaster emergencies and releases under 46.08.045(b) (see also section 29 discussion).

SECTION 8: Technical, conforming amendment to revise reference from the "Fund" to the "Response" account.

SECTION 9: Revises definition of "fund" to reflect new name: oil and hazardous substance release prevention and response fund.

SECTION 10: Revises definition of "service" in 29.60 to include services provided by "school districts".

SECTION 11: Adds a definition of "school district" to 29.60.

SECTION 12: Conforming amendment - changes terminology and statutory references in current law dealing with Exxon

Valdez reimbursed expenditures to reflect establishment of the prevention and response accounts.

SECTION 13: Creates a new section that levies a 2 cent per barrel surcharge.

SECTION 14: Provides that the Legislature may appropriate this 2 cent per barrel surcharge into the response account.

SECTION 15: New section which sets up the accounting mechanics of the response and related accounts and provides that once the combined totals of the response account, portions of the response mitigation account relating to cost recovery and the general fund surcharge account equals or exceeds \$50,000,000, the levy is suspended beginning on the first day of the next calendar quarter following receipt of this information from the commissioner. The commissioner is required to make a reasonable effort to notify those who are paying the surcharge of the suspension. The surcharge is reimposed beginning on the first day of the next calendar quarter following receipt of the report discussed above if the balance falls below the \$50,000,000 mark. Affected parties also must be notified that the surcharge will be reimposed.

SECTION 16: The surcharge is not levied during any fiscal year for which the Legislature fails to appropriate the required amounts (surcharge; cost recovery monies) to the response account or the appropriation is vetoed or reduced by the Governor.

SECTION 17: Adds Title 43 definitions for "response account" and "response mitigation account" to reflect new provisions of this bill.

ARTICLE 2A: Authorizes a second surcharge of 3 cents per barrel that can be appropriated into the prevention account.

SECTION 18: Technical conforming amendments which refer to the new accounts and related statutory references.

SECTION 19: Amends 46.04.010 which deals with reimbursement for certain oil cleanup expenses. Expenses recovered under this law paid out of the former fund and the new response account are deposited into the general fund and credited to the response mitigation account. Expenses recovered that originated from the prevention account are credited to the prevention mitigation account.

SECTION 20: Amends "Purpose" section to recognize creation of the two accounts within the fund and describes the general purposes for these accounts.

SECTION 21: Revises section of existing law that creates the oil and hazardous substance release response fund to reflect new fund name (now the oil and hazardous substance release prevention and response fund) and to create the oil and hazardous substance release prevention account and the oil and hazardous substance release response account.

SECTION 22: Technical amendment to reflect establishment of accounts and to clarify that appropriations to an account do not lapse and remain available for expenditure in future years.

SECTION 23: Deletes reference to provision that allows the commissioner to transfer fund money to DOT for purposes of constructing or refurbishing ferries that can respond to spills but adds the following exceptions to the general rule that the fund can't be used for capital improvements: response depot equipment and the acquisition, repair or improvement of assets to be used as preparedness measures for oil and hazardous substance releases.

SECTION 24: This section provides for the financing of the prevention account. The Legislature is authorized to appropriate money from the following sources into the prevention account: Applicable surcharge proceeds; money from other state, federal and private sources; money recovered for reimbursement of expenditures made out of the prevention account; and all fines, penalties, damages and interest earned on the various accounts (prevention, prevention mitigation, response, response mitigation, surcharge). Except for the surcharge which has its own separate account in the general fund, these monies are first deposited into the general fund and credited to the prevention mitigation account and then may be appropriated from the mitigation account to the prevention account.

SECTION 25: This section provides for the financing of the response account. The account includes surcharge proceeds; money from other state, federal and private sources; and money recovered from parties that was initially paid out of the current fund or the new response account (not including fines, penalties and damages). Except for the surcharge, these monies go to the general fund response mitigation account and then can be appropriated to the response account.

SECTION 26: This section rewrites existing law to establish the allowed uses for money in the response and prevention accounts.

Response account uses include: to investigate, evaluate, contain and cleanup and take other necessary action to address a release or threatened release of oil and hazardous substances described in Section 29; to provide certain

matching funds in connection with a Section 29 release; and to pay for the costs to the state, municipality, village or school district for cost recovery efforts relating to money that was expended from the response account.

The prevention account can be used to: investigate, evaluate, contain and cleanup and take other necessary action regarding releases not described in Section 29; pay all costs to establish and maintain the response office, response corps (DMVA) and response depots (DMVA); pay all costs to review contingency plans, conduct training, inspections, tests and take other action to verify or establish preparedness for oil and hazardous substance releases, and to establish proof of financial responsibility; pay documented expenses incurred by the Alaska State Emergency Response Commission for staff and response and restoration support activities; pay all costs incurred to acquire, repair or improve an asset to be used as an emergency preparedness measure relating to releases of oil or a hazardous substance; pay the costs, approved by the commissioner, incurred by the local emergency planning committees; provide certain matching funds; provide money to the storage tank assistance fund; pay for cost recovery efforts relating to money expended from the prevention account; prepare, revise and review the master and regional prevention and contingency plans; and to pay for restoration efforts.

SECTION 27: This section, which is contingent on the passage of SB 33, authorizes the department to pay the Department of Military Affairs for Alaska Emergency Response Commission activities and general costs to the DMVA for being prepared for and responding to a request to support response and restoration activities relating to oil and hazardous substance releases.

SECTION 28: The legislature may not use more than 3% of the estimated balance of the prevention account to pay the costs incurred by local emergency planning committees.

SECTION 29: Provides that money from the response account can be used for disaster emergencies relating to oil and hazardous substance releases and other oil and hazardous releases. In the latter case, the Commissioner has to report the situation to the Governor and the Legislative Budget and Audit Committee within 120 hours. The Governor may at any time approve, disapprove or modify. If no action is taken by the Governor, the commissioner may continue to use the account.

SECTIONS 30, 31, 32, 33 and 34: These sections implement the legislative auditor's recommendations regarding development and expansion of accounting procedures and reporting requirements.

SECTIONS 35, 36, 37 and 38: Technical, conforming amendments.

SECTION 39: This section clarifies the definition of "threatened release" in 46.08.

SECTION 40: New definitions to reflect new terminology.

SECTION 41: This section clarifies the definition of "threatened release" in 46.09.

SECTION 42: Conforming repealers; repeals existing surcharge; repeals departments user fee authority for contingency plan and financial responsibility reviews; repeals provisions relating to construction of ferries; repeals all provisions regarding Citizens Oversight Council on Oil and Other Hazardous Substances.

SECTION 43: Technical, conforming provision.

SECTION 44: The response account surcharge is suspended for the next fiscal year if the unexpended and unobligated balance of the former oil and hazardous substance release response fund as of June 30, 1994 is not appropriated to the newly created response account this session or the appropriation is vetoed or reduced by the Governor.

SECTION 45: 5 cent per barrel surcharges received after June 30 and before the effective date of this bill are split 60 (prevention)/40 (response) and credited to each account for purposes of determining the suspension and reimposition of the surcharge under Sections 15 and 16.

SECTION 46: Ties section 27 to passage of SB 33.



Regional Citizens' Advisory Council 750 A. 2nd Ave. Suite 100 Anchorage, Alaska 99501-2168 . 907/277-7222 . FAX 907/277-4523

"Citizens promoting environmentally safe operation of the Alveksa terminal and associated tankers."

Overview of CSSB 215 (FIN) am (efd fld) and Comparison with Proposed House Resources Committee Substitute for House Bill 238 ("Z" draft)

This is a brief overview of the principal changes in Senate Bill (SB) 215 as passed by the senate and previously proposed versions of SB 215. In general, CSSB 215 (FIN) am (efd fld) is improved from the Senate Resources Committee substitute. The first set of bullets highlight improvements to the bill; this is followed by bullets indicating aspects of the bill that are still problematic. After each bullet, the CSSB 215 (FIN) am (efd fld) section is indicated to facilitate cross reference. The final section compares SB 215 and the HB 238 "Z" draft.

Principal changes to SB 215:

- The prevention account conservation surcharge is increased from 2.5 cents to 3 cents per barrel. This surcharge level should provide sufficient revenues to fund the Alaska Department of Environmental Conservation (DEC) current spill prevention programs at FY 94 levels through the year 2000 [section 17].
- The response account conservation surcharge is changed from 2.5 cents to 2 cents per barrel [section 13]. The \$50 million cap is maintained with clearer surcharge suspension and reimposition language [sections 15 and 16]. This new language still reduces the amount of surcharge required to be paid to reach the \$50 million cap by approximately \$52 million. The new suspension and impositor language also places cost-recovery funds that originated from the response account and deposited into the response mitigation account under the annual "blackmail or incentive clause." This means that any mitigation funds must be appropriated back into the response account or the two-cent response surcharge is suspended [section 16]. Under current statute, mitigation account funds are not included under the blackmail clause.
- The response account is more readily accessible for all response actions. Money in the response account can be used to respond to a release or threatened release of oil or a hazardous substance when 1) the governor declares a disaster emergency or 2) if within 120 hours of initiating the response action, the commissioner of DEC reports to the governor on the release, the state's action, and the anticipated cost of the response action. The governor may, at any time during the state's response, approve, disapprove, or amend the action [section 29].
- Response action is no longer limited to initial first response [language removed from section 20].
- The response account inflation proofing provision that would have resulted in a substitution of general fund deposits for surcharge collections was deleted.

Prince William Sound Regional Citizens' Advisory Council

- Restoration costs are paid from the prevention account despite restoration being part of responding to a spill. Restoration is part of a continuum of clean up activities. If restoration can be paid from the prevention account, there will always be pressure to identify clean up actions as restoration and shift these costs to the prevention account.
- The Citizens' Oversight Council on Oil and Other Hazardous Substances (COC) was established after the *Exxon Valdez* oil spill as one of the principal recommendations of the Oil Spill Commission. The Oil Spill Commission identified state and federal government and public complacency as one of the principal causes of the *Exxon Valdez* oil spill. The COC was established by the legislature in response to this recommendation. Similarly, Congress created the regional citizens' advisory councils of Cook Inlet and Prince William Sound in the Oil Pollution Act of 1990 (OPA 90) to oversee and advise on issues related to the trans-Alaska pipeline and marine transportation of crude oil. Both the COC and use of the response fund to pay for its operations were deleted.

Comparison with the Proposed CSHB 238 (RES) "Z" draft

Similarities:

- The nickel is split the same with a 3-cent-per-barrel conservation surcharge directed to the prevention account and a 2-cent-per-barrel conservation surcharge directed to the response account.
- The provisions for capping the response account at \$50 million, calculating the cap, and suspending and reimposing the 2-cent surcharge are similar. Under both proposals, approximately \$52 million less than required under current statutes in surcharge proceeds would be paid to reach the \$50 million cap; mitigation account receipts that are cost recovery of funds expended from the response account would be counted toward the balance calculation to suspend the surcharge; and fines, penalties and damage payments would not be credited against the cap.
- Provisions for accessing the response account are similar with a report from the DEC commissioner to the governor within 120 hours and the provision for the governor to approve, disapprove or amend the response action at any time.
- Similar to SB 215, response action in HB 238 is not limited to initial, first response.
- Provisions for municipal impact grants are similar with the exception that school districts are not added as eligible entities in HB 238. The response account is the source of funds in both bills.
- The house bill makes no changes to current statutes with regards to response depots equipment acquisition. However, the proposed HB 238 direct DEC to

April 13, 1994

The Honorable Bill Williams, Chairman
House Resources Committee
Alaska House of Representatives
Juneau, Alaska,

Dear Chairman Williams and members of the house resources committee.

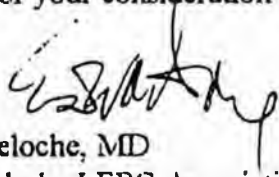
In your considerations of current legislation dealing with Alaska's oil response fund utilization please insure that you provide for maintaining the funding for "corps and depots." The nickel a barrel tax was designated to create a response capability for the state of Alaska to parallel that of industry to insure that we had resources in place to respond to oil and hazardous materials spills within our state. It included pre-positioning of equipment throughout the state, equipment which was capable of responding to the oil and hazardous materials risks determined present by the local communities hazards analysis. It was also intended to provide for training local people to assist in the immediate response to an oil spill or hazardous materials incident.

We all want to support the many industries which are present in our state which provide the economic benefits which allow us to survive in this great land. In order to do so with integrity we must maintain the corps and depots concept as we manipulate the funds we insisted be set aside for this purpose. If we do less, we are abandoning our responsibility to prepare for the inevitable spills and problems which happen in the transport and utilization of those materials which are required to make our fishing, timber and oil industries viable in the world market.

I am the chairman of the Alaska Local Emergency Committee Association, as well as the chairman of the Greater Ketchikan Area Local Emergency Planning Committee. There are now 20 such local planning agencies in this state. Each LEPC, like the one in Ketchikan, consists of 13 leaders within the community who dedicate their valued time to planning for disasters which might occur in their community. Local planning, especially when meshed well with the state plans and federal plans, provides for the best protection to our state for disasters. When all the local leaders involved in disaster planning throughout the state agree on a disaster related topic it might be wise to listen to us. I urge you as the chairman of the Alaska LEPC Association to maintain the Corps and Depots funding as you modify the distribution and management of the response fund this year.

Thank you for your consideration of this matter.

Sincerely,



Ernest B. Meloche, MD
Chairman, Alaska LEPC Association
PO Box 6058, Ketchikan, Alaska, 99901 (228-6610)

Recommendation 41
State takeover of oil
spills

The state should empower itself to take over direction of the response to any spill in Alaska waters.

There is no indication the federal government is inherently better suited than the State of Alaska to respond effectively to an oil spill in Alaska waters. Indeed, the state often will have more response resources than the federal government as well as a greater knowledge base concerning local circumstances. The state's resources and expertise generally will be more readily available in the crucial early hours of a spill.

The state has a constitutional obligation to protect its own resources and the primary responsibility to assist its own citizens. Considering the limited capabilities of federal agencies to respond to a variety of contingencies and the industry's conflict of interest, the state can never rely completely on the United States government or on industry to protect the resources of the state, whether on federal or state lands.

The state's authority should include the power to command the spill cleanup, to apportion scarce public and private resources, and to set in motion an emergency procurement process that will bypass the red tape that was a conspicuous element in the response to the *Exxon Valdez* wreck.

Recommendation 42
State role under
federal authority

Even when the federal government maintains authority over a spill, the scheme for direction and command should permit full cooperation with state authorities.

Though primary responsibility for the salvage of vessels and the safety of crews should remain with the Coast Guard, pollution abatement may be left to the direction of state authorities indicating a willingness and capacity to do so with the support of federal resources. In particular, the state on-scene commander should be empowered to give binding directions to a spiller concerning particular response strategies. Community impact functions should be left to the standard emergency response command system.

Recommendation 43
State response
depots

The state should establish community-based response depots under the management of the state Department of Military and Veterans Affairs.

A major oil spill is in many respects analogous to emergencies such as floods, forest fires and earthquakes. Persons trained in emergency systems to mobilize a large workforce quickly and with the required urgency tend to be better equipped to respond to a major spill. Those specially trained in environmental protection perform better in advice on establishing goals and objectives and in evaluating the impact of the operation.

A state response committee made up of representatives of the appropriate state and federal agencies should be created to review state response plans and participate in periodic drills.

Local volunteer and part-time spill response units should be established, trained and equipped under the direction of the state Department of Military and Veterans Affairs.

Recommendation 44
Immediate local response

Trained volunteer and part-time spill response units, properly trained, supervised and mobilized, should be prepared to protect critical habitat by keeping oil from reaching the shore or protected areas. The work of the Cordova fishing community mobilizing a small armada to protect fish hatcheries after the *Exxon Valdez* wreck is an instructive example. The local experience, knowledge and equipment of a trained volunteer corps should be put to work to help protect local resources.

The state should develop regional response plans reviewed by appropriate regional advisory committees. Private contingency plans should be developed that presume and mesh with regional plans.

Recommendation 45
Regional response plans

Regional committees should be made up of local community members, state and federal agencies and industry. They will prepare the regional response plans and participate in drills to insure readiness. When a spill occurs this committee makes decisions regarding the region and reports to the on-scene commander. During the aftermath of the *Exxon Valdez* wreck the best example of a coordinated response was the response in Seward. The incident command system was fully employed and was able to carry out a well-managed, organized response.

These committees need to be predesignated before spills so they can participate in the planning process and be even more effective in responding to spills when they occur.

The regional response capability should be able to respond to a major spill with the speed of a fire department to protect habitat and contain, transform, recover or destroy a major spill before it reaches shore.

