

**SB**

**215**

(7)  
Date Referred: April 15, 1994

HOUSE COMMITTEE REP  
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 <sup>(over for remainder of title)</sup>

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 <u>DO PASS</u>	DP	<u>OTHER RECOMMENDATIONS</u>	DNP	NR	AM
<u>Bill Hudson</u> Hudson	<input checked="" type="checkbox"/>	<u>Pat Carney</u> Carney	<input checked="" type="checkbox"/>		
<u>Jim Bunde</u> Bunde	<input checked="" type="checkbox"/>	<u>Green</u> Green			<input checked="" type="checkbox"/>
<u>Alan Mulder</u> Mulder	<input checked="" type="checkbox"/>	<u>Davies</u> Davies			<input checked="" type="checkbox"/>
<del>_____</del>		<u>David Imbersten</u>	<input checked="" type="checkbox"/>		
<u>W.R. Williams</u>	<input checked="" type="checkbox"/>				
<u>Janette James</u>	<input checked="" type="checkbox"/>				

W.R. Williams  
CHAIRMAN'S SIGNATURE

# 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						
<b>TOTAL OPERATING</b>	0.0	0.0	0.0	0.0	0.0	0.0
<b>CAPITAL</b>						

<b>REVENUE FUND SOURCE:</b>	-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)

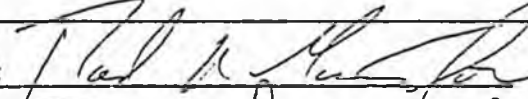
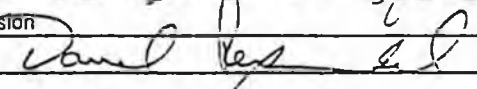
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	0.0	0.0	0.0	0.0	0.0	0.0

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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# FISCAL NOTE

STATE OF ALASKA  
1994 LEGISLATIVE SESSION

BILL NO. HCS CS SB215(RES)

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						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL EXPENDITURES						
CHANGE IN REVENUES ( )						

FUND SOURCE

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY94) cost: \$ \_\_\_\_\_

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

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

Prepared by: Bob Poe, Director [Signature]  
 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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Fiscal Analysis for  
HCS CSSB215(RES)

	No Change From Existing Statute	HCS CSSB215 (RES) Entire Spill Reserve to Response Account
<b>Fiscal Year 1995</b>		
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
<b>Fiscal Year 1996</b>		
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	\$52.0

Fiscal Analysis for  
HCS CSSB215(RES)

	No Change From Existing Statute	HCS CSSB215 (RES) Entire Spill Reserve to Response Account
<b>Fiscal Year 1997</b>		
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 Earned 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
<b>Fiscal Year 1998</b>		
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 Earned 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	\$51.0

Fiscal Analysis for  
HCS CSSB215(RES)

	No Change From Existing Statute	HCS CSSB215 (RES) Entire Spill Reserve to Response Account
<b>Fiscal Year 1999</b>		
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
<b>Total Prevention Program Underfunding</b>	<b>\$0.0</b>	<b>\$0.0</b>
<b>Total Response Account Surcharge Paid</b>	<b>\$122.5</b>	<b>\$9.7</b>
<b>Total Prevention Account Surcharge Paid</b>	<b>\$0.0</b>	<b>\$73.5</b>
<b>Total Surcharges Paid</b>	<b>\$122.5</b>	<b>\$83.2</b>
<b>Total Surcharge Savings to Payor (5 Years)</b>	<b>\$0.0</b>	<b>\$39.3</b>

# 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						
<b>TOTAL OPERATING</b>	-0-	-0-	-0-	-0-	-0-	-0-
<b>CAPITAL EXPENDITURES</b>	-0-	-0-	-0-	-0-	-0-	-0-
<b>CHANGE IN REVENUES ( )</b>	-0-	-0-	-0-	-0-	-0-	-0-
<small>Revenue Code</small>						

**FUNDING: (Thousands of Dollars)**

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

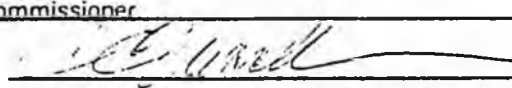
Estimate of current year (FY 94) impact: \$ \_\_\_\_\_

**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

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FISCAL NOTE

STATE OF ALASKA

BILL NO. HCSCSSB 215 (RES)

1994 LEGISLATIVE SESSION

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.