Recommendation 46
Regional response capability

Time is the critical factor in all attempts to limit the environmental damage in a major spill by keeping oil off the shore. Regional response organizations must perform swiftly and with clear command and control to maintain the hope of keeping oil off the beach.

IMPLEMENTING THE RESPONSE

Eventually, another major oil spill will occur in Alaska. Just as inevitably, there will be surprise and chaos. But unpredicted circumstances and the disarray of managers caught off guard can be sharply reduced if a plan is in place that sets out in a coordinated fashion what people should do in emergency circumstances.

The failure of response to the *Exxon Valdez* disaster was made more poignant by the location of the accident. Bligh Reef is in protected waters, only 20 miles from one of the world's major oil terminals. Most of the cleanup equipment in the state was stored at the terminal, and the weather for the first three days after the spill was extraordinarily good.

Command and contingency plan changes contributed to the chaos. When it became obvious that Alyeska's contingency plan was inadequate, the local response commanders—the Coast Guard captain of the port, the Valdez field office chief for the Alaska Department of Environmental Conservation, and the manager of the Alyeska marine terminal—were replaced, even though they were the most familiar with the spill area and the existing contingency plan. Within 48 hours, the spill was being managed by a Coast Guard admiral, the head of Exxon Shipping Company and the commissioner of the Alaska Department of Environmental Conservation, none of whom had particular knowledge of the area or its response planning. Eventually the Exxon worldwide contingency plan took priority, even though it had no specific relationship to Prince William Sound.

Response to the *Exxon Valdez* wreck revealed confusion and unpreparedness on a massive scale. But because plans do not work perfectly does not mean that they don't work at all. There is no reason why the chaos of the *Exxon Valdez* response should be repeated.

- Containment and recovery of the spill on water.
- Treatment of beaches and recovery of oil from the intertidal zone.
- Management of onshore impacts, primarily a responsibility of emergency response authorities.

The local on-scene commander can be predesignated under this system. The function of higher officials such as a federal "czar" should be to see that resources are mobilized and provided, not to replace the on-scene commander. Pre-incident agreements and the Incident Command System should guide the allocation of labor and equipment to communities.

A confusion of command and responsibility handicapped response in Prince William Sound, despite the good faith efforts of all parties. Similarly, a confusion of mission resulted in a division between the very successful focus on the safety of the crew and salvage of the vessel and its cargo and the much less effective effort to contain and recover the oil. Shore operations were often marked by chaos, misallocations of resources and neglect of the interests and wishes of residents.

In almost every command structure surrounding the *Exxon Valdez* spill, the individual most knowledgeable about the circumstances of the spill and theoretically charged with response was quickly replaced by a person who may never have read the local contingency plans. The Coast Guard appears to have rotated personnel through Prince William Sound for the experience.

A substantive role should be given to the affected communities in any response system.

Communities near to the spill and in the shadow of the oil were not given a proportionate role in the response system after the *Exxon Valdez* accident. Frequently they were ignored. Often they devised their own strategies for response, for instance acquiring or manufacturing boom by themselves. Yet local interests, local knowledge and experience with the ocean often made the community-based work force the most efficient available.

LEPC's bring order to this local response.

Recommendation 49
Enlarged
community role

April 19, 1994

Representative Bill Hudson
State Capitol
Juneau, AK 99801-1182

Dear Representative Hudson:

I am writing in regards to SB 215, which proposes to separate the oil and hazardous substance release response fund into two accounts. Although I am against this bill, I understand the bill will likely pass. Therefore, I would like to make the following suggestion.

Rather than depositing the entire 470 fund into the response account, I would like to see 60-75% of the current balance put into the prevention account. This will ensure that money and resources will be available to provide an adequate preventive program.

I believe all Alaskans will be better served if we are capable of preventing a spill rather than being more fit to clean one up. It is easier to prevent mishaps from happening than to deal with them later. Please remember the example set by the Exxon Valdez--it was preventable.

I encourage you to provide adequate funding for the preventive account. Thank you for considering my thoughts.

Sincerely,



Michelle Bugni
3718 El Camino
Juneau, AK 99801

**Petition for Protecting the Oil and Hazardous Substance
Release Response Fund (470 Fund)**

We the undersigned oppose any legislation that reduces funding for oil and hazardous substance spill prevention and response programs funded by the 470 Fund.

<u>Name</u>	<u>Signature</u>	<u>Address</u>	<u>Phone</u>
KAREN BLITEN	<i>[Signature]</i>	2706 W 30th ANCH, AK 99517	
Mei Mei Evans	Mei Mei Evans	P.O. Box 243074 A/A 99524	276-7269
JILL DELATTI	<i>[Signature]</i>	POB 101153 ANCH AK 99510	
Laurie Daniel	<i>[Signature]</i>	3605 Arctic #2789 Anch AK 99503	277-1541
GLADYS THOMPSON	<i>[Signature]</i>	2216 hakeley ky ANCHORAGE, AK 99507	349-1454
Jana Sudkamp		3237 Wiles Post Ln Anch, AK 99517	
Ann E. Benson	<i>[Signature]</i>	PO Box 102783 Anchorage, AK 99510	
Nancy E. Michaelson	<i>[Signature]</i>	H201 Box 6910 Palmer AK 99645	
Caralyn L. Ramey	<i>[Signature]</i>	403 W 22nd Ave #212 99503	
Christopher Farmer	<i>[Signature]</i>	1509 Cindy Lee Ln Anchorage AK 99507	562-4762
Anna Young	<i>[Signature]</i>	Box 2905 Cordova AK 99574	
Mark Kansteiner	<i>[Signature]</i>	Box 1636 Seward, AK 99664	
Ken Leghorn	<i>[Signature]</i>	516 E. 3rd St. Juneau AK 99901	585-1972
Colleen Burch	<i>[Signature]</i>	12821 Mt. Place Anchorage AK 99516	345-5391
James Stratton	<i>[Signature]</i>	12821 Mt. Place " " " "	
ROBERT A. GIGLER		REPUBLICAN FOR GOVERNOR - 94	
	<i>[Signature]</i>	7447 OBRIEN ST ANCH AK 99507	344-5467
JAMES R. CARTER	<i>[Signature]</i>	3505 WOODLAND PARK DR ANCHORAGE AK 99517	243-6744
CARY BOLLING	<i>[Signature]</i>	468 N. BAILEY PALMER AK 99645	746-2200
JEAN CAMERON	<i>[Signature]</i>	2141 NE 14th Portland, OR 97212	
Cheryl Richardson	<i>[Signature]</i>	1747 Lawrence Ct. Anchorage AK 99501	
Rozin L. Cole	<i>[Signature]</i>	6155 Alameda St Anch, Alaska 99524	
Kurt Byers	<i>[Signature]</i>	P.O. 81156 Fairbanks, AK 99708	457-2230
GEORGE E. LUKENS II	<i>[Signature]</i>	758 OCEANVIEW DR ANCH AK 99515	349-2749
GEORGE E. LUKENS JR	<i>[Signature]</i>	758 OCEANVIEW DR ANCH AK 99515	345-2749
PAUL LARRY BENSON JR	<i>[Signature]</i>	625 W 9TH ST ANCH AK 99501	345-5541
TOM LAKSON	<i>[Signature]</i>	PO Box 1006 Anch AK 99510	5381606
Ken Elwood Jr.	<i>[Signature]</i>	PO Box 460 Cordova, Alaska 99574	4074245740

**Petition for Protecting the Oil and Hazardous Substance
Release Response Fund (470 Fund)**

We the undersigned oppose any legislation that reduces funding for oil and hazardous substance spill prevention and response programs funded by the 470 Fund.

Name Signature Address Phone

Bob Todd *Bob Todd* 572 Bishop Dr. 215-360-215

Melinda Hood *Melinda Hood* 3413 Lord Burauw 249-7514
Richard *Richard* RECEIVED TOURS 17 N YOUNG DR.

Jim M. Lottman *Jim M. Lottman* P O Box 2774 Anchorage, AK 99508

CHARLES MOUNT *Charles Mount* P.O. Box 3112 Anchorage, AK 99508

DAVID GRIMES *David Grimes* Box 1636 CORDOVA

Kathy Tuelo *Kathy Tuelo* Box 5305 FHR 99708 - 955-4286

Penelope Wells *Penelope Wells* P.O. Box 34052 Anch. AK 99502-0052

William Wilton *William Wilton* 3401 Cordova Anchorage, AK 99503

Lorraine Eckstein *Lorraine Eckstein* 926 W. 26th Anch. 99503

Tim Briggs *Tim Briggs* 1315 Cordova Anch. 99501

Dan Lawson *Dan Lawson* P.O. Box 189 Anchorage, AK 99508

Jan Kuhn *Jan Kuhn* 7030 Mila Cir. Anch. 99507 344-6282

Frederick L. Ott *Frederick L. Ott* 6537 Reserve Ave Wauwatosa, WI

Stan Stephens *Stan Stephens* Box 1297 Valdez, AK 99686

Elizabeth Hallon *Elizabeth Hallon* HC 52 Box 8900 Indian 99540 653-7849

John Oly *John Oly* 1119 G St Anchorage, AK 99501

James R. Bawanger *James R. Bawanger* HC 85 Box 2334 EAGLE RIVER, AK 99577 696-8136

Noel C. Nelson *Noel C. Nelson* 2515 Cottonwood St. Anch. AK 99508 272-5830

Steve Nelson *Steve Nelson* 2515 Cottonwood St. Anch. AK 99508 786-7436

Arthur Newman *Arthur Newman* 3336 BRYANT RIDGE RD ANCH AK 99504

Virginia W Moore *Virginia W Moore* 14530 Echo St Anchorage AK 345-1355

Stephen Bodnar *Stephen Bodnar* box 2262 Cordova AK 99574 424 5427

Theodore F. Moore *Theodore F. Moore* 14530 Echo St. Anch, AK 99576 345-1353

Philip S. King *Philip S. King* 7611 Mentra St. Anch, AK 99518 349-1344

EVA CERDA *EVA CERDA* 7021 Tanik Anch. AK 99504 333-0747

Please send to Senator Pearce, Co-chair Senate Finance Committee, State Capitol, Juneau, AK 99801-1182

**Petition for Protecting the Oil and Hazardous Substance
Release Response Fund (470 Fund)**

We the undersigned oppose any legislation that reduces funding for oil and hazardous substance spill prevention and response programs funded by the 470 Fund.

<u>Name</u>	<u>Signature</u>	<u>Address</u>	<u>Phone</u>
Leslie Pearson	Leslie A Pearson	HC52 Box 8820 Indian 99540	653-1993
Alan ...	Alan ...	Box 1291
Don Strickland	Don Strickland	Box 9304-D Palmer AK 99645	745-1260
Don Larkin	Don Larkin
Rick ...	Rick
R. P. Finckel	R. P. Finckel	PO Box 46 Fair AK 99705	474-...
Mike Fitzgerald	Mike Fitzgerald	4232 Box 2234 SR 99527	678-830
Peter Ginstberg	Peter Ginstberg	2000 Railroad St Anch 99502	...
Frank Tammitt	Frank Tammitt	3371 Industrial St Anch 99508	...
...
Ivan L. Widom	Ivan L. Widom	BOX 154 SELDOVIA AK 99663	...
Hope Wing ND	Hope Wing ND	1660 Village Scenic Pkwy Anch AK 99516	345-4265
Richard McKinn	Richard McKinn	105 E. 11th Ave Anch AK 99501	...
Matt Carr	M. Carr	9981 FLATTOP AVE ANCH AK 99516	...
Carl ...	Carl ...	6436 Barclay Ct Anchorage AK 99504	...
Marilyn Herman	Marilyn Herman	1401 Virginia Ct Anch 99501	272-3034
William ...	William ...	130 C. ... St Anchorage AK 99501	...
William ...	William ...	3605 Arctic #1241 Anch 99503	...
Gene Stern	Gene Stern	1126 L St 99501	272-2470
DEBRA STIMP	Debra L. Stimp	2420 DENNIS WAY 99515	345-2425
Paul ...	Paul ...	3172 Marathons Circle Anch AK 99515	349-5622
Holly Kane	Holly Kane	4100 Maines Anchorage 99508	563-4470
Pamela Fredie	Pamela Boake	P.O. Box 104082 Anchorage 99510	248-9388
JAMES M. YOUNG	James M. Young	1742 W. 12th Ave A ANCH AK 99501	276-6445
Carol Brehrett	Carol Brehrett	2512 Forest Pk Anch AK 99517	276-2512
EUGENE LEVINE	Eugene Levine	7343 LINDEN DR ANCH AK 99502	248-0742

Please Send to Senator Pearce Co-Chair Senate Finance
State Capitol, Juneau, AK 99801-1182

**Petition for Protecting the Oil and Hazardous Substance
Release Response Fund (470 Fund)**

We the undersigned oppose any legislation that reduces funding for oil and hazardous substance spill prevention and response programs funded by the 470 Fund.

<u>Name</u>	<u>Signature</u>	<u>Address</u>	<u>Phone</u>
JIM BRENNAN	<i>Jim Brennan</i>	1006 G. St.	274-7515
LANI BRENNAN	<i>Lani Brennan</i>	"	"
TINA ALSTATT	<i>Tina Alstatt</i>	PO Box 243513	248-9877
MICHAEL A. ARMSTRONG	<i>Michael A. Armstrong</i>	15072 SNOWSHOE LN.	345-2878
Susan R. Post	<i>Susan R. Post</i>	7343 Linden Dr	248-0742
Lynn Fitch	<i>Lynn Fitch</i>	3231 Amber Bay	344-6915
Harvey Mills	<i>Harvey Mills</i>	2420 Dennis Way	345 2425
Margaret B. Johnston	<i>Margaret B. Johnston</i>	4720 Cambridge Way	361-0530
Martha Siebe	<i>Martha Siebe</i>	3705 Summit Dr Anchorage	345-7337
Earl Farnham	<i>Earl Farnham</i>	15477 W. Pfeiffer Dr. 99517	547-1160
Catherine Portlock	<i>Catherine Portlock</i>	10501 Lindermill Ave Anch	99576
Hugh Fleischer	<i>Hugh Fleischer</i>	1401 W. 11th Ave	99501
Lanie Fleischer	<i>Lanie Fleischer</i>	1401 W. 11th Ave	99501
Bret Bongard	<i>Bret Bongard</i>	16401 Birch Ave Anchorage	99516
Carin Smith	<i>Carin Smith</i>	16741 Birch Ave Anchorage	99516 345-4032
Robert D. Plummer	<i>Robert D. Plummer</i>	17000 W. 11th Ave Anchorage	99516 345-3151
Colleen Kraja	<i>Colleen Kraja</i>	2429 Steadman	99517
Cliff Eames	<i>Cliff Eames</i>	2617 W. 3rd St Anch	99517 274-3621
Leslie H. Hovvold	<i>Leslie H. Hovvold</i>	PO Box 25770 Homer AK	99603 no phone
JOE ALORSTA	<i>Joe Alorsta</i>	PO Box 208968 Anchorage	99520 258-4111
KEVIN HARMON	<i>Kevin Harmon</i>	570 Mt Anchorage	AK 99501 274-362
MICHAEL V. COUMBE	<i>Michael V. Coumbe</i>	P.O. Box 240743	99524 277-2444
HELEN COUMBE	<i>Helen Coumbe</i>	1430 A St	99501 272-8286
Patricia Gleason	<i>Patricia Gleason</i>	4211 Bridle Cir	99517 248-2442
Leila Wise	<i>Leila Wise</i>	PO Box 244034	99524 277-1330
Harriet Drummond	<i>Harriet Drummond</i>	2139 Hillcrest Pl.	99503 274-7722
RICHARD J. HELMS	<i>Richard J. Helms</i>	PO Box 100916, ANCH. AK	99510 338-RICK

Please send to Senator Pearce, Co-chair Senate Finance Committee, State Capitol, Juneau, AK 99801-1182

**Petition for Protecting the Oil and Hazardous Substance
Release Response Fund (470 Fund)**

We the undersigned oppose any legislation that reduces funding for oil and hazardous substance spill prevention and response programs funded by the 470 Fund.