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

STATE OF ALASKA  
1994 LEGISLATIVE SESSION

BILL NO. HCS CSSB 215 (Res)

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 SER AL 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
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CAPITAL EXPENDITURES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CHANGE IN REVENUES ( )</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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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(Rev. 10/93) NJ 4/26/94

HOUSE RESOURCES COMMITTEE MEETING  
APRIL 22, 1994

AMENDMENTS WHICH MAY BE PROPOSED  
FOR CS SB 215(RES)am (efd fld)

AMENDMENT

Y.3

OFFERED IN THE HOUSE

TO: CSSB 215(FIN) am(efd fld)

Page 26, line 21, through page 27, line 1:

Delete all material and insert:

"\* Sec. 44. 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. 26 of this Act, and for purposes described in 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 27, lines 2 - 4:

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 27, line 18:

Delete "section"

Insert "subsection"

Page 27, following line 20:

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."

With amendment  
Y. 3

DRAFT LETTER OF INTENT  
FOR HCS CS SB 215 (RES)

BY HOUSE RESOURCES COMMITTEE

In recognition of the vital importance of establishing and maintaining a statewide network of oil and hazardous substance response depots and corps, the legislature is allocating a portion of the balance of the former Oil and Hazardous Substance Release Response Fund to be used for that purpose. While acknowledging dissatisfaction with the performance of state agencies to date in regard to depots and corps, the legislature remains committed to this goal.

It is the intent of the legislature that prior to appropriating the funds allocated in SB 215 for depots and corps, the recommendations of the November 1992, Division of Legislative Audit review of the Response Depot and Corps program be addressed. Of particular importance are recommendations two and three, which are as follows:

Recommendation Number Two

The Alaska Department of Environmental Conservation and the Alaska Department of Military and Veteran Affairs should perform the depot selection process in accordance with statute. AS 46.04.200(b)(5) requires that the State Master Plan must designate the locations where emergency response depots should be established and where emergency response corps personnel should be available. In preparing the State Master Plan, the statute requires the commissioner of DEC to consult with municipal and community officials and representatives of affected regional organizations; submit draft plans to the public for review and comments; submit the plan to the legislature for its review, and submit the plan to the State Emergency Response Commission for its review and approval.

Recommendation Number Three

Long-term plans, complete with an implementation schedule and estimated cost figures, should be completed by DMVA and approved by DEC before making financial commitments with OHSRRF funds. The use of OHSRRF funds for depots and volunteer corps should be closely monitored by DEC to ensure the integrity of the fund and that expenditures are made only for purposes for which the fund was established. Establishing the equipment depots and volunteer corps is a long-term

project spanning several fiscal years. Without the existence of an agreed upon long-term plan, there is no assurance that decision regarding the type and priority of goods and services purchased with the OHSRRF fund are for the purposes intended of that fund.

It is the intent of the legislature that this planning process occur and that plans be reviewed and approved by the legislature before any funds are appropriated for response depots and corps from the balance allocated to the prevention account.

The purpose of this allocation is for establishing, equipping, and maintaining oil and hazardous substance response depots and for training volunteer oil and hazardous substances response personnel. It is NOT to be used to fund DEC and DMVA staff for more than minimal oversight of the implementation and maintenance of the program. In addition, it is the intent of the legislature that a wide geographic area for response depots be reviewed to ensure establishment of depots in the areas of the state that currently have minimal response capabilities. These include Western Alaska, the Aleutian Chain, the Yukon River, Cook Inlet, and Southeast Alaska.

# Amendments Submitted by D.E.C.

Amendments to CSSB 215 (FIN) am(efd fld)

1) Section 19, page 14 lines 7-16 replace with:

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

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

2) Section 26, page 21, line 9 add a new subsection L

(L) pay for grants under AS 29.60.510 and impact assessments under AS 29.60.560 made by the commissioner of community and regional affairs.

3) Section 26, page 17, line 31, replace with:

contain, clean up, including restoration of the environment, and take other necessary action, such as monitoring and

4) Section 31, page 23, line 4 add a new subsection (D) between "cost recoveries" and "[AS SPECIFIED . . .]";

(D) AS 46.08.020(a)(3) (cost recoveries)

5) Delete lines 24-25, p. 25 and renumber remaining subsections accordingly.