<u>Name</u>	<u>Signature</u>	<u>Address</u>	<u>Phone</u>
Blair Chambers	<i>Blair Chambers</i>	2101 W. Cimo. #9 2nd. Anchorage AK 99501	278-5075
CHRISTAL	<i>Christal</i>	4720 Eagle St #1 Anchorage AK 99503	561-0515
Dorothy L. Greenberg	<i>Dorothy L. Greenberg</i>	1322 Virginia Ct Anchorage AK 99501	272-3763
Karl Ollis	<i>Karl Ollis</i>	3403 W. Cimo Dr. Anchorage AK 99501	561-1171
<i>Blair</i>	<i>Ernest Piper</i>	2504 Louisa Dr. Anchorage AK 99501	242-1942
<i>Rita</i>	<i>Rita</i>	<i>125 W. Cimo Dr. Anchorage AK 99501</i>	<i>561-1171</i>
<i>Wally</i>	<i>Molly Plumb</i>	1928 Sitomaga Cir Anchorage AK 99575	379-4165
G. WEAVERLING	<i>G. Weaverling</i>	Box 895 Corbora AK 99579	928-5305
Joe Banta	<i>Joe Banta</i>	12304 Hilltop Dr. Anchorage AK 99515	522-3808
THOMAS L. LOHMAN	<i>Thomas L. Lohman</i>	P.O. Box 642, Barrow AK 99723	853-0350
Domen S. Lillian-Garcia	<i>Domen S. Lillian-Garcia</i>	7220 Holman Anchorage AK 99516	345-7961
Roy A. WARRON	<i>Roy A. Warron</i>	PO 22362 Juneau AK 99801	781-2782
KENIN M. O'SHEA	<i>Kenin M. O'Shea</i>	1865 E. Tutor Rd #102D Anchorage AK 99507	563-4996
<i>Chris</i>	<i>Chris</i>	5647 E. Upt. Anchorage AK 99504	338-2000
<i>Mark</i>	<i>Mark Johnson</i>	10726 Horizon Dr. Juneau AK 99801	782-1182
<i>Shawn</i>	<i>Shawn</i>	5340 F. T. Love Juneau AK 99801	<i>782-1182</i>
Suzie Kendrick	<i>Suzie Kendrick</i>	P.O. Box 4502 Seldovia AK 99881	212-3749
JEFF GINALAS	<i>Jeff Ginalas</i>	5018 E 43 Ave Anchorage AK 99507	387-2165
PRICE E. ERICKSON	<i>Price E. Erickson</i>	1715 ORCA Dr Anchorage AK 99507	274-2751
Nancy R. LETHBRIDGE	<i>Nancy R. Lethbridge</i>	P.O. Box 1353 Valdez AK 99686	330-4500
GAIL K. EVANOFF	<i>Gail K. Evanoff</i>	P.O. Box 5060 Niwaga Bay AK 99574	450-8060



Cordova District Fishermen United

P.O. Box 939

Cordova, Alaska 99574

(907) 424-3447 FAX (907) 424-3430

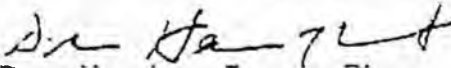
April 15, 1994

Chairman Bill Williams
House Resources Committee
Alaska State Legislature
State Capitol
Juneau, AK 99811-1182

Dear Chairman Williams:

Enclosed are five pages of signatures from people in Cordova who oppose any legislation that reduces funding for oil and hazardous substance spill prevention and response programs funded by the 470 Fund. If you have any questions or require additional information, please call me any time. Thank you for your consideration.

Sincerely,
CORDOVA DISTRICT FISHERMEN UNITED


Dorne Hawxhurst, Executive Director

cc: House Resources Committee
Senator Georgianna Lincoln

Petition for Protecting the Oil and Hazardous Substance
Release Response Fund (470 Fund)

We the undersigned oppose any legislation that reduces funding for oil and hazardous substance spill prevention and response programs funded by the 470 Fund.

Name	Signature	Address	Phone
Mark Hedbrink	Mark Hedbrink	P.O. Box 2084	
Peter D. Ochs	Peter D. Ochs	Box 447	424-3191
Jeff P. Howley	Jeff P. Howley	Box 2318	424-7681
Carla Church	Carla Church	Box 406	424-3389
Ken Hill	Janet A Hill	Box 1290	424-3498
Kenneth Varto	Kenneth Varto	Box 852 Cordova	424-7729
Charles Trombridge	Charles Trombridge	P. 1744 Cordova	424-3758
Thomas P. Donovan	Thomas P. Donovan	Box 119 Cordova	424 3951
Tim M. Donovan	Tim M. Donovan	Box 164 Cordova	424-3951
Jim Pahl	James R. Pahl	Box 179 CDV	424-3479
Geoff Knechtling	Geoff Knechtling	Box 533 Cordova	424-5108
Matt G. Miller	Matt G. Miller	20141485 Anch	99514
Evelyn Brown	Evelyn Brown	P.O. Box 306 Cordova	99574
John Long	Sylvia Long	Box 135 Cordova	55574
Dorothy Janka	Dorothy Janka	Box 1231 Cordova	99574
SELINA KEETON	Selina Keeton	P.O. Box 1841 Pt. Townsend WA	98368
Brian L. King	Brian L. King	Box 865 Cordova AK	99574
Lawrence Kairamak	Lawrence Kairamak	Box 2222211, Anch. AK	99522 2211
Lawrence Kairamak	Lawrence Kairamak	3501 E. 42nd St, Anch, AK	99518
Cheryl M. Howell	Cheryl M. Howell	Box 2406 Cordova, Ak.	99574-2406
James Kairamak	James Kairamak	Box 2272 Cordova	4247603
KARL BECKER	Karl Becker	Box 11815 Cordova	424-7466
MARK STEEN	Mark Steen	Box 1310 CORDOVA AK	424-5455
JAMES FULTON	James Fulton	P.O. Box 1435 Antioch CA	94509
J.F. OSBORN	J.F. Osborn	P.O. Box 1986 Cordova AK	99574
JUDY LIETZAU	Judy Lietzau	P.O. Box 2145 Cordova AK	99574
Jennifer Pollak	Jennifer Pollak	1025 W. Dickson #1 Sea WA	98119

Please send to Senator Pearce, Co-chair Senate Finance Committee, State Capitol, Juneau, AK 99801-1182

**Petition for Protecting the Oil and Hazardous Substance
Release Response Fund (#70 Fund)**

We the undersigned oppose any legislation that reduces funding for oil and hazardous substance spill prevention and response programs funded by the #70 Fund.

<u>Name</u>	<u>Signature</u>	<u>Address</u>	<u>Phone</u>
7 Jewel (inter) Nevada Inter		1703 Roosevelt Ave	501-3766
Carla - Gregory		Box 342 Cordova	424-3825
Diana Masolini		Box 1131 Cordova	424-7528
Michael O'Leary		Box 1052 Cordova	424-7750 99574
Jay Pahl	FAY & PAHL	Box 179 Cordova	AK 99574
Shirley		Box 452 Cordova	AK 99574
JAMES E. HARRIS		P.O. Box 1952 Cordova	AK 99574
Dream Schaffer		P.O. Box 443 Cordova	AK 99574
Ray Gaudin		1597 Cordova	AK 99574
Shelley, Chris-m		442 Cordova	AK 99574
Robert J. Koprak		Box 1216 Cordova	AK 99574
Kristen Ballum		P.O. Box 1689 Cordova	AK 99574
Mitch Nowicki		Box 2232 Cordova	AK 99574
Karen Pritchard		Box 1033 Cordova	AK 99574
R.J. Powell		Box 1748 Cordova	AK 99574
MATT SMALL		Cordova	
John M. With		Box 956 Cordova	99574
Annabelle		Box 1366 Cordova	
Annelle B. Williams		Box 2224 Cordova	AK 99574
Belle Michelson		Box 325 Cordova	AK 99574
JAMES P. VANSAW		Box 1267 Cordova	AK 99574
BARCLAY JONES-KORHAK		Box 1121 Cordova	AK 99574
Michael P. McCarty		Box May Glennallen	AK 99588
Keaneth D. Kritchman		Box 1255 Cordova	AK 99574
Wendy Weisel		Box 1309 Cordova	AK 99574
Laurie Berger		Box 1753 Cordova	AK 99574

Please send to Senator Pearce, Co-chair Senate Finance Committee, State Capitol, Juneau, AK 99801-1182

Petition for Protecting the Oil and Hazardous Substance Release Response Fund (470 Fund)

We the undersigned oppose any legislation that reduces funding for oil and hazardous substance spill prevention and response programs funded by the 470 Fund.

Name Signature Address Phone

- ~~W. WEAVERLING~~ ~~W. WEAVERLING~~ ~~Box 895~~ ~~CORDOVA AK 99574~~ ~~424-5305~~
- ~~Opeloh Patch~~ ~~Ralph E. Lohse~~ ~~Box 14~~ ~~Cordova AK 99574~~ ~~424-7170~~
- ~~Linda Lohse~~ ~~Linda Lohse~~ ~~Box 14~~ ~~Cordova AK 99574~~ ~~424-7170~~
- ~~Mark King~~ ~~Mark King~~ ~~Box 965~~ ~~Cordova AK 99574~~ ~~424-3373~~
- ~~ROBERT PERUMS~~ ~~Robert Perums~~ ~~Box 171~~ ~~Cordova AK 99574~~ ~~424-5657~~
- ~~David Lohse~~ ~~DAVID LOHSE~~ ~~Box 1356~~ ~~Cordova AK 99574~~ ~~424-5719~~
- ~~Erwin Samuelson~~ ~~ERWIN SAMUELSON~~ ~~Box 1212~~ ~~Cordova AK 99574~~ ~~7718~~
- ~~Gail T. Nolan~~ ~~GAIL T. NOLAN~~ ~~770~~ ~~CDU AK 99574~~ ~~3503~~
- ~~Paul Thomas~~ ~~Paul Thomas~~ ~~Po 1331~~ ~~CDU AK 99574~~ ~~-3117~~
- ~~DAVID P. JANKA~~ ~~DAVID P. JANKA~~ ~~Po 1231~~ ~~Cordova AK 99574~~ ~~424-7602~~
- ~~BECKY CHAPEK~~ ~~BECKY CHAPEK~~ ~~Box 1514~~ ~~CDU AK 99574~~ ~~424-3356~~
- ~~Christina Tucker~~ ~~Christina Tucker~~ ~~Box 850~~ ~~Cordova AK 99574~~ ~~424-3600~~
- ~~Robert Blake~~ ~~Robert Blake~~ ~~Box 718~~ ~~Cordova AK 99574~~
- ~~John A. Coyle~~ ~~John A. Coyle~~ ~~Box 2473~~ ~~Cordova AK 99574~~
- ~~Kevin G. O'Neil~~ ~~Kevin G. O'Neil~~ ~~Box 1875~~ ~~Cordova AK 99574~~
- ~~Sandy VanDyke~~ ~~Sandy VanDyke~~ ~~Box 413~~ ~~Cordova AK 99574~~
- ~~CATHY SHERMAN~~ ~~Cathy Sherman~~ ~~Box 1186~~ ~~Cordova AK 99574~~
- ~~DAVID GRIMEL~~ ~~David Grimel~~ ~~Box 1676~~ ~~Cordova AK 99574~~
- ~~SUSAN OGLE~~ ~~Susan Ogle~~ ~~Box 895~~ ~~Cordova AK 99574~~
- ~~KENEE KANIKIN~~ ~~Kenee Kanikin~~ ~~Box 985~~ ~~Cordova AK 99574~~
- ~~Ann Quadi~~ ~~Ann Quadi~~ ~~Box 2234~~ ~~Cordova AK 99574~~
- ~~Michael L. Melius~~ ~~Michael L. Melius~~ ~~Box 2402~~ ~~Cordova AK 99574~~
- ~~Kim J. Ewert~~ ~~Kim J. Ewert~~ ~~Box 1324~~ ~~Cordova AK 99574~~
- ~~Tia R. Smith~~ ~~Tia R. Smith~~ ~~Box 52~~ ~~Cordova AK 99574~~
- ~~Thea Thomas~~ ~~Thea Thomas~~ ~~Box 1366~~ ~~Cordova AK 99574~~
- ~~Sally Patch~~ ~~Sally Patch~~ ~~Box 956~~ ~~Cordova AK 99574~~
- ~~Naire Manmarino~~ ~~Naire Manmarino~~ ~~Box 1434~~ ~~Cordova AK 99574~~

Please send to Senator Pearce, Co-chair Senate Finance Committee, State Capitol, Juneau, AK 99801-1182

Petition for Protecting the Oil and Hazardous Substance
Release Response Fund (470 Fund)

We the undersigned oppose any legislation that reduces funding for oil and hazardous substance spill prevention and response programs funded by the 470 Fund.

<u>Name</u>	<u>Signature</u>	<u>Address</u>	<u>Phone</u>
WILLIAM R REID	<i>William Reid</i>	Bx 1234 CDV	424-7148
DOENE HAWKHURST	<i>Doene Hawkhurst</i>	Bx 856 CDV	424-3447/5757
Christine Honkola	<i>Christine Honkola</i>	Box 100 CDV	424-7530
JAMES TTYKLAND	<i>James TTYKLAND</i>	Box 1241 CDV	424-7115
JOHN BOCCIA	<i>John Boccia</i>	Bx 1312 CDV	424-5192
Richard Bredde	<i>Richard Bredde</i>	Box 454 CDV AK	424-3715
Kory Blake	<i>Kory Blake</i>	Box 1122 CDV	424-7194
Herb Jensen	<i>Herb Jensen</i>	Bx 294 CDV	424-3767
JIM JOHNSON	<i>Jim Johnson</i>	Box 253 CDV	424-7525
MITCH KOWICKI	<i>Mitch Kowicki</i>	Bx 7232 CDV	5492
Linda Masolin	<i>Linda Masolin</i>	Box 102 CDV	424-7489
John G. ARVIDSON	<i>John G. Arvidson</i>	Box 11 Cordova AK	5379
Michael B. Scott	<i>Michael B. Scott</i>	Box 855 Cordova AK	3584
ANDREW F. ALLEN	<i>Andrew F. Allen</i>	Box 1836 CDV AK	99574 (3684)
TERESA LaDosi	<i>Teresa LaDosi</i>	Box 169 Cordova AK	424-7436
Deanne Carpenter	<i>Deanne Carpenter</i>	Box 1430 Cordova AK	424-39
SUSAN LAIRD	<i>Susan Laird</i>	Box 1624 Cordova AK	424-38
MAX C. BENNETT	<i>Max C. Bennett</i>	Box 1006 Cordova AK	99574
JAMES KUHANOWEN	<i>James Kuhnawen</i>	Box 2272 Cordova AK	99574 (424-7603)
MAX MCCARTHY	<i>Max McCarthy</i>	Box 2368 Cordova AK	
TORIE BAKER	<i>Torie Baker</i>	PO BOX 1159 CDV	424-3820
XXXXXXXXXX			
Elizabeth Sines	<i>Elizabeth Sines</i>	Box 762 CDV	424-5611
CAROL ROYCE	<i>Carol Royce</i>	Box 435 CDV	424-3621
Jim Jager	<i>Jim Jager</i>	530 St. Lazarus Cr. Anchorage AK	337-8602

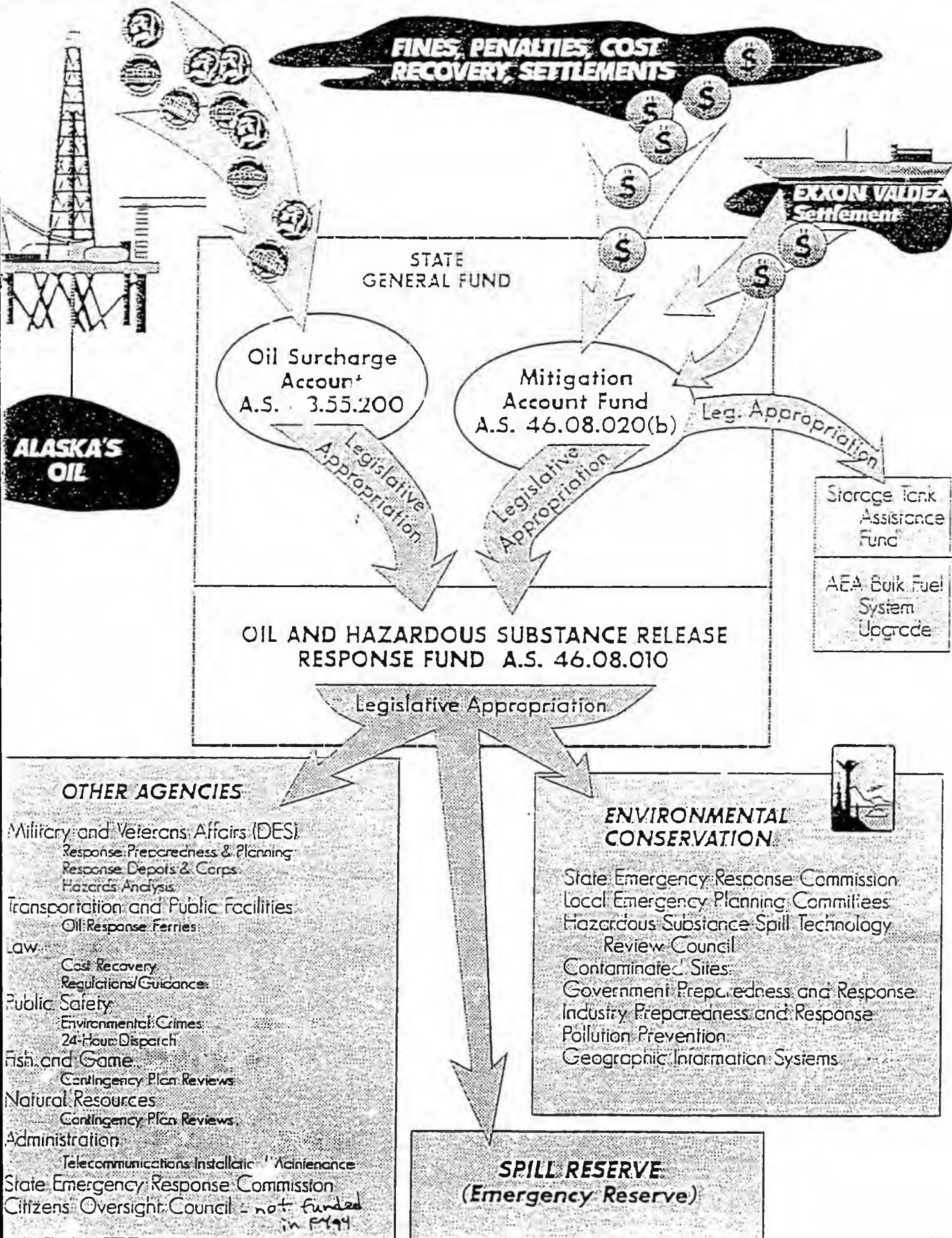
Please send to Senator Pearce, Co-chair Senate Finance Committee, State Capitol, Juneau, AK 99801-1182

Petition for Protecting the Oil and Hazardous Substance
Release Response Fund (470 Fund)

We the undersigned oppose any legislation that reduces funding for oil and hazardous substance spill prevention and response programs funded by the 470 Fund.