A M E N D M E N T

OFFERED IN THE HOUSE

BY REPRESENTATIVE FINKELSTEIN

TO: CSSB 215(FIN) am (efd fld)

Page 21, following line 27:

Insert a new bill section to read:

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

(d) Upon a request from

[(1)] the Alaska Legislative Council, the commissioner shall use money from the prevention account in the fund to reimburse the Alaska Legislative Council for expenditures that it makes for the operation of the Citizens' Oversight Council on Oil and Other Hazardous Substances, established under AS 24.20.600 (; AND

(2) THE COMMISSIONER OF TRANSPORTATION AND PUBLIC FACILITIES, THE COMMISSIONER SHALL TRANSFER MONEY FROM THE FUND TO THE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES TO PAY FOR THE CONSTRUCTION OR REFURBISHMENT OF ONE OR MORE VESSELS OF THE ALASKA MARINE HIGHWAY SYSTEM THAT HAVE THE CAPABILITY TO ASSIST IN RESPONDING TO SPILLS OF OIL AND HAZARDOUS SUBSTANCES; IN EXPENDING MONEY IN THE FUND WHOSE USE FOR VESSELS OF THE MARINE HIGHWAY SYSTEM IS AUTHORIZED BY AS 19.65.025 AND THIS PARAGRAPH, THE COMMISSIONER SHALL GIVE PRIORITY TO CONSTRUCTION OF ONE OR MORE NEW VESSELS THAT HAVE THE CHARACTERISTICS REQUIRED BY THIS PARAGRAPH]."

Renumber the following bill sections accordingly.

Page 26, line 14:

Delete "AS 24.20.600, 24.20.610, 24.20.620, 24.20.630;"

Page 26, lines 15 - 16:

Delete ", 46.08.040(d)"

A M E N D M E N T

Y. 4

OFFERED IN THE HOUSE

TO: CSSB 215(FIN) am(efd fld)

Page 9, lines 30 - 31:

Delete "the oil and hazardous substance release"

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

Page 10, line 3:

After "prevention"

Insert "mitigation"

After "in"

Insert "AS 46.08.020(b)"

Page 10, line 5:

Delete "OR] AS 46.08.020"

Insert "OR AS 46.08.020]"

Page 20, lines 25 - 27:

Delete all material.

Page 20, line 28:

Delete "(I)"

Insert "(H)"

Page 21, line 1:

Delete "(J)"

Insert "(I)"

Page 21, line 8:

Delete "(K)"

Insert "(J)"

PASSED

A M E N D M E N T

OFFERED IN THE HOUSE

BY REPRESENTATIVE DAVIES

TO: CSSB 215(FIN) am(efd fld)

Page 16, line 11, after "substance;":

Insert "and"

Page 16, lines 14 - 19:

Delete "; and"

(6) the interest earned on the balances of each of the following:

(A) the prevention account;

(B) the prevention mitigation account;

(C) the response account; and

(D) the response mitigation account"

Page 16, line 20:

Delete "(a)(2) - (6)"

Insert "(a)(2) - (5)"

Page 16, line 25:

Delete "(a)(2) - (6)"

Insert "(a)(2) - (5)"

Page 16, following line 26:

Insert a new bill section to read:

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

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

(1) the prevention account;

- (2) the prevention mitigation account;
- (3) the response account; and
- (4) the response mitigation account."

Renumber the following bill sections accordingly.

Page 26, line 19:

Delete "sec. 42"

Insert "sec. 43"

Page 27, line 21:

Delete "Section 27"

Insert "Section 28"

**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.

# Alaska State Legislature

SENATOR

MIKE MILLER

P.O. Box 55094

North Pole, Alaska 99705

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Senate District Q

## Senate

### 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.

# FISCAL NOTE

**STATE OF ALASKA**  
**1994 LEGISLATIVE SESSION**

**BILL NO.** CSSB 215(FIN) am(EFD FLD)

Revision Date: April 18, 1994  
 Title: An Act relating to and redesignating the oil and hazardous substance release response fund...  
 Sponsor: Miller  
 Requestor: Hs. Resources Committee

Dept. Affected: Revenue  
 BRU: Revenue Operations  
 Component: Oil & Gas Audit Division

**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						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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

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

**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: Rod R. Mourant *Rod R. Mourant* Phone: 465-2302  
 Division: Commissioner's Office  
 Approved by Commissioner: Darrel J. Rexwinkel *Darrel J. Rexwinkel* Date: April 18, 1994  
 Agency: Revenue Date: April 18, 1994

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# FISCAL NOTE

STATE OF ALASKA  
1994 LEGISLATIVE SESSION

BILL NO. .CS SB215 (FIN) am (efd fld)

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						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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/MHTIA						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY94) cost: \$ \_\_\_\_\_

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)  
 \_\_\_\_\_  
 \_\_\_\_\_

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

Phone: 465-5010  
 Date: 4/19/94

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

Date: 4/19/94

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Response Fund Alternatives  
CSHB238 Compared to CSSB215(FIN)

	No Change From Existing Statute	CSHB238 Spill Reserve Split 60/40 Prevention/ Response Account	CSSB215(FIN) Entire Spill Reserve to Response Account
<b>Fiscal Year 1995</b>			
Beginning Balance of Response Fund	\$63.2		
Beginning Balance of Response Account		\$25.3	\$47.7
Beginning Balance of Prevention Account		\$37.9	\$15.5
Total .05 Surcharge Collected in FY95	\$26.2		
Total Response Surcharge Collected in FY95		\$10.5	\$5.2
Total Prevention Surcharge Collected in FY95		\$15.7	\$15.7
Prevention & Response Prgm. All Agencies	\$13.5	\$13.5	\$13.5
Estimated Response Account Use	\$0.8	\$0.8	\$0.8
Estimated Cost Recovery to Response Account	\$0.3	\$0.3	\$0.3
Amount of Prevention Program Under-Funded	\$0.0	\$0.0	\$0.0
Ending Balance of Response Fund	\$48.9		
Ending Balance of Response Account		\$24.5	\$46.9
Ending Balance of Prevention Account		\$24.4	\$2.0
Suspension and Reimposition Calculation	(\$6.1)	\$35.3	\$52.5
<b>Fiscal Year 1996</b>			
Beginning Balance of Response Fund	\$75.1		
Beginning Balance of Response Account		\$35.3	\$52.5
Beginning Balance of Prevention Account		\$40.1	\$17.7
Total .05 Surcharge Collected in FY96	\$25.3		
Total Response Surcharge Collected in FY96		\$10.1	\$0.0
Total Prevention Surcharge Collected in FY96		\$15.2	\$15.2
Prevention & Response Prgm. All Agencies	\$13.9	\$13.9	\$13.9
Estimated Response Account Use	\$0.8	\$0.8	\$0.8
Estimated Cost Recovery to Response Account	\$0.3	\$0.3	\$0.3
Amount of Prevention Program Under-Funded	\$0.0	\$0.0	\$0.0
Ending Balance of Response Fund	\$60.7		
Ending Balance of Response Account		\$34.5	\$51.7
Ending Balance of Prevention Account		\$26.2	\$3.8
Suspension and Reimposition Calculation	\$4.5	\$44.9	\$52.0

Response Fund Alternatives  
CSHB238 Compared to CSSB215(FIN)

	No Change From Existing Statute	CSHB238 Spill Reserve Split 60/40 Prevention/ Response Account	CSSB215(FIN) Entire Spill Reserve to Response Account
<b>Fiscal Year 1997</b>			
Beginning Balance of Response Fund	\$86.0		
Beginning Balance of Response Account		\$44.9	\$52.0
Beginning Balance of Prevention Account		\$41.4	\$19.0
Total .05 Surcharge Collected in FY97	\$24.8		
Total Response Surcharge Collected in FY97		\$7.4	\$0.0
Total Prevention Surcharge Collected in FY97		\$14.9	\$14.9
Prevention & Response Prgm. All Agencies	\$14.3	\$14.3	\$14.3
Estimated Response Account Use	\$0.8	\$0.8	\$0.8
Estimated Cost Recovery to Response Account	\$0.3	\$0.3	\$0.3
Amount of Prevention Program Under-Funded		\$0.0	\$0.0
Ending Balance of Response Fund	\$71.2		
Ending Balance of Response Account		\$44.1	\$51.2
Ending Balance of Prevention Account		\$27.1	\$4.7
Suspension and Reimposition Calculation	\$14.2	\$51.8	\$51.5
<b>Fiscal Year 1998</b>			
Beginning Balance of Response Fund	\$96.0		
Beginning Balance of Response Account		\$51.8	\$51.5
Beginning Balance of Prevention Account		\$42.0	\$19.5
Total .05 Surcharge Collected in FY98	\$23.8		
Total Response Surcharge Collected in FY98		\$0.0	\$0.0
Total Prevention Surcharge Collected in FY98		\$14.3	\$14.3
Prevention & Response Prgm. All Agencies	\$14.8	\$14.8	\$14.8
Estimated Response Account Use	\$0.8	\$0.8	\$0.8
Estimated Cost Recovery to Response Account	\$0.3	\$0.3	\$0.3
Amount of Prevention Program Under-Funded	\$0.0	\$0.0	\$0.0
Ending Balance of Response Fund	\$80.7		
Ending Balance of Response Account		\$51.0	\$50.7
Ending Balance of Prevention Account		\$27.2	\$4.8
Suspension and Reimposition Calculation	\$22.4	\$51.3	\$51.0