Name	Signature	Address	Phone
Pete Mickelson	<i>Pete Mickelson</i>	Box 225, Cordova	424-5111
Don Strickland	<i>Don Strickland</i>	Box 9304-D Palmer AK	745-1260
Tim Kennedy	<i>Tim Kennedy</i>	Box 299 Cordova	424-3604
SHEFLYNN N. MULTIS	<i>SHEFLYNN N. MULTIS</i>	30913th, Cordova	424-3664
STEVE L. COBB	<i>STEVE L. COBB</i>	Box 398, Cordova	424-7601
Heidi BABIC	<i>Heidi Babic</i>	Box 1208 Cordova	424-7244
Jack Babic	<i>Jack Babic</i>	1208 CDJ	424-7244
Robert Korchnik	<i>Robert J. Korchnik</i>	1126 CDU	424-7178
TRICIA N. CARON	<i>TRICIA N. CARON</i>	Box 1202 Homer, AK	235-555
Mike Gundlach	<i>Mike Gundlach</i>	Box 1236 CDU	424-8971
Cindy Anletor	<i>Cindy Anletor</i>	Box 1795 CDU	-7597
Heather McCarty	<i>Heather McCarty</i>	Box 2368 CDU	7785
Tony Houser	<i>Tony Houser</i>	Box 1034	7387
Elene T. J. Jorland Jr.	<i>Elene T. J. Jorland Jr.</i>	P.O. 460 Cordova	5790

Please send to Senator Pearce, Co-chair Senate Finance Committee, State Capitol, Juneau, AK 99801-1182



REFLECTS CURRENT LAW



Regional Citizens' Advisory Council / 750 W. 2nd Ave., Suite 100 / Anchorage, Alaska 99501-2168 / (907) 277-7222 / FAX (907) 277-4523

"Citizens promoting environmentally safe operation of the Alyeska terminal and associated tankers."

April 27, 1994

Honorable Members of the House State Affairs Committee
Room 102
State Capitol (MS 3100)
Juneau, Alaska 99801-1182

Re: Senate Bill 215

Dear Honorable Members of the House State Affairs Committee:

The Prince William Sound Regional Citizens' Advisory Council (RCAC) was created by the U.S. Congress under the Oil Pollution Act of 1990. The RCAC has 15 members representing municipalities, commercial fishing groups, Alaska Native interests and environmental and business organizations. RCAC's mission is "citizens promoting the environmentally safe operation of the Alyeska Pipeline Service Company terminal and associated tankers."

For over a year, RCAC has made a good faith effort and actively worked with the legislature on Senate Bill 215 and its companion, House Bill 238. We worked closely with the Senate Finance Committee to develop a committee substitute for SB 215 that would provide Alaska with a functioning oil and hazardous substances response program and, hopefully, a viable spill prevention program. Despite improvements to the bill made in the Senate Finance Committee, serious problems still remain. I would like to briefly describe these problems.

New or unchanged problems in SB 215:

- The Senate Finance Committee substitute authorizes use of the prevention account for underground storage tank grants [AS 46.08.040(a)(2)(H)]. **This is a new use of the response fund. The current backlog of grants requests totals \$65 million** and the application period, which was to sunset this fiscal year, is likely to be extended. Approximately \$5 million has been spent annually on this program; the source of funding for the past two years was primarily mitigation account proceeds. The problem with this new use of the prevention account is that 1) the 3-cent surcharge is insufficient to fund the underground storage tank grant program and maintain current spill prevention programs, 2) other sources of funds are available to underground storage tank owners, and 3) this action is inconsistent with the original stated intent of the proponents of response fund legislation---to provide greater equity in surcharge payments

April 27, 1994

Page 2

between crude and non crude operators and beneficiaries of the state response and prevention programs.

- **The entire estimated balance of the spill reserve is appropriated to the response account. This fails to recognize that the fund has always served two purposes---spill prevention and response. Given that future nickels are divided three cents for prevention and two cents for response, it makes sense that previous nickels should be divided similarly.** In addition, approximately 42 percent of the balance originating from state general funds and not surcharge payments.
- In the committee substitute, the 2-cent response surcharge is suspended until **JULIE 30, 1995** if the legislature fails to appropriate the entire balance of the spill reserve to the response account. This is an improvement over the previous Senate Resources Committee version.
- Authorization for oil and hazardous substance response depot equipment purchases specifies the Alaska Department of Military and Veteran Affairs (DMVA), Division of Emergency Services. The DEC also has authority for establishing response depots and is the more appropriate lead agency for oil and hazardous substance depots or the oil and hazardous substances component of all-hazards depots. The DMVA would be the lead agency on all-hazards depots [section 26, AS 46.08.040(a)(2)(C)(ii)].
- **Restoration costs can be paid from the prevention account as well as the response account.** Restoration is part of a continuum of clean up activities and therefore, should be paid from the response account. If restoration can be paid from the prevention account, there will always be pressure to identify clean up actions as restoration and shift these costs to the prevention account.
- The Citizens' Oversight Council on Oil and Other Hazardous Substances (COC) was established after the *Exxon Valdez* oil spill as one of the principal recommendations of the Oil Spill Commission. The Oil Spill Commission identified state and federal government and public complacency as one of the principal causes of the *Exxon Valdez* oil spill. The COC was established by the legislature in response to this recommendation. Similarly, Congress created the regional citizens' advisory councils of Cook Inlet and Prince William Sound in the Oil Pollution Act of 1990 (OPA 90) to oversee and advise on issues related to the transAlaska pipeline and marine transportation of crude oil. Both the COC and use of the response fund to pay for its operations were deleted.

We urge you in the interests of all Alaskans to remedy these serious problems before passing this bill from the House State Affairs Committee. Attached is additional information on the legislative history of the oil conservation surcharge and a review of the status of Alaska's spill response and prevention programs five

April 27, 1994
Page 3

years after the *Exxon Valdez* oil spill. I hope these materials will be useful to your deliberations on the bill.

Sincerely,

A handwritten signature in cursive script that reads "Stan Stephens". The signature is written in dark ink and is positioned above the printed name.

Stan Stephens, President

c.c. without attachments

Governor Hickel

H.E. Stanley, RCAC, Executive Director

Gary Bader, Citizens' Group Liaison Manager, Alyeska Pipeline

Service Company

RCAC Directors

X

(7)
Date Referred: April 27, 1994

HOUSE COMMITTEE REF RT
FURTHER REFERRALS:

4/29/28
Finance

Date of Committee Action: 4-28-94

The STATE AFFAIRS Committee considered: CSSB 215(FIN) am(efd fld)

CS FOR SENATE BILL NO. 215(FIN) am(efd fld)
OIL/HAZARDOUS SUBS. RELEASE RESPONSE FUND

"An Act relating to oil and hazardous substances; redesignating the oil and hazardous substance release response fund and relating to it; repealing the Citizens' Oversight Council on Oil and Other Hazardous Substances and the authority in law by which marine highway vessels may be designed and constructed to aid in oil and hazardous substance spill cleanup in state marine water using money in the oil and hazardous substance release

(over for remainder of title)

RECOMMENDATIONS:
be replaced with HCS CSSB-215 (STR) the same title
 a new title

- have attached amendments(s)
- do pass
- do not pass
- no recommendations
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

- fiscal impact _____
- zero fiscal note _____

fiscal note(s) REVENUE 4/27/94
Senate: Law 4/13/94, PS 4/8/94
9 zero fiscal note(s) Admin 4/12/94, DEC 4/18/94
HOUSE: Law, PS, Admin, DEC 4/27/94

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Verzey</i> Verzey	X	<i>B. Davis</i> B. Davis		X	
<i>Robert Cott</i> Cott	X	<i>G. Davis</i> G. Davis		<input checked="" type="checkbox"/>	
<i>John Sanders</i> Sanders	<input checked="" type="checkbox"/>	<i>Halley Olberg</i> Olberg		<input checked="" type="checkbox"/>	
	(3)			(3)	

Verzey Verzey
CHAIRMAN'S SIGNATURE

E

4/27/94

(7)
Date Referred: April 15, 1994

HOUSE COMMITTEE REPORT
FURTHER REFERRALS:

State Affairs
Finance

Date of Committee Action: 4/22/94

The RESOURCES Committee considered:

CSSB 215(FIN) am(efd fld)

CS FOR SENATE BILL NO. 215(FIN) am(efd fld)

OIL/HAZARDOUS SUBS. RELEASE RESPONSE FUND

"An Act relating to oil and hazardous substances; redesignating the oil and hazardous substance release response fund and relating to it; repealing the Citizens' Oversight Council on Oil and Other Hazardous Substances and the authority in law by which marine highway vessels may be designed and constructed to aid in oil and hazardous substance spill cleanup in state marine water using money in the oil and hazardous substance release (over for remainder of title)

RECOMMENDATIONS:

be replaced with HCS CSSB 215 (Res) the same title a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal impact Revenue

fiscal note(s) _____

zero fiscal note Pub. Safety, Law, DEC, Admin.

zero fiscal note(s) _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Bill Hudson</i> Hudson	<input checked="" type="checkbox"/>	<i>Pat Carney</i> Carney	<input checked="" type="checkbox"/>		
<i>Jim Sunde</i> Sunde	<input checked="" type="checkbox"/>	<i>Green</i> Green			<input checked="" type="checkbox"/>
<i>Bob Mulder</i> Mulder	<input checked="" type="checkbox"/>	<i>Davies</i> Davies			<input checked="" type="checkbox"/>
_____		<i>David Finkelstein</i> Finkelstein	<input checked="" type="checkbox"/>		
<i>W.R. Williams</i> Williams	<input checked="" type="checkbox"/>				
<i>Janette James</i> James	<input checked="" type="checkbox"/>				
	(5)		(2)		(2)

W.R. Williams Williams
CHAIRMAN'S SIGNATURE

Kristin L. Stahl-Johnson
 Regional Citizens' Advisory Council
 City of Kodiak Representative
 P.O. Box 2661
 Kodiak, AK 99615

Phone: (907) 486-4684
 Fax: (907) 486-7651

April 29, 1994

Representative Eileen MacLean
 Representative Ron Larson
 Co-Chairs
 House Finance Committee
 Alaska State Capitol
 Juneau, AK 99801-1182

Dear Representatives MacLean and Larson,

Enclosed you will find 172 signatures to a petition opposing reduction in funding for oil and hazardous substance spill prevention and response programs funded by the "470 Fund".

These signatures were collected over the last 36 hours in a final, and hopefully not futile attempt to get the Legislature's attention. There will likely be more collected over the weekend. The experiences of the *Exxon Valdez* spill have not been forgotten in Kodiak although few outside our region recognize or understand the impact that it had on our lives.

Kodiak is the most logical place to develop the response depot and corp concept enacted by the Legislature in 1990. We have a large, diverse and experienced fleet and the infrastructure to support it. All we need is training and equipment and a comprehensive approach to technological disaster planning that is cost-effective and rational.

The first Nearshore Strike Team equipment package that ADEC ran through sea trials in Seldovia two weeks ago is the key to rational planning in Kodiak which will allow local knowledge and expertise to respond to spills in our own "backyard". The curtailment of funds available for ADEC's prevention and preparedness programs severely jeopardizes this potential for Kodiak.

As a fishery biologist I am compelled to remind you of the strategic importance of the marine habitat surrounding the Kodiak Archipelago. The health of the marine ecosystems around Kodiak is critical to the health and vitality of living marine resources for the entire Gulf of Alaska. Please be cognizant of your stewardship responsibilities as you consider SB215.

Sincerely,



**Petition for Protecting the Oil and Hazardous Substance
Release Response Fund (470 Fund)**

We the undersigned oppose any legislation that reduces funding for oil and hazardous substance spill prevention and response programs funded by the 470 Fund.

Name Signature Address Phone

Kathy Cole Kathy Cole Box 2498 Kodiak

Lynne Delain Lynne Delain Box 175 - Kodiak 6-3575

Kathy Treisman Kathy Treisman Box 8194 Kodiak

Michael Wilken Michael Wilken F/11 Pacific Mist 1718 Sel. e Kodiak

Sonni Tschetter Sonni Tschetter Box 3252 Kodiak

Seldon Nelson Seldon Nelson Box 3252 Kodiak

e Kodiak
486-636

**Petition for Protecting the Oil and Hazardous Substance
Release Response Fund (470 Fund)**

We the undersigned oppose any legislation that reduces funding for oil and hazardous substance spill prevention and response programs funded by the 470 Fund.

Name Signature Address Phone

Sally Trovell Sally Trovell Box 3570 Kodiak 487-4968

Lester Zelost Lester Zelost PO 690 486-6325

Jim Smeeth Jim Smeeth 11086 Ujala Kodiak 487-2181

Petition for Protecting the Oil and Hazardous Substance Release Response Fund (470 Fund)

We the undersigned oppose any legislation that reduces funding for oil and hazardous substance spill prevention and response programs funded by the 470 Fund.

<u>Name</u>	<u>Signature</u>	<u>Address</u>	<u>Phone</u>
Mary Forbes	<i>Mary Forbes</i>	418 Mill Bay Kodiak	486-2685
BOB PFOTZENREUTER	<i>Bob Pfotzenreuter</i>	1711 Mill Bay #3 Kodiak	486-1910
CALVIN JOSEFSON	<i>Calvin Josefson</i>	1410 Kestrel Kodiak	486-3814
Paul F. Schweitzer	<i>Paul F. Schweitzer</i>	Box 1443 Kodiak AK	486-5520
Lilky Hansen	<i>Lilky Hansen</i>	212 Hillcrest #5 Kodiak	486 4403
C.S. Dallymple (Claude S. Dallymple Jr.)	<i>C.S. Dallymple</i>	104 Fishermen Bend Ave. Apt 996	486-9965
Shakuntala Dallymple	<i>Shakuntala Dallymple</i>	104 Fishermen Bend Ave. Apt 996	486-9965
Nina Berg	<i>Nina Berg</i>	P.O. Box 407	7 4071
P.O. Chelam Bergstrom Anderson	<i>P.O. Chelam Bergstrom Anderson</i>	P.O. Box 625	6-8391
ROMEO R.T. MARSHMAN JR.	<i>Romeo Marshman Jr.</i>	81 Reagan Dr.	6-6964

Petition for Protecting the Oil and Hazardous Substance Release Response Fund (470 Fund)

We the undersigned oppose any legislation that reduces funding for oil and hazardous substance spill prevention and response programs funded by the 470 Fund.

<u>Name</u>	<u>Signature</u>	<u>Address</u>	<u>Phone</u>
M. Chaele ENOWAN	<i>M. Chaele Enowan</i>	POB 4487 Kodiak	486-5807
Carrie Jensen	<i>Carrie Jensen</i>	POB 4487 Kodiak	" "
WENDY BECK	<i>Wendy Beck</i>	BOX 2790 KODIAK	
Joe Allen	<i>Joe Allen</i>	Bx 2714 Kodiak	6-3247
Jaymeon Bennett	<i>Jaymeon Bennett</i>	Box 368 Kodiak	6-4855
Rita Sealander	<i>Rita Sealander</i>	Box 9644 Kodiak	6-5380
CHARLENE PARENT	<i>Charlene Parent</i>	Box 1829	486 6334

Petition for Protecting the Oil and Hazardous Substance Release Response Fund (470 Fund)

We the undersigned oppose any legislation that reduces funding for oil and hazardous substance spill prevention and response programs funded by the 470 Fund.

Name	Signature	Address	Phone
DEBRA NIELSEN	<i>Debra Nielsen</i>	Box 8381 Kodiak AK	507) 486-3839
CHRISTINE A. GRAY	<i>Christine Gray</i>	914 Bejaroff Kodiak AK	486-2839
Robin L. Stagle	<i>Robin L. Stagle</i>	P.O. Box 1421 Kodiak	907-486-6280
Maureen Butler	<i>Maureen Butler</i>	Box 2610 Kodiak	486-4604
FRANCES CATER	<i>Frances R. Cater</i>	Box 1472 Kodiak	486-5604
Cami Heald	<i>Cami Heald</i>	PO 8748 Kodiak	486-4604
SPANFER DANNENITZ	<i>Spanfer Dannenitz</i>	PO Box 8161 Kodiak AK	58015
Steve Richter	<i>Steve Richter</i>	PO 8748 Kodiak	
Carol Shell	<i>Carol Shell</i>	PO Box 33 Port Lions, AK	454-2448
JUDY HELLER	<i>Judy Heller</i>	Box 430 Kodiak	486-8401
Marta Seybert - Baker	<i>Marta Seybert Baker</i>	All New Way	486-2100
GLORIA KENNEDY	<i>Gloria Kennedy</i>	Box 66 Kodiak	486-4056
BALIKA FINLAY	<i>Balika Finlay</i>	Box 300 Kodiak	486-6337
April Laktonen	<i>April Laktonen</i>	Box 8932 Kodiak	486-2420
Emily Calloway	<i>Emily Calloway</i>	Box 8704	6-5591
Dan Stockdale	<i>Dan Stockdale</i>	12761 Nich Dr.	7-2658
CATHY CORRY	<i>Cathy Corry</i>	S.R. 1940 Marmot Di.	486 4199
Mike Milligan	<i>Mike Milligan</i>	S.R. 9171	487-4400
Chris Provost	<i>Chris Provost</i>	Box 4068	486-3828

Please send to Rep. Eileen MacLean Co-chair House Finance Committee, State Capitol, Juneau, AK 99801-1182

**Petition for Protecting the Oil and Hazardous Substance
Release Response Fund (470 Fund)**

We the undersigned oppose any legislation that reduces funding for oil and hazardous substance spill prevention and response programs funded by the 470 Fund.

<u>Name</u>	<u>Signature</u>	<u>Address</u>	<u>Phone</u>
John Smith		Box 2922 Kodiak	487-4939
Christine Bell		P.O. 1094 Sterling	262-2103
Vivante Bell		1318 Ismailov	486-6862
Kelly Caldwell		Box 2706	+87-2776
Judith Phillips		Box 5569 Chumak	486-5954
Allan Thum		Box 329 Kodiak	486-8114
Kelli A. Benson		P.O. 2897 Kodiak	486-8534
Harold Torsen		P.O. Box 2855 Kodiak	486-8289
Carl Enslaw		P.O. Box 1552 Kodiak	486-3348
Kenny Neely		P.O. Box 441 Kodiak	486-9453
Mike McDonald		11 Box 614 Kodiak	486-2871
Amy Carmel		1721 Larch St Kodiak	486-5587
John Nunn		Box 2125 Kodiak	
Bela Ann Baker		Box 2135 Kodiak	486-5001
Alexis Kelly Wells		1211 Larch St Kodiak	486-5001
Jeanne Billings		762 F Barometer St.	487-2193
Ed Smith		2674 Spruce Cape Rd	486-2066
Steve Robert		2674 Spruce Cape Rd	486-2066
Carl Smith		616 Lower Midway St APT.	486-4970
Chelle Madson		1211 Larch St Kodiak	486-3464
William Ome		717 Willow St. Kodiak	486-4580

Please send to Rep. Eileen MacLean Co-chair House Finance Committee, State Capitol, Juneau, AK 99801-1182

Petition for Protecting the Oil and Hazardous Substance Release Response Fund (470 Fund)

We the undersigned oppose any legislation that reduces funding for oil and hazardous substance spill prevention and response programs funded by the 470 Fund.

Name	Signature	Address	Phone
DALE STANTON	Dale Stanton	Box 2910 Kodiak	487-2162
Cindy L Falls	Cindy Falls	Box 2910 Kodiak	487-2162
Shirley Kendrick	Shirley Kendrick	Box 3081 Kodiak	486-4501
Pete Kendrick	Pete Kendrick	Box 3081 Kodiak	486-4501
Barbara Rudio	Barbara Rudio	Mill Mill Bay #1 Kodiak	486-8369
TESS DIETRICH	Tess Dietrich	Box 3342 KODIAK	487-2369
Kelly Cleary	Kelly Cleary	Box 18 Kodiak	486-8470
Douglas Pengilly	Douglas Pengilly	Box 9377 Kodiak	486-2431
Ivan Vining	Ivan Vining	172 Selic Fl #4 Kodiak	486-2270
S. Forrest Blau	S. Forrest Blau	S.R. 7700 Kodiak	486-1853
Susan Buersterley	Susan Buersterley	2981 Spruce Cape Rd #3 Kodiak	486-1111
Roger B. Smith	Roger B. Smith	P.O. Box 2473 Kodiak AK	486-4032
Jaris Mensch	Jaris Mensch	Box 631 Kodiak AK	486-8280
Patricia Peterson	Patricia Peterson	Box 2633 Kodiak AK	6-5641
Kate Fields	Kate Fields	4022 Cliffside Kodiak	486-6373
Janet Axell	Janet L. Axell	Box 3895 Kodiak AK	486-5111
Sharon Natt	Sharon Natt	Box 688 Kodiak AK	6-5885
Karen Woodcock	Karen Woodcock	7225 Alaska Ave Kodiak AK	7-2700
Patricia Szabo	PATRICIA SZABO	Box 11039 Kodiak AK	486-1111
Steve Beintson	Steve Beintson	715 Willow Kodiak AK	486-8150
Harry Heberg	HARRY HERBERG	P.O. Box 296 Kodiak	486-2785
Sue Emerson	Sue Emerson	Box 3907 Kodiak	486-4390

Please send to Rep. Eileen MacLean, Co-chair House Finance Committee, State Capitol, Juneau, AK 99801-1182

Pettion for Protecting the Oil and Hazardous Substance Release Response Fund (470 Fund)

We the undersigned oppose any legislation that reduces funding for oil and hazardous substance spill prevention and response programs funded by the 470 Fund.

Name	Signature	Address	Phone
Mrs. Houston	<i>Mrs. Houston</i>	1323 BERAND	486-2831
Stephen Thruside	<i>Stephen Thruside</i>	418 Mill Pt	486-2685
McBuck	<i>Mark Buck</i>	Box 649 Kodiak	486-4680
Wesley B. ...	<i>Wesley B. ...</i>	412 Marine Way Kodiak	486-3259
Wesley C. ...	<i>Wesley C. ...</i>	412 Marine Way Kodiak	486-3259
James Tadi	<i>James Tadi</i>	612 Kozan	486-5247
David F. ...	<i>David F. ...</i>	" " "	" "
Carol Weeks	<i>Carol Weeks</i>	419 Birch	486-3569
Janet Shea	<i>Janet Shea</i>	713 Vance Murray	486-5312
Mary Ann ...	<i>Mary Ann ...</i>	613 " " "	486-4681
Christie ...	<i>Christie ...</i>	421 Mill Bay Kodiak	486-3490
MARY ...	<i>MARY ...</i>	Box 8684	486-1723
Mari Holden	<i>Mari Holden</i>	Box 2225 Kodiak	486-4505
Suzanne ...	<i>Suzanne ...</i>	722 E. Nezmet #3 Kodiak	486-2623
Lubna ...	<i>Lubna ...</i>	1338 Mountainview Kodiak	486-3076
Ann ...	<i>Ann ...</i>	12816 Noth Dr Kodiak	487-2721
D. ...	<i>D. ...</i>	1338 Mountainview Dr Kodiak	486-8111
Debi Munro	<i>Debi Munro</i>	SR 3650 Woodland Dr. Kodiak	486-3506
Andrew Eberly	<i>Andrew Eberly</i>	P.O. Box 3179 Kodiak	487-4071
Bruce ...	<i>Bruce ...</i>	311 Hillcrest Kodiak AK	486-4305
Janis ...	<i>Janis ...</i>	P.O. Box 3487, Kodiak, AK	486-8462
Ronald ...	<i>Ronald ...</i>	3650 Woodland Dr. Kodiak	486-3506
Roderick J. O'Connor	<i>Roderick J. O'Connor</i>	P.O. Box 3488 Kodiak, AK	99615
Jim PETERSEN	<i>Jim PETERSEN</i>	12816 NOth DR KODIAK AK	99615
Mark Thissen	<i>Mark Thissen</i>	Box 3262 Kodiak AK	486-2419
MARY ANN HICKEY	<i>MARY ANN HICKEY</i>	PO Box 1907 12350 Noth DR. KODIAK AK	99615 48

Please send to Rep. Eileen MacLean Co-chair House Finance Committee, State Capitol, Juneau, AK 99801-1182

Petition for Protecting the Oil and Hazardous Substance Release Response Fund (470 Fund)

We the undersigned oppose any legislation that reduces funding for oil and hazardous substance spill prevention and response programs funded by the 470 Fund.

Name Signature Address Phone

Lucinda Amberfield	Lucinda Amberfield	Box 2518 Kodiak	486-3621
Twila Cassette	Twila Cassette	Box 8235 Kodiak	6-8445
Laurie Muesel	Laurie Muesel	PO Box 157 Kodiak	486-2312
Judy Mathews	Judy Mathews	Box 4091 Kodiak	486-2509
Shirley G. Larson	Shirley G. Larson	Box 3913 Kodiak	
Kristin Krump	Christine Krauss	Box 2518 Kodiak	486-3621
	Christ. Nielson	Box 3552 Kodiak	487-2654
	Christy Nielson	Christy Nielson Box 3552 Kodiak	487-2654
	John Whiddon	John Whiddon 1116 Spruce	6-8130
	John Anderson	Box 2518 Kodiak	486-3621
	Michelle K. Lovelace	Box 2942 Kodiak	486-4151
Roxy BRINGGOLD	Robyn Briggold	Box 8570 Kodiak	486-3017
Kaia Tollefson	Kaia Tollefson	Box 4162 Kodiak	486-8497
Jon Perrikoff	Jon Perrikoff	Box 9 Port Lions AK	450-2706
Sanya Nichol	Sanya Nichol	P.O. Box 3308 Kodiak	486-6266
Kate V. Bril	Kate V. Bril	3538 #3 Kodiak	6-2607
Marla Seibert Baker	Marla Seibert Baker	411 Neve Kodiak	6-2607
Niki F. Fox	Niki F. Fox	Box 4186 Kodiak AK	486-3751
Jean Leverson	Jean Leverson	Box 1284 Kodiak	7-4488
Altra Mahler	Altra Mahler	214 Mill Bay Rd Kodiak	486-4347
Lisa Wietton	Lisa Wietton	Box 8508 Kodiak	6-8108
Paul B. Smith	Paul B. Smith	P.O. Box 1668 Kodiak	6-5874
Debbie Clark	Debbie Clark	Box 7 Kodiak	6-5357
Mark C. Engl	Mark Engl	54 126 River Run Cir Sec A Kodiak	98833 (916) 727 2844
MARK SCHUBERT	Mark Schubert	8300 Wagon Rd #121, Sacramento, CA	95842
Colleen Rankin	Colleen Rankin	P.O. Box 2283 Kodiak	486-1964

Please send to Rep. Eileen MacLean Co-chair House Finance Committee, State Capitol, Juneau, AK 99801-1182

Petition for Protecting the Oil and Hazardous Substance Release Response Fund (470 Fund)

We the undersigned oppose any legislation that reduces funding for oil and hazardous substance spill prevention and response programs funded by the 470 Fund.

Name	Signature	Address	Phone
Shelly Egle	<i>[Signature]</i>	Box 3274 Kodiak	482-2318
Brian D Johnson	<i>[Signature]</i>	Box 2661 Kodiak	486-4888
Robert B. Brodit	<i>[Signature]</i>	Box 296 Kodiak AK	486-3079
JAMES E CRAWFORD	<i>[Signature]</i>	Box 2684 Kodiak AK	486 6559
PETER RAUWILIA	<i>[Signature]</i>	Box 335 Kodiak AK	486-3451
Dante Diakath	<i>[Signature]</i>	P.O. Box 3505 Kodiak AK	486-2008
Debi R. Clark	<i>[Signature]</i>	Box 2009 Kodiak AK	99615
Orville B. Clark	<i>[Signature]</i>	"	"
Richard H. Powell	<i>[Signature]</i>	Box 2074 Kodiak AK	99615
Nora S. Kraft	<i>[Signature]</i>	Box 2474 Kodiak AK	99615
JAMES D. BALAMANI	<i>[Signature]</i>	Box 3328 Kodiak AK	99615
Aileen Shinner	<i>[Signature]</i>	Box 2280 Kodiak AK	99615
Bob Boney	<i>[Signature]</i>	304 Wilson Kodiak AK	99615
Mr. K. Thib	<i>[Signature]</i>	Box 2917 Kodiak AK	99615
William Cleary	<i>[Signature]</i>	Box 18 Kodiak AK	99615
Wm. Woods	<i>[Signature]</i>	Box 7812 Kodiak	99615
John [unclear]	<i>[Signature]</i>	Box 468 Kodiak AK	
Debra Stevens	<i>[Signature]</i>	1719 Selief Ja Kodiak AK	99615
Bob [unclear]	<i>[Signature]</i>	Box 2411 Kodiak AK	99615
John [unclear]	<i>[Signature]</i>	Box 9445 Kodiak	99615
Clair S. Welch	<i>[Signature]</i>	Box 2316 Kodiak	99615
Constance [unclear]	<i>[Signature]</i>	P.O. Box 8818 Kodiak	99615
Candy [unclear]	<i>[Signature]</i>	Box 3109 Kodiak	99615
Marcia Bunker	<i>[Signature]</i>	Mason Rd Kodiak	
Ultra [unclear]	<i>[Signature]</i>	P.O. Box 1079 Kodiak	99615

Please send to Rep. Eileen MacLean Co-chair House Finance Committee, State Capitol, Juneau, AK 99801-1182

**Proposal for Responding to a
"Release" or a "Threatened Release"**

	Prevention Account	Response Account
<2500 BBLs	Immediate Access, no requirement for Governor's approval, uses would be included in the annual report	Governor must Declare a Disaster emergency to use this account for small releases or threatened releases
>2500 BBLs	Not available	Immediate Access, no requirement for Governor's approval, uses would be included in the annual report

DEPT. OF ENVIRONMENTAL CONSERVATION

OFFICE OF THE COMMISSIONER
410 WILLOUGHBY AVE., #105, JUNEAU, AK 99801-1795

Phone: (907) 465-5050
Fax: (907) 465-5070

May 4, 1994

The Honorable Gene Therriault
House of Representatives
State Capitol, Room 421
Juneau, AK 99801-1182

Dear Representative Therriault:

I am writing to you regarding another "proposal for responding to a release or threatened release" which the Department received from your office late this morning. Thank you for providing this information to us.

I want to formally respond to this proposal so that the Department's position is clear. Initially, I had three very major concerns with HCS CS SB215() work draft "Version T". This version set a 2,500 barrel (105,000 gallons) threshold on oil spills before DEC could use the Response Account within the Oil and Hazardous Substance Spill Prevention and Response Fund (OHSSPRF). In addition, this version did not allow use of the Response Account for threatened releases. And, "version T" required that I notify the Governor, within 72 hours of learning of a spill, about specific action that DEC will take to clean up or contain the spill. Within those same 72 hours the Governor must formally advise me that our planned actions are approved, disapproved or should be modified in some way. These requirements are unacceptable to the Administration.