Response Fund Alternatives  
CSHB238 Compared to CSSB215(FIN)

	No Change From Existing Statute	CSHB238 Spill Reserve Split 60/40 Prevention/ Response Account	CSSB215(FIN) Entire Spill Reserve to Response Account
<b>Fiscal Year 1999</b>			
Beginning Balance of Response Fund	\$104.5		
Beginning Balance of Response Account		\$51.3	\$51.0
Beginning Balance of Prevention Account		\$41.5	\$19.1
Total .05 Surcharge Collected in FY99	\$22.4		
Total Response Surcharge Collected in FY99		\$0.0	\$4.5
Total Prevention Surcharge Collected in FY99		\$13.4	\$13.4
Prevention & Response Prgm. All Agencies	\$15.2	\$15.2	\$15.2
Estimated Response Account Use	\$0.8	\$0.8	\$0.8
Estimated Cost Recovery to Response Account	\$0.3	\$0.3	\$0.3
Amount of Prevention Program Under-Funded	\$0.0	\$0.0	\$0.0
Ending Balance of Response Fund	\$88.8		
Ending Balance of Response Account		\$50.5	\$50.2
Ending Balance of Prevention Account		\$26.3	\$3.9
Suspension and Reimposition Calculation	\$28.8	\$50.8	\$54.9
<b>Total Prevention Program Underfunding</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>
<b>Total Response Account Surcharge Paid</b>	<b>\$122.5</b>	<b>\$28.0</b>	<b>\$9.7</b>
<b>Total Prevention Account Surcharge Paid</b>	<b>\$0.0</b>	<b>\$73.5</b>	<b>\$73.5</b>
<b>Total Surcharges Paid</b>	<b>\$122.5</b>	<b>\$101.5</b>	<b>\$83.2</b>
<b>Total Surcharge Savings to Payor (5 Years)</b>	<b>\$0.0</b>	<b>\$21.0</b>	<b>\$39.3</b>

# FISCAL NOTE

**STATE OF ALASKA**  
**1994 LEGISLATIVE SESSION**

**BILL NO. CSSB 215 (Fin) am(cfd Nd)**

Revision Date: \_\_\_\_\_ Dept. Affected: Administration  
 Title: "An Act relating to oil and hazardous substances...." BRU: Finance  
 Component: Finance  
 Sponsor: Sen. Miller  
 Requestor: \_\_\_\_\_ 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
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
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<b>CHANGE IN REVENUES ( )</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
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**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
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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: 4/15/94  
 Agency: Administration

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FISCAL NOTE

STATE OF ALASKA :  
1994 LEGISLATIVE SESSION

BILL NO. CSSB 215 (FIN)am (efd fld)

Revision Date: April 22, 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						
---------	--	--	--	--	--	--

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 Finance Committee amendment to CSSB 215(FIN) makes a minor change in syntax and as provided in the department's April 13 fiscal note, there will not be a fiscal impact for Law.

Prepared by: Richard I. Pegues, Director

Phone: 465-3672

Division: Administrative Services Division

Date: April 22, 1994

Approved by Commissioner: Bruce M. Botelho, Attorney General

Agency: Department of Law

Date: April 22, 1994

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# FISCAL NOTE

**STATE OF ALASKA**  
**1994 LEGISLATIVE SESSION**

**BILL NO: CSSB 215(FIN)amiefd fld**

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						
<b>TOTAL OPERATING</b>	-0-	-0-	-0-	-0-	-0-	-0-
<b>CAPITAL EXPENDITURES</b>	-0-	-0-	-0-	-0-	-0-	-0-
<b>CHANGE IN REVENUES ( )</b>	-0-	-0-	-0-	-0-	-0-	-0-
<small>Revenue Code</small>						

**FUNDING: (Thousands of Dollars)**

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

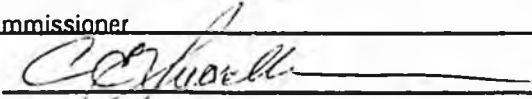
Estimate of current year (FY 94) impact: \$ \_\_\_\_\_

**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: 04/22/94  
 Approved by Commissioner:  Date: 04/22/94  
 Agency: Richard F. Burton, Dept. of Public Safety

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 Rev 01/94

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,

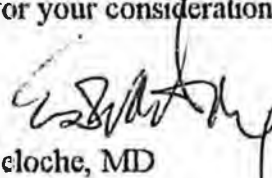
In your considerations of current legislation dealing with Alaska's oil response fund utilization please insure that you provide for maintaining the funding for "corps and depots." The nickel a barrel tax was designated to create a response capability for the state of Alaska to parallel that of industry 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



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 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 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 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

- 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 26].

### **New or unchanged problems in SB 215:**

- The Senate Finance Committee substitute authorizes use of the prevention account for underground storage tank grants [section 26, 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. 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 CSSB 215 (FIN) am (efd fld), 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 44]. 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)].

## 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 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 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

## Prince William Sound Regional Citizens' Advisory Council

establish and maintain the oil and hazardous substances response corps and depots.

### Differences:

- Unlike the proposed SB 215, the HB 238 proposal does not authorize appropriations from the prevention account for the underground storage tank grant program.
- Similarly, HB 238 does not require appropriation of the entire balance of the spill reserve to the response account to avoid suspending the response account surcharge. Instead, 60 percent of the balance is directed to the prevention account and 40 percent to the response account. This is based on the premise that the balance would be split how the nickel is split and approximately half of the balance originated from general fund appropriations.
- House Bill 238 does not eliminate the COC.
- House Bill 238 more clearly identifies the response account as the source of funds for restoration.

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 BUTTON		2706 W 30th ANCH, AK 99517	
Mei Mei Evans	Mei Mei Evans	P.O. Box 243074 A/A 99524	276-7269
JILL DELATTI		POB 101153 ANK. AK 99510	
Laurie Daniel		3105 Arctic #2789 Anch AK 99503	277-1547
GLADYS THOMPSON		7216 hake Rd Anchorage, AK 99507	349-1456
Jana Sudkamp		3237 Wiley Post Ln Anch AK 99517	
Ann E. Benson		PO. Box 102783 Anchorage, AK 99510	
Nancy E. Michaelson	Nancy E. Michaelson	HCOI Box 69116 Palmer AK 99645	
Carolyn R. Ramey		403 W. 32nd Ave #212 99503	
Christopher Farmer		1809 Cindy Lee Ln Anchorage AK 99507	562-4762
Anna Young	Anna Young	Box 2905 Cordova AK 99574	
Mark Kansteiner		Box 1636 Seward, AK 99664	
Ken Leqhorn	Ken Leqhorn	516 E. 3rd St. Juneau AK 99901	586-1972
Colleen Burch		12821 Mt. Place Anchorage AK 99516	345-5391
James Stratton		12821 Mt. Place " " " "	
ROBERT A. GIGLEY	REPUBLICAN FOR GOVERNOR - 94		
		7447 OBRIEN ST ANCH AK 99507	344-5469
JAMES R. CARTER		3505 WOODLAND PARK DR ANCHORAGE AK 99517	243-6744
CARY COLLING		468 N. BAILEY PALMER AK 99645	766-2201
JEAN CAMERON		2147 NE 14th Portland, OR 97212	
Cheryl Richardson		1747 Lawrence Ct. Anchorage AK 99501	
Rosin K. Cole		6155 Alameda Anch, Alaska 99504	
Kurt Byers	Kurt Byers	P.O. 81186 Fairbanks AK 99708	457-2230
GEORGE E. LUKENS II		758 OCEANVIEW DR ANCH AK 99515	345-2799
GEORGE E. LUKENS JR.		758 OCEANVIEW DR ANCH AK 99515	345-2749
PAUL LARRY BENSON JR.		635 W 9TH #5 ANCH AK 99510	258-5541
Tom Lakos		PO Box 1006 Anch, AK 99510	558-1606
Dem Elankovir		PO Box 460 Cordova, Alaska 99574	407-245740