As I understand it, the latest proposal does allow the Response Account to be available for use for threatened releases of oil or a hazardous substance. However, the Response Account would only be available for oil spills greater than 105,000 gallons and for spills for which the Governor has declared a disaster emergency. It also proposes to provide an appropriation each year from the Prevention Account within the OHSSPRF to be available for releases and threatened releases which are less than 105,000 gallons of oil. Utilization of the Prevention Account for responses to releases and threatened releases remains a problem.

The concept of this legislation as it left the Senate, and the reason that I have supported that bill, is that two specific accounts are established within the OHSSPRF which have very clearly defined roles. The Prevention Account is intended to support Alaska's various programs which lead to preventing future spills or in being better prepared to respond to spills when they happen. The Response Account is

DEPT. OF ENVIRONMENTAL CONSERVATION

OFFICE OF THE COMMISSIONER
410 WILLOUGHBY AVE., #105, JUNEAU, AK 99801-1795

Phone: (907) 465-5050
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May 2, 1994

The Honorable Ron Larson
Co-Chair House Finance Committee
Room 502 State Capitol
Juneau, AK 99801-1182

The Honorable Eileen MacLean
Co-Chair House Finance Committee
Room 507 State Capitol
Juneau, AK 99801-1182

Dear Representatives Larson and MacLean:

I am writing to you in response to HCS for CS for SB215(STA) and to the proposed work draft HCS for CS for SB215(FIN) currently being prepared by Representative Therriault for adoption as the House Finance committee substitute.

Both of these bills make some very critical changes to this legislation and to the Department of Environmental Conservation's (DEC) ability to respond to oil spills and to spills of other hazardous substances. Both of these versions restrict DEC from accessing the Response Account established by this bill within the Oil and Hazardous Substance Spill Prevention and Response Fund (OHSSPRF) to respond to oil spills and spills of hazardous substances. Specifically, under these versions, DEC would not be allowed to access the Response Account to respond to "threatened releases of oil or a hazardous substance." Additionally, oil spills of less than 2,500 barrels (105,000 gallons) could not be responded to using the Response Account.

These proposed changes work in direct opposition to the purpose of SB215. The bill's intention was to clearly establish two accounts within the OHSSPRF; one to maintain an effective spill prevention program within the State of Alaska, and the second to be used for responding to spills and threatened spills which were determined to be imminent. "Imminent release" is further defined in this bill so that everyone is clear as to the meaning of this term. As a result of these proposed changes, the prevention account would have to absorb well over 80% of all of the spills DEC typically responds to over the course of a year.

DEPT. OF ENVIRONMENTAL CONSERVATION

OFFICE OF THE COMMISSIONER
410 WILLOUGHBY AVE., #105, JUNEAU, AK 99801-1795

Phone: (907) 465-5050
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May 4, 1994

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House of Representatives
State Capitol, Room 421
Juneau, AK 99801-1182

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The concept of this legislation as it left the Senate, and the reason that I have supported that bill, is that two specific accounts are established within the OHSSPRF which have very clearly defined roles. The Prevention Account is intended to support Alaska's various programs which lead to preventing future spills or in being better prepared to respond to spills when they happen. The Response Account is

May 4, 1994

established to respond to releases and threatened releases. Your proposed CS, even with these new proposed changes seriously compromises this division of purposes.

Any proposal which does not allow the Response Account, under all cases, to be used to respond to a release or threatened release of oil or a hazardous substance is not workable. Any use of a threshold to determine whether the Response Account can be used is unacceptable. A "small spill" in the wrong place can have very serious and even life-threatening implications. Notifying the Governor is a normal part of responding to a spill, but the 72 hour requirement will be unworkable in actual practice. However, I will support similar requirements to those in HCS CS SB215(RES). The establishment of a prevention appropriation to deal with smaller spills, although well-meaning, will not be a good long term solution due to the other significant financial pressures on the Prevention Account (e.g. underground storage tanks, SERC's and LEPC's, capital projects, community grants, etc.), and the long term decline in Prevention Account surcharge revenues.

Representative Therriault, I very much appreciate the efforts you are making to move this bill to final passage, but these few issues described above will stand in the way of this Administration's support for this bill.

Sincerely,



John A. Sandor
Commissioner

BP/JAS/mmf (CO-comm\sb215gt.ltr)

cc: House Finance Committee Members

STATE OF ALASKA

WALTER J. HICKEL, GOVERNOR

DEPT. OF ENVIRONMENTAL CONSERVATION

OFFICE OF THE COMMISSIONER
410 WILLOUGHBY AVE., #105, JUNEAU, AK 99801-1795

Phone: (907) 465-5050
Fax: (907) 465-5070

May 2, 1994

The Honorable Ron Larson
Co-Chair House Finance Committee
Room 502 State Capitol
Juneau, AK 99801-1182

The Honorable Eileen MacLean
Co-Chair House Finance Committee
Room 507 State Capitol
Juneau, AK 99801-1182

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Both of these bills make some very critical changes to this legislation and to the Department of Environmental Conservation's (DEC) ability to respond to oil spills and to spills of other hazardous substances. Both of these versions restrict DEC from accessing the Response Account established by this bill within the Oil and Hazardous Substance Spill Prevention and Response Fund (OHSSPRF) to respond to oil spills and spills of hazardous substances. Specifically, under these versions, DEC would not be allowed to access the Response Account to respond to "threatened releases of oil or a hazardous substance." Additionally, oil spills of less than 2,500 barrels (105,000 gallons) could not be responded to using the Response Account.

These proposed changes work in direct opposition to the purpose of SB215. The bill's intention was to clearly establish two accounts within the OHSSPRF; one to maintain an effective spill prevention program within the State of Alaska, and the second to be used for responding to spills and threatened spills which were determined to be imminent. "Imminent release" is further defined in this bill so that everyone is clear as to the meaning of this term. As a result of these proposed changes, the prevention account would have to absorb well over 80% of all of the spills DEC typically responds to over the course of a year.

Governor Hickel's remarks to the press on the 5th Anniversary of the Exxon Valdez Oil Spill clearly stated that the only acceptable split of the nickel surcharge was one in which 3 cents was allocated to the Prevention Account and 2 cents was allocated to the Response Account within the OHSSPRF. At every turn, more purposes have been added to the underfunded Prevention Account: underground storage tanks; SERC's; new capital projects; municipal impact assistance grants and impact assessments; and now threatened releases of oil and hazardous substances. The changes proposed above now place significant new burdens on the Prevention Account. The financial effect of this change, combined with crediting the entire spill reserve to the Response Account, would be to effectively change the 3 cent and 2 cent split of the nickel in SB 215. Such a change is unacceptable to the Administration.

Restricting DEC from responding to threatened releases using the Response Account will also result in a significant increase in the cost of cleaning up spills within the state. It is always cheaper to respond to an imminent spill than it is to clean up a spill which has already occurred. These versions of the bill will encourage DEC to wait until the spill has occurred before acting. Secondly, DEC has been very successful in keeping the cost to the State for responding to emergency spills low, by making sure that the responsible party pays for the clean up activities. One of the factors that has helped DEC be successful in getting the responsible parties to pay is that we have a large fund, in this case a \$50 million Response Account, to bring to the problem if they are unwilling to do it themselves. If DEC is placed in the situation of threatening to employ a \$2 to \$3 million account to deal with the problem, our success may be severely limited.

Finally, the Legislative Audit requested by Chairman Larson does not reach conclusions which justify this type of unnecessary restriction on the use of the Response Account. Over the entire life of the so called 470 Fund, DEC has used less than 1% of the fund to respond to releases and threatened releases that pose an imminent threat. We anticipate no change in this record provided we can continue to bring the full weight of a \$50 million Response Account to bear on the problem and that we can continue to use this account to respond to threatened releases which pose an imminent and substantial threat to cause "personal injury, injury to life, or loss of or damage to property, including the environment."

In the past few years DEC has had to respond to a number of "imminent" spills by mobilizing people and materials. One example of the use of the Response Account comes when a ship is endangered, and it does not have the necessary response materials immediately available. The ship may not even have a response plan. In Glacier Bay last year, we responded to the grounding of the Yorktown Clipper. Last winter a ship ran aground off Prince of Wales Island. Two years ago a Korean ship caught fire in Dutch Harbor. Before that, we found ourselves responding to a loose

May 2, 1994

fuel barge in the Prince William Sound. In each of these cases, we had to have the financial resources necessary to prevent a disaster. Requiring the Governor to declare a disaster first is not reasonable and could be dangerous.

I would respectfully urge retention of the 3 cent Prevention and 2 cent Response split of the nickel as designated in SB215 passed by the Senate. Anything less would not be acceptable to the Administration.

Sincerely,


John A. Sandor
Commissioner

RP/MT/CN/JAS/mm (CO\comm\hcssb215.mem)

Alaska State Legislature

SENATOR
MIKE MILLER

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NORTH POLE, ALASKA 99705
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Senate District 12



Senate

Wade Johnson
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SPONSOR STATEMENT - SENATE BILL 215

Last session, SB 215 was introduced to address several critical concerns relating to the 5 cents per barrel Oil and Hazardous Substance Release Response Fund. It has become increasingly clear that legislation is needed this session to address these concerns, and get the 470 Fund back to what it was originally intended when the Legislature enacted the nickel tax in 1989 - the creation of a \$50 million emergency reserve fund to have immediately available for critical response activity and the ability to fund certain necessary state programs in the area of spill prevention and response.

The current version before you of Senate Bill 215 splits the revenue generated from the nickel per barrel surcharge into a 60/40 ratio (or 3 cents/2 cents) and creates two accounts for the appropriation and expenditure of those revenues.

The Response Account, into which 40% of the tax is appropriated (2¢), will provide funding for releases of oil or other hazardous substances that are emergency or very serious in nature and that require immediate response. This account will initially receive the existing balance of the spill reserve (approximately \$37 million) as well as an ongoing 2 cents from the nickel per barrel surcharge. When the balance of this fund reaches \$50 million, the tax will shut off; when the balance falls below \$50 million, the surcharge will be reimposed.

The Prevention Account, into which 60% of the tax is appropriated (3¢), will provide funding for programs administered by DEC (as well as other agencies) for spill preparedness and related operating expenditures. Unlike the 2 cents in the Response Account, the 3 cent portion of the tax will never shut off. This account will provide an ongoing source of revenue for state prevention programs.

CSSB 215(Fin) am(EFD FLD) represents many hours of effort by all parties involved and is supported by the administration. I would urge this committee's favorable consideration and prompt passage of the legislation.

8-LS8001NQ
Cramer
5/3/94

HOUSE BILL NO.
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Introduced:
Referred:

A BILL

FOR AN ACT ENTITLED

1 "An Act making, repealing, and amending appropriations for grants and for
2 capital and operating expenses of state government; and providing for an effective
3 date."

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

5 * **Section 1.** Section 21, ch. 79, SLA 1993, page 72, lines 21 - 23, is amended to read:

6		APPROPRIATION	GENERAL
7		ITEMS	FUND

8 Sitka - [16"] Water Main and Sewer

9 Improvements Halibut Point Road -

10	Katlan to Sawmill Creek Road (ED 2)	500,000	500,000
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11 * **Sec. 2.** The unexpended and unobligated balance of the appropriation made in sec. 165,
12 ch. 96, SLA 1991, page 94, line 5 (Kenai Peninsula Borough school district - Nikiski
13 Elementary School zone lights - \$40,000) is reappropriated to the Department of
14 Administration for payment as a grant under AS 37.05.315 to the Kenai Peninsula Borough

1 for the purchase and installation of an electronic warning siren to be located at North Star
2 Elementary School.

3 * Sec. 3. Section 21, ch. 79, SLA 1993, page 98, lines 15 - 18, is amended to read:

4	APPROPRIATION	GENERAL
5	ITEMS	FUND
6 Municipality of Anchorage -		
7 Chugiak, Birchwood, Eagle River		
8 Road Service Area, Hiland Road <u>engineering,</u>		
9 <u>repairs, and reconstruction</u> [PHASE II		
10 CONSTRUCTION] (ED 10 - 25)	500,000	500,000

11 * Sec. 4. The unexpended and unobligated balance of the appropriation made in sec. 38,
12 ch. 65, SLA 1993, page 45, line 15 (Ombudsman - \$1,597,500) lapses into the general fund
13 June 30, 1995.

14 * Sec. 5. The unexpended and unobligated balance of the appropriation made in sec. 38,
15 ch. 65, SLA 1993, page 10, line 11 (Office of the Governor Executive Operations -
16 \$8,407,000) lapses into the general fund June 30, 1995.

17 * Sec. 6. The unexpended and unobligated balance of the appropriation made in sec. 38,
18 ch. 65, SLA 1993, page 10, line 29 (Office of Management & Budget - \$6,551,200) lapses
19 into the general fund June 30, 1995.

20 * Sec. 7. The unexpended and unobligated balance of the appropriation made in sec. 137,
21 ch. 41, SLA 1993 (Medicaid disproportionate share claims - \$5,604,000) lapses August 30,
22 1994.

23 * Sec. 8. Section 19, ch. 79, SLA 1993, page 13, lines 34 - 36 is amended to read:

24	ALLOCATIONS	
25 Bristol Bay Mental Health		
26 <u>Facility design</u>		
27 <u>and planning</u> [CENTER -		
28 STORM WINDOWS/		
29 PLUMBING UPGRADE]		
30 (ED 39)	186,000	

31 * Sec. 9. Section 21, ch. 79, SLA 1993, page 58, lines 21 - 23 is amended to read:

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APPROPRIATION
ITEMS

GENERAL
FUND

Alaska Youth and Parent Foundation

- facility renovations [ROOF REPAIRS

AND HANDICAP ACCESS] (ED 10 - 25)

20,000

20,000

* **Sec. 10.** The unexpended and unobligated balance, not to exceed \$1,750,000, of the appropriation made in sec. 12, ch. 79, SLA 1993 (research programs for prevention, containment, cleanup, and amelioration of oil spills - \$5,000,000) is reappropriated to the Department of Commerce and Economic Development for payment as a grant under AS 37.05.316 to the Prince William Sound Aquaculture Corporation to provide for the restoration and replacement of natural resources injured and services lost or diminished as a result of the Exxon Valdez oil spill through the operation of hatcheries for the production of common property salmon fry and smolt for Prince William Sound.

* **Sec. 11.** Section 138, ch. 41, SLA 1993, is amended by adding new subsections to read:

(c) In addition to the \$21,714,000 that was appropriated by (a) of this section from the general fund to the mental health trust income account (AS 37.14.011), the sum of \$4,147,992 is appropriated from the general fund to the mental health trust income account (AS 37.14.011) as reimbursement of additional federal money received by the state through the federal Medicaid program for services provided to Medicaid recipients and other low-income patients at the Alaska Psychiatric Institute from July 1, 1989, to June 30, 1993.

(d) Contingent on the department requesting proposals for design, site preparation, utility hook-ups, and construction based on the new Alaska Psychiatric Institute being no larger than 72 beds, with a per bed cost of no more than \$300,000, the sum of \$25,861,992 is appropriated from the mental health trust income account (AS 37.14.011) to the Department of Health and Social Services and is allocated for the following purposes in the amounts listed:

Mental health trust beneficiary projects	\$ 3,000,000
Construction of replacement facility or facilities for the Alaska Psychiatric Institute	22,861,992

1 * Sec. 12. Section 3, ch. 83, SLA 1993, page 4, line 18 is amended to read:

2	SCHOOL DISTRICT/REAA	PROJECT	ALLOCATION
3	Mt. Edgecumbe High School	Deferred maintenance projects	303,800
4		<u>for high school, dormitories,</u>	
5		<u>and gymnasium</u>	

6 * Sec. 13. The unexpended and unobligated balance of the appropriation made in sec. 227,
7 ch. 117, SLA 1989, page 102, line 9 (Brevig Mission community facilities improvements/road
8 improvements - \$34,500) is reappropriated to the Department of Administration for payment
9 as a grant under AS 37.05.315 to the City of Brevig Mission community facilities
10 improvement.

11 * Sec. 14. The unexpended and unobligated balance of the appropriation made in sec. 114,
12 ch. 117, SLA 1989 (Noorvik survey and platting) is reappropriated to the Department of
13 Administration for payment as a grant under AS 37.05.315 to the City of Noorvik for survey
14 and platting.

15 * Sec. 15. The unexpended and unobligated balance of the appropriation made in sec. 218,
16 ch. 117, SLA 1989 (Kotzebue - NANA search and rescue programs) is reappropriated to the
17 Department of Administration for payment as a grant under AS 37.05.315 to the City of
18 Kotzebue for NANA search and rescue programs.

19 * Sec. 16. The unexpended and unobligated balance of the appropriation made in sec. 227,
20 ch. 117, SLA 1989, page 102, line 6 (North Slope Borough - Wainwright washeteria upgrade -
21 \$149,900) is reappropriated to the Department of Administration for payment as a grant under
22 AS 37.05.315 to the City of Wainwright for the Wainwright community center remodel
23 project.

24 * Sec. 17. Section 21, ch. 79, SLA 1993, page 112, lines 13 - 14 is amended to read:

25		APPROPRIATION	GENERAL
26		ITEMS	FUND
27	Koyuk - <u>Public safety facility</u>		
28	[FIRE STATION/EQUIPMENT] (ED 38)	42,000	42,000

29 * Sec. 18. Section 21, ch. 79, SLA 1993, page 110, lines 8 - 9, is amended to read:

30		APPROPRIATION	GENERAL
31		ITEMS	FUND

1 City of Hughes - Street Lights, generator

2 upgrade, power poles (ED 36) 60,000 60,000

3 * Sec. 19. Section 21, ch. 79, SLA 1993, page 110. lines 18 - 19, is amended to read:

4 APPROPRIATION GENERAL

5 ITEMS FUND

6 City of Nulato - Road Improvements and

7 equipment purchase (ED 36) 20,000 20,000

8 * Sec. 20. Section 154, ch. 5, FSSLA 1992, page 111, line 15, is amended to read:

9 APPROPRIATION GENERAL

10 ITEMS FUND

11 Nulato local road upgrade project and

12 solid waste site expansion (ED 24) 50,000 50,000

13 * Sec. 21. Section 21, ch. 79, SLA 1993, page 110, lines 14 - 15, is amended to read:

14 APPROPRIATION GENERAL

15 ITEMS FUND

16 City of Newhalen - Municipal garage, clinic

17 building [LAUNDROMAT IMPROVEMENTS]

18 (ED 36) 20,800 20,800

19 * Sec. 22. Section 154, ch. 5, FSSLA 1992, page 116, line 19, as amended by sec. 47, ch.

20 41, SLA 1993, is amended to read:

21 APPROPRIATION GENERAL

22 ITEMS FUND

23 Beaver Village multi-purpose building

24 construction and health clinic building

25 (ED 24) 70,000 70,000

26 * Sec. 23. Section 165, ch. 96, SLA 1991, page 127, line 17, as amended by sec. 46, ch.

27 41, SLA 1993, is amended to read:

28 APPROPRIATION GENERAL

29 ITEMS FUND

30 Beaver Traditional Council - Multi-purpose

31 building construction and Clinic building

1 (ED 24) 10,000 10,000
 2 * **Sec. 24.** The balance in the former electrical service extension fund (former
 3 AS 44.83.370) in the Alaska Energy Authority on August 11, 1993, is appropriated from the
 4 fund to the electrical service extension fund in the Department of Community and Regional
 5 Affairs (AS 42.45.200).

6 * **Sec. 25.** Section 154, ch. 5, FSSLA 1992, page 118, line 7, is amended to read:

	APPROPRIATION	GENERAL
	ITEMS	FUND
7		
8		
9	Perryville - fuel tanks, [AND] truck, <u>and</u>	
10	<u>completion of dike system construction</u>	

11	(ED 27)	68,000	68,000
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12 * **Sec. 26.** Section 165, ch. 96, SLA 1991, page 71, line 9, is amended to read:

	APPROPRIATION	GENERAL
	ITEMS	FUND
13		
14		

15	Western Alaska fuel cooperative - bulk fuel	
16	tank acquisition and installation <u>and fuel</u>	
17	<u>facility construction</u> (ED 26)	
18	300,000	300,000

18 * **Sec. 27.** The unexpended and unobligated balance of the appropriation made in sec. 154,
 19 ch. 5, FSSLA 1992, page 106, line 11 (Steese volunteer fire department all wheel drive tanker-
 20 \$70,000) is reappropriated to the Department of Administration for payment as a grant under
 21 AS 37.05.315 to the Fairbanks North Star Borough for a Steese volunteer fire department
 22 rescue vehicle and miscellaneous equipment.

23 * **Sec. 28.** The unexpended and unobligated balance of the appropriation made in sec. 19,
 24 ch. 79, SLA 1993, page 108, lines 22 - 24 (Two Rivers rescue building expansion - \$75,000)
 25 is reappropriated to the Department of Health and Social Services, interior region emergency
 26 medical services for Two Rivers rescue ambulance garage and training room.

27 * **Sec. 29.** Section 227, ch. 117, SLA 1989, page 92, line 20, is amended to read:

	APPROPRIATION	GENERAL
	ITEMS	FUND
28		
29		
30	Yakutat - subsurface drainage improvement,	
31	<u>retaining walls, and guard rails</u> (ED 2)	
	110,00	110,000

1 * **Sec. 30.** The unexpended and unobligated balance of the appropriation made in sec. 227,
2 ch. 117, SLA 1989, page 103, line 7 (Stebbins water access road - \$34,500) is reappropriated
3 to the Department of Administration for payment as a grant under AS 37.05.315 to the City
4 of Stebbins for a water access road, line extension, and pump station improvements.

5 * **Sec. 31.** Section 152, ch. 5, FSSLA 1992, page 58, line 13, is amended to read:

6 ALLOCATIONS

7 Kotzebue - water

8 and sewer [SEWAGE

9 COLLECTION

10 SYSTEM] (ED 22) 1,293,000

11 * **Sec. 32.** Section 152, ch. 5, FSSLA 1992, page 58, line 22, is amended to read:

12 ALLOCATIONS

13 Unalakleet - water,

14 sewer, and solid

15 waste improvements

16 [AIRPORT UTILITIES

17 PROJECT] (ED 23) 1,366,000

18 * **Sec. 33.** (a) The sum of \$250,000 of the unexpended and unobligated balance, on July 1,
19 1994, of the appropriation made in sec. 4, ch. 24, SLA 1984, page 57, line 23, as amended
20 by sec. 461, ch. 105, SLA 1985 (Juneau Hangar (AAOF) - \$3,841,200) that was encumbered
21 but not expended when that appropriation was repealed and reappropriated by sec. 137,
22 ch. 117, SLA 1989, is reappropriated to the Department of Fish and Game for use in fiscal
23 year 1995 to prepare to transfer operation of the sockeye and chinook programs at Snettisham
24 hatchery to the private sector.

25 (b) The remaining unexpended and unobligated balance, after the appropriation made
26 in (a) of this section, of the appropriation made in sec. 4, ch. 24, SLA 1984, page 57, line 23,
27 as amended by sec. 461, ch. 105, SLA 1985 (Juneau Hangar (AAOF) - \$3,841,200) that was
28 encumbered but not expended when that appropriation was repealed and reappropriated by
29 sec. 137, ch. 117, SLA 1989, is reappropriated to the Department of Military and Veterans'
30 Affairs for deferred maintenance for army guard facilities.

31 (c) The unexpended and unobligated balance of the appropriation made in sec. 137,

1 ch. 117, SLA 1989 (Nome Hangar Project) is reappropriated to the Department of Military and
2 Veterans' Affairs for deferred maintenance for army guard facilities.

3 * **Sec. 34** The unexpended and unobligated balance of the appropriation made in sec. 137,
4 ch. 117, SLA 1989 (Nome hangar project additional overhead charges) is reappropriated to
5 the Department of Military and Veterans' Affairs for deferred maintenance for army guard
6 facilities.

7 * **Sec. 35.** Upon refund to the Department of Commerce and Economic Development of
8 the amount held in deposit as security for the existing lease for the Tokyo office of the office
9 of international trade, including interest earned on the account, that amount is reappropriated
10 to the Department of Commerce and Economic Development, office of international trade, for
11 costs related to new office space in Tokyo for the fiscal year ending June 30, 1995.

12 * **Sec. 36.** Section 21, ch. 79, SLA 1993, page 83, lines 28 - 31, is amended to read:

	APPROPRIATION	GENERAL
	ITEMS	FUND
13 Municipality of Anchorage - Water and		
14 Wastewater Utility Vitrified Clay		
15 Pipe <u>study and</u> Replacement		
16 District 13 (ED 13)	50,000	50,000

17
18
19 * **Sec. 37.** Contingent upon the passage by the Eighteenth Alaska State Legislature and the
20 enactment into law of a bill that (1, establishes the oil and hazardous substance release
21 prevention account and the oil and hazardous substance release response account (or
22 substantially similar accounts) in the oil and hazardous substance release prevention and
23 response fund (or a substantially similar successor to the oil and hazardous substance release
24 response fund (AS 46.08.010)), and (2) takes effect on or after July 1, 1994, the amount
25 derived from the oil conservation surcharge collected under AS 43.55.200 on or after July 1,
26 1994, and before the effective date of a section of that bill setting out transitional provisions
27 applicable to the oil conservation surcharge is appropriated from the general fund to the oil
28 and hazardous substance release prevention and response fund (or a substantially similar
29 successor to the oil and hazardous substance release response fund (AS 46.08.010)) and is
30 allocated between the oil and hazardous substance release prevention account and the oil and
31 hazardous substance release response account (or substantially similar accounts) in the

1 proportions provided by law.

2 * **Sec. 38.** The unexpended and unobligated balance of the appropriation made in sec. 17,
3 ch. 79, SLA 1993, page 6, line 8 (Alaska Court System imaging system - \$207,500) is
4 reappropriated to the Alaska Court System for computer hardware, software, and maintenance.

5 * **Sec. 39.** (a) The sum of \$30,000 from the unexpended and unobligated balance of the
6 appropriation made in sec. 139, ch. 208, SLA 1990, page 47, line 14 (Juneau-Pioneer home
7 bus turnout construction - \$65,000) is reappropriated to the Department of Community and
8 Regional Affairs for payment as a grant under AS 37.05.316 to Perseverance Theater for the
9 Alaska conservatory job training and employment grant.

10 (b) The balance of the unexpended and unobligated appropriation made in sec. 139,
11 ch. 208, SLA 1990, page 47, line 14, as amended by (a) of this section (Juneau-Pioneer home
12 bus turnout construction - \$65,000) is reappropriated to the Department of Fish and Game to
13 prepare for the transfer of the sockeye and chinook programs at the Snettisham hatchery to
14 the private sector.

15 * **Sec. 40.** The unexpended and unobligated balance of the appropriation made in sec. 165,
16 ch. 96, SLA 1991, page 78, line 6 (North Douglas highway extension - \$400,000) is
17 reappropriated to the Department of Fish and Game to prepare for the transfer of the sockeye
18 and chinook programs at the Snettisham hatchery to the private sector.

19 * **Sec. 41.** The unexpended and unobligated balance of the appropriation made in sec. 139,
20 ch. 208, SLA 1990, page 84, line 17, as amended by sec. 92, ch. 5, FSSLA 1992 (Juneau-
21 Douglas Harbor Industrial Park construction and renovation and areawide fisheries
22 development facilities - \$340,000) is reappropriated to the Department of Fish and Game to
23 prepare for the transfer of the sockeye and chinook programs at the Snettisham hatchery to
24 the private sector.

25 * **Sec. 42.** The unexpended and unobligated balance of the appropriation made in sec. 34,
26 ch. 107, SLA 1983, page 82, line 4, and allocated on page 85, line 11 (Fairbanks sludge
27 disposal facility phase II - \$187,500) and on line 12 (Fairbanks northeast water transmission -
28 \$1,980,000) as amended by sec. 72, ch. 171, SLA 1984, is reappropriated to the Department
29 of Administration for payment as a grant under AS 37.05.315 to the City of Fairbanks for the
30 completion of the Fairbanks Regional Health Center project.

31 * **Sec. 43.** The sum of \$78,600 from the unexpended and unobligated balance of the

1 appropriation made in sec. 2, ch. 10, SLA 1983, page 9, line 8, as amended by sec. 277, ch.
2 130, SLA 1986 (Sand Point water and sewer - \$1,868,000) is reappropriated to the Department
3 of Environmental Conservation to purchase laboratory equipment and supplies.

4 * Sec. 44. The unexpended and unobligated balance of the appropriation made in sec. 227,
5 ch. 117, SLA 1989, page 73, line 8 (McGrath retardant ramp repair - \$100,000) is
6 reappropriated to the Department of Natural Resources for Forest Practices Act effectiveness
7 research.

8 * Sec. 45. The unexpended and unobligated balance of the appropriation made in sec. 38,
9 ch. 65, SLA 1993, page 44, line 26 (Budget and Audit Committee - \$6,992,900) lapses into
10 the general fund June 30, 1995.

11 * Sec. 46. Section 122, ch. 130, SLA 1986 as amended by sec. 9, ch. 3, FSSLA 1987;
12 sec. 138, ch. 173, SLA 1988; sec. 155, ch. 117, SLA 1989; sec. 109, ch. 208, SLA 1990;
13 sec. 67, ch. 96, SLA 1991; sec. 65, ch. 5, FSSLA 1992; and sec. 21, ch. 41, SLA 1993, is
14 amended to read:

15 Sec. 122. The sum of \$36,000 is appropriated from the general fund to the
16 Legislative Finance Division for House Finance Committee education funding related
17 activities for the fiscal years ending June 30, 1987, June 30, 1988, June 30, 1989,
18 June 30, 1990, June 30, 1991, June 30, 1992, June 30, 1993, [AND] June 30, 1994,
19 and June 30, 1995.

20 * Sec. 47. The unexpended and unobligated balance of the appropriation made in sec. 38,
21 ch. 65, SLA 1993, page 44, line 30 (Legislative Council - \$20,358,600) lapses into the general
22 fund June 30, 1995.

23 * Sec. 48. The unexpended and unobligated balance of the appropriation made in sec. 38,
24 ch. 65, SLA 1993, page 45, line 14 (Legislative operating budget - \$5,000,000) lapses into the
25 general fund June 30, 1995.

26 * Sec. 49. The unexpended and unobligated balances of the appropriations made in sec. 3,
27 ch. 128, SLA 1986, page 4, line 18 (Eagle School water well - \$300,000) and sec. 71, ch. 87,
28 SLA 1989 (Dot Lake School sewer repair and water system upgrade - \$65,000) and remaining
29 unexpended and unobligated balance of the appropriation made by sec. 72, ch 87, SLA 1989
30 (Alaska Gateway School District/Eagle School power plant - \$78,000) that was encumbered
31 but not expended when that appropriation was repealed by sec. 32, ch. 208, SLA 1990, and

1 the remaining unexpended and unobligated balance of the appropriation made by sec. 73,
2 ch. 87, SLA 1989 (Alaska Gateway School District/Northway School emergency septage repair
3 - \$94,000) that was encumbered but not expended when that appropriation was repealed by
4 sec. 33, ch. 208, SLA 1990, are reappropriated to the Department of Education for payment
5 as a grant under AS 37.05.316 to the Alaska Gateway School District for the new Tok School.

6 * **Sec. 50.** (a) The unexpended and unobligated balances of the appropriations made in sec.
7 158, ch. 3, FSSLA 1987, page 61, line 14 (Mat-Su Borough - Old Glenn ~~and Clark~~
8 Wolverine Road upgrade - \$30,000); in sec. 227(a)(4), ch. 173, SLA 1988, page 76, line 20
9 (plant materials center for flood control - \$50,000); in sec. 10, ch. 172, SLA 1988, page 7, line
10 13 (Denali southside visitor center development - \$100,000); in sec. 227, ch. 117, SLA 1989,
11 page 78, line 8 (Petersville Road - \$60,000); in sec. 163, ch. 96, SLA 1991, page 57, line 8
12 (Talkeetna eastside sewer and water - \$2,000,000); in sec. 227, ch. 117, SLA 1989, page 86,
13 line 9, and allocated on page 87, line 5 (Talkeetna water and sewer - \$800,000); and in sec.
14 3, ch. 128, SLA 1986, page 22, line 9, and allocated on line 12, as amended by sec. 53, ch. 3,
15 FSSLA 1987 (Talkeetna water and sewer - \$960,000), are reappropriated to the departments,
16 in the amounts, and for the purposes set out in subsections (b) - (k) of this section.

17 (b) The sum of \$20,000 is appropriated from the amount reappropriated in (a) of this
18 section to the Department of Community and Regional Affairs for payment as a grant under
19 AS 37.05.316 to the Upper Susitna Senior Center for completion of building construction and
20 kitchen equipment for the center.

21 (c) The sum of \$29,200 is appropriated from the amount reappropriated in (a) of this
22 section to the Department of Community and Regional Affairs for payment as a grant under
23 AS 37.05.316 to the Palmer Senior Center for sidewalk replacement and repair, lighting, and
24 purchase of a van.

25 (d) The sum of \$49,000 is appropriated from the amount reappropriated in (a) of this
26 section to the Department of Transportation and Public Facilities for the upgrade of Clark
27 Wolverine Road.

28 (e) The sum of \$20,000 is appropriated from the amount reappropriated in (a) of this
29 section to the Alaska Public Broadcasting Commission in the Department of Administration
30 for payment as a grant under AS 44.21.268 to KTNA, the Talkeetna public radio station, for
31 facility upgrade and expansion.

1 (f) The sum of \$50,000 is appropriated from the amount reappropriated in (a) of this
 2 section to the Department of Administration for payment as a grant under AS 37.05.315 to the
 3 Matanuska-Susitna Borough for a fire truck for the community of Big Lake.

4 (g) The sum of \$30,000 is appropriated from the amount reappropriated in (a) of this
 5 section to the Department of Administration for payment as a grant under AS 37.05.315 to the
 6 City of Houston for fire equipment.

7 (h) The sum of \$20,000 is appropriated from the amount reappropriated in (a) of this
 8 section to the Department of Transportation and Public Facilities for Petersville Road paving.

9 (i) The sum of \$25,000 is appropriated from the amount reappropriated in (a) of this
 10 section to the Department of Administration for payment as a grant under AS 37.05.315 to the
 11 Matanuska-Susitna Borough for Long Lake Road upgrade.

12 (j) The sum of \$5,000 is appropriated from the amount reappropriated in (a) of this
 13 section to the Department of Administration for payment as a grant under AS 37.05.315 to the
 14 Matanuska-Susitna Borough for Willow Creek community center office equipment.

15 (k) The sum of \$45,000 is appropriated from the amount reappropriated in (a) of this
 16 section to the Department of Administration for payment as a grant under AS 37.05.315 to the
 17 Matanuska-Susitna Borough for Bogard extension to Schrock.

18 (l) If the amount available to be reappropriated under (a) of this section is less than
 19 \$293,200, then the appropriations made by (b) - (k) of this section shall be reduced in
 20 proportion to the amount of the shortfall.

21 * Sec. 51. Section 21, ch. 79, SLA 1993, page 102, lines 31 - 33, is amended to read:

	APPROPRIATION	GENERAL
	ITEMS	FUND
24 Matanuska-Susitna Borough - Hollywood		
25 Road [FROM BIG LAKE EAST]		
26 Paving (ED 28)	100,000	100,000

27 * Sec. 52. The unexpended and unobligated balance of the appropriation made in sec. 227,
 28 ch. 117, SLA 1989, page 95, line 6 (Anchorage Huffman Road extension, planning,
 29 engineering and design, Birch to Hillside - \$317,700) is reappropriated to the Department of
 30 Administration for payment as a grant under AS 37.05.315 to the Municipality of Anchorage
 31 for road and drainage rehabilitation for District 18, limited road service area.

1 * **Sec. 53.** The unexpended and unobligated balance of the appropriation made in sec. 227,
2 ch. 117, SLA 1989, page 102, line 18 (Cape Nome relocation - survey and right-of-way
3 acquisition - \$25,000) is reappropriated to the Department of Administration for payment as
4 a grant under AS 37.05.315 to the City of Nome to acquire material from Cape Nome to
5 protect city property from damage caused by seasonal Bering Sea storms.

6 * **Sec. 54.** (a) The unexpended and unobligated balance of the appropriation made in sec.
7 152, ch. 5, FSSLA 1992, page 58, line 11 (Talkeetna - Eastside water/sewer - \$1,200,000) is
8 reappropriated to the departments, in the amounts, and for the purposes set out in subsections
9 (b) - (d) of this section.

10 (b) The sum of \$295,600 is appropriated from the amount reappropriated in (a) of this
11 section to the Department of Administration for payment as a grant under AS 37.05.315 to the
12 Matanuska-Susitna Borough to purchase tools, equipment, supplies, and other items to
13 maintain the Talkeetna water and sewer system.

14 (c) The sum of \$150,000 is appropriated from the amount reappropriated in (a) of this
15 section to the Department of Administration for payment as a grant under AS 37.05.315 to the
16 Matanuska-Susitna Borough for planning and design of Talkeetna school renovation and
17 addition.

18 (d) The sum of \$100,000 is appropriated from the amount reappropriated in (a) of this
19 section to the Department of Administration for payment as a grant under AS 37.05.315 to the
20 City of Palmer for repair of the city water system.

21 (e) If the amount available for reappropriation under (a) of this section is less than
22 \$545,000, then the appropriations made by (b) - (d) of this section shall be reduced in
23 proportion to the amount of the shortfall.

24 * **Sec. 55.** The unexpended and unobligated balance of the appropriation made in sec. 2,
25 ch. 45, SLA 1984, page 7, line 16 (Hidden Falls Chinook Facility - \$650,000) is
26 reappropriated to the Department of Fish and Game for payment as a grant under
27 AS 37.05.316 to the Cook Inlet Regional Aquaculture Association for evaluation, removal, and
28 replacement of underground storage tanks at the Crook Creek Hatchery facility.

29 * **Sec. 56.** The sum of \$39,000 from the unexpended and unobligated balance of the
30 appropriation made in sec. 152, ch. 5, FSSLA 1992, page 37, line 13 (Energy enhancements -
31 \$250,000) is reappropriated to the Department of Community and Regional Affairs, division

1 of energy, for payment as a grant under AS 37.05.316 to the Kotzebue Electric Association
2 for the Kotzebue wind project.

3 * **Sec. 57.** The unexpended and unobligated balance in the rural electrification revolving
4 loan fund (AS 42.45.020) on June 30, 1994, is reappropriated to the Department of
5 Community and Regional Affairs, division of energy, for the bulk fuel systems emergency
6 repairs/upgrades capital project.

7 * **Sec. 58.** Section 19, ch. 79, SLA 1993, page 13, lines 31-33, is amended to read:

8 **ALLOCATIONS**

9 [KOTZEBUE -] 130,000

10 Maniilaq Emergency

11 Services/Detoxification

12 Center/Treatment Centers

13 (ED 37)

14 * **Sec. 59.** The unexpended and unobligated balance, not to exceed \$100,000, of the
15 appropriation made in sec. 19, ch. 79, SLA 1993, page 15, lines 13 - 14 (Coal initiatives/test
16 shipment project - \$150,000) is reappropriated to the Department of Commerce and Economic
17 Development, small business assistance and development program, for the procurement
18 technical assistance program.

19 * **Sec. 60.** (a) Contingent on an appropriation of \$150,000 of the remaining balance of the
20 appropriation made in sec. 146, ch. 96, SLA 1991, as amended, being made to the Alaska
21 Public Broadcasting Commission for payment as grants to the telecommunications entities for
22 the purposes and in the amounts listed in (b) of this section as this section was passed by the
23 legislature, \$250,000 of the unexpended and unobligated balance of the appropriation made
24 in sec. 146, ch. 96, SLA 1991, as amended by sec. 54, ch. 5, FSSLA 1992 as amended by sec.
25 7, ch. 41, SLA 1993, and by sec. 6, ch. 41, SLA 1993 (national education effort for opening
26 the Arctic National Wildlife Refuge - \$3,000,000) is reappropriated to the Office of the
27 Governor for payment as a grant under AS 37.05.316 to Arctic Power, Inc., for promotion of
28 the opening of the Arctic National Wildlife Refuge to oil and gas development.

29 (b) The unexpended and unobligated balance, after the appropriation made in (a) of
30 this section, of the appropriation made in sec. 146, ch. 96, SLA 1991, as amended by sec. 54,
31 ch. 5, FSSLA 1992 as amended by sec. 7, ch. 41, SLA 1993, and by sec. 6, ch. 41, SLA 1993

1 (national education effort for opening the Arctic National Wildlife Refuge - \$3,000,000) is
 2 reappropriated to the Alaska Public Broadcasting Commission in the Department of
 3 Administration for payment as grants under AS 44.21.268 to the recipients, for the purposes,
 4 and in the amounts as follows:

5	RECIPIENT AND LOCATION	PURPOSE	APPROPRIATION
6			AMOUNT
7	Alaska Public Radio		
8	Network, Anchorage	equipment	23,500
9	KOAHNIC, Anchorage	equipment	23,500
10	KOTZ, Kotzebue	satellite dish	14,000
11	KBRW, Barrow	satellite dish	14,000
12	KYUK, Bethel	equipment	9,400
13	KDLG, Dillingham	equipment	7,000
14	KSKO, McGrath	Anvik translator	4,800
15	KRBD, Ketchikan	equipment	7,000
16	KBBI, Homer	uplink	7,000
17	KCAW, Sitka	Yakutat translator	9,400
18	KCUK, Chevak	satellite dish	7,000
19	KNSA, Unalakleet	satellite dish	7,000
20	KTOO, Juneau	equipment	9,400
21	KCZP, Kenai	equipment	7,000

22 (c) If the amount reappropriated in (b) of this section is less than \$150,000, then the
 23 appropriations made by (b) of this section shall be reduced in proportion to the amount of the
 24 shortfall.

25 (d) Contingent on an appropriation of \$150,000 of the remaining balance of the
 26 appropriation made in sec. 146, ch. 96, SLA 1991, as amended, being made to the Alaska
 27 Public Broadcasting Commission for payment as grants to the telecommunications entities for
 28 the purposes and in the amounts listed in (b) of this section as this section was passed by the
 29 legislature, the unexpended and unobligated balance of the appropriation made in sec. 146, ch.
 30 96, SLA 1991, as amended by sec. 54, ch. 5, FSSLA 1992, as amended by sec. 7, ch. 41, SLA
 31 1993, and by sec. 6, ch. 41, SLA 1993 (national education effort for opening the Arctic

1 National Wildlife Refuge - \$3,000,000), after the appropriations made in (a) and (b) of this
2 section are made, lapses into the general fund June 30, 1995.

3 * **Sec. 61.** The unexpended and unobligated balance, not to exceed \$500,000, of the
4 appropriation made in sec. 152. ~~152.152~~, FSSLA 1992, page 57, line 8 (marine highway system
5 administration building construction - \$1,500,000) is reappropriated to the Department of
6 Transportation and Public Facilities for Alaska marine highway system improvements and
7 overhaul.

8 * **Sec. 62.** The sum of \$2,303,300 is appropriated from the educational facilities
9 maintenance and construction fund (AS 37.05.560) to the general fund.

10 * **Sec. 63.** (a) The sum of \$300,000 is appropriated from the general fund to the
11 Department of Administration for payment as a grant under AS 37.05.315 to the City of Atka
12 for the design, engineering, and construction of the Atka public dock.

13 (b) The sum of \$500,000 is appropriated from the general fund to the Department of
14 Administration for payment as a grant under AS 37.05.315 to the Aleutians East Borough for
15 the remodel and upgrade of the Akutan School.

16 (c) The sum of \$125,000 is appropriated from the general fund to the Department of
17 Administration for payment as a grant under AS 37.05.315 to the Lake and Peninsula Borough
18 for the design, engineering, and construction of the Perryville tsunami emergency shelter.

19 (d) The sum of \$150,000 is appropriated from the general fund to the Department of
20 Administration for payment as a grant under AS 37.05.315 to the City of Sand Point for the
21 design, engineering, and construction of the Sand Point water and sewer extension and
22 improvements to the Sand Point dock to enhance school fisheries program.

23 (e) The sum of \$100,000 is appropriated from the general fund to the Department of
24 Administration for payment as a grant under AS 37.05.315 to the Bristol Bay Borough for
25 design, engineering, and construction of the South Naknek multipurpose building.

26 (f) The sum of \$3,294 is appropriated from the general fund to the Department of
27 Health and Social Services for payment as a grant under AS 37.05.316 to the Southern Region
28 Emergency Medical Services Council, Inc., for the purchase of rescue equipment for the
29 Chignik Bay emergency medical services response team.

30 (g) The sum of \$100,000 is appropriated from the general fund to the Department of
31 Education for payment as a grant under AS 37.05.316 to the Bristol Bay Borough School

1 District for the Bristol Bay computer lab upgrade.

2 (h) The sum of \$14,535 is appropriated from the general fund to the Alaska Public
3 Broadcasting Commission for payment as a grant under AS 44.21.268 to the Alaska Public
4 Radio Network for the acquisition of equipment for the St. Paul Island satellite downlink.

5 (i) The sum of \$8,883 is appropriated from the general fund to the Alaska Public
6 Broadcasting Commission for payment as a grant under AS 44.21.268 to the Alaska Public
7 Radio Network for the acquisition of equipment for the Unalaska satellite downlink.

8 (j) The sum of \$500,000 is appropriated from the general fund to the Department of
9 Community and Regional Affairs for payment as a grant under AS 37.05.317 to the
10 unincorporated community of Pedro Bay for equipment and for the design, engineering, and
11 construction of the road and trail systems.

12 (k) The sum of \$100,000 is appropriated from the general fund to the Department of
13 Administration for payment as a grant under AS 37.05.315 to the City of Dillingham for
14 harbor improvements, including safety and security upgrades.

15 (l) The sum of \$100,000 is appropriated from the general fund to the Department of
16 Administration for payment as a grant under AS 37.05.315 to the City of Kwethluk for the
17 washeteria and water treatment plant building health and safety improvements.

18 (m) The sum of \$300,000 is appropriated from the general fund to the Department of
19 Administration for payment as a grant under AS 37.05.315 to the Lake and Peninsula Borough
20 for the design, engineering, construction, and equipment for the Egegik public dock.

21 (n) If the amount deposited in the general fund by the appropriation made in sec. 62
22 of this Act is less than \$2,301,712, then the appropriations made by this section shall be
23 reduced in proportion to the amount of the shortfall.

24 * Sec. 64. Section 19, ch. 79, SLA 1993, page 41, lines 28 - 29, is amended to read:

25 ALLOCATIONS

26 Unalaska - 2,850,000

27 Icy Creek Dam

28 Design and construction

29 and municipal landfill

30 (ED 40)

31 * Sec. 65. The unexpended and unobligated balance of the appropriation made in sec. 152,

1 ch. 5, FSSLA 1992, page 33, line 15 (regional boarding school feasibility study - \$200,000)
 2 is reappropriated to the Department of Education for payment as a grant under AS 37.05.316
 3 to the Galena School District for planning and analysis for a regional boarding school in
 4 Galena.

5 * Sec. 66. The unexpended and unobligated balance of the appropriation made in sec. 152,
 6 ch. 5, FSSLA 1992, page 43, line 17, that is allocated on page 45, line 4 (Fireweed Lane,
 7 Seward Highway to Spenard safety upgrades - \$1,584,000) is repealed.

8 * Sec. 67. (a) Legislative Findings and Purpose. The legislature finds that

9 (1) as a result of the judgment entered by the United States District Court in
 10 the criminal case United States of America v. Exxon Shipping Company and Exxon
 11 Corporation, No. A90-015 CR, the state received \$50,000,000 in restitution "to be used by the
 12 State of Alaska . . . exclusively for restoration projects, within the State of Alaska, relating
 13 to the 'Exxon Valdez' oil spill";

14 (2) the judgment defines restoration as including "restoration, replacement, and
 15 enhancement of affected resources; acquisition of equivalent resources and services, and long-
 16 term environmental monitoring and research programs directed to the prevention, containment,
 17 cleanup, and amelioration of oil spills";

18 (3) the money received by the state in restitution is held in the Exxon Valdez
 19 oil spill restoration fund, established by the Department of Revenue, to implement the form
 20 of the judgment;

21 (4) the appropriation in (b) of this section is made in order to achieve the
 22 purposes in the court's restitution order.

23 (b) The sum of \$550,000 of interest accrued during the fiscal year that ends June 30,
 24 1995, on the restitution payment described in (a) of this section is appropriated from the
 25 Exxon Valdez oil spill restoration fund described in (a) of this section to the Department of
 26 Transportation and Public Facilities for the maintenance and repair of the oil spill response
 27 equipment storage facilities and docks at Tatitlik and Chenega.

28 * Sec. 68. (a) Section 19, ch. 79, SLA 1993, page 48, lines 8 - 10, is amended to read:

	APPROPRIATION	GENERAL
	ITEMS	FUND
31 Petersburg - Water System Access	<u>1,700,000</u>	<u>1,700,000</u>