**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>
Bob Luffa	<i>Bob Luffa</i>	2543 Brooke Dr	248-4695
Paulina Hood	<i>Paulina Hood</i>	2413 Lord Barrow	248-7574
Richard Townsend	<i>Richard Townsend</i>	117 N. YOUNG DR.	
Jim M. Peterson	<i>Jim M. Peterson</i>	P O Box 3442, Homer, AK	255-6077
CHARLES MOUNETT	<i>Charles Mounett</i>	P.O. Box 3442 Homer	255-6099
DAVID GRIMES	<i>David Grimes</i>	Box 1636 CORDOVA	
Kermy Tuelo	<i>Kermy Tuelo</i>	Box 83405 FBRs, 99708	955-4286
Penelope Wells	<i>Penelope Wells</i>	PO Box 240454, Anch, AK	99524-337-8018
William W. Nelson	<i>William W. Nelson</i>	3401 Cordova, Anch AK	99503-272-8120
Lorraine Eckstein	<i>Lorraine Eckstein</i>	926 W. 26 #306 Anch	99503-272-8120
Tim Bristol	<i>Tim Bristol</i>	1315 Cordova Anch	99501-276-53
Dan Laws	<i>Dan Laws</i>	PO Box 188, Anch AK	99506-855-4808
Jan Laroque	<i>Jan Laroque</i>	7030 Millin Cir. Anch	99507-344-6282
Jameson	<i>Jameson</i>	BEARSKY STREET AND SEWARD	011 44 575 8220
Frederick L. Ott	<i>Frederick L. Ott</i>	-6537 Reserve Ave Wauwatosa, WI	
Stan Stephens	<i>Stan Stephens</i>	BOX 1297 Valdez	99626
Elizabeth Hutton	<i>Elizabeth Hutton</i>	HC 52 Box 8900 Indian	99540 653-7049
John	<i>John</i>	1119 G St Anchorage	AK 99501
James R. Bauwanger	<i>James R. Bauwanger</i>	HC 83 BOX 2334 EAGLE RIVER	AK 99577 696-8136
Noel C. Nelson	<i>Noel C. Nelson</i>	2515 Cottonwood St, Anch	AK 99508 272-5830
Steve Nelson	<i>Steve Nelson</i>	2515 Cottonwood St, Anch	AK 99508 786-7486
Arthur Newman	<i>Arthur Newman</i>	3836 BRYAN RISE RD ANCH	AK 99504
Virginia W Moore	<i>Virginia W Moore</i>	14530 Echo St Anchorage	AK 345-1355
Stephen Bodnar	<i>Stephen Bodnar</i>	box 2262 Cordova	AK 99574 424-5427
Theodore F Moore	<i>Theodore F Moore</i>	14530 Echo St, Anch, AK	99576 345-1355
Philip S. King	<i>Philip S. King</i>	7611 Mentra St Anch	AK 99518 349-1344
EVA CERDA	<i>EVA CERDA</i>	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	HCS2 Box 8820 Indian 99540	653-1993
Michelle L. Mahan-Cleary	Michelle L. Mahan-Cleary	Box 1052 Cordova AK 99574	424-7758
Michelle [unclear]	[unclear]	1121 Cordova Ave #33 99574	277-7222
Walter Stephens	Walter Stephens	Box 1297 Valdez AK 99686	835-1131
Dan Strickland	Dan Strickland	Box 9304-D Palmer AK 99645	745-1260
DAN LAUN	[unclear]	PO Box 188 Valdez AK 99686	835-4805
Rick Strindberg	Rick Strindberg	Box 2424 Cordova AK 99574	421-5509
R. A. Finberg	[unclear]	PO Box 46 Egan AK 99725	479-7770
Nabe Fitzgerald	Nabe Fitzgerald	4833 Box 2334 ER 99577	696-8136
Peter Girschner	Peter Girschner	2600 Redwood St. Anch 99508	
John B. Drouillard	John B. Drouillard	3371 Military Cir. Anch. 99508	
[unclear]	[unclear]	Box 1955 Cordova, AK 99574	
Ivan P. Widom	IVAN L. WIDOM	BOX 154 SELDOVIA AK 99663	
Hape Wing ND	Hape Wing ND	1966 Villages Senior Pkwy Anch. AK 99516	345-4265
Richard McLean	Richard McLean	105 E. 11th Ave Anch AK 99501	
Matt Carr	M. Carr	9981 FRONTIER AVE ANCH AK 99576	
Carl [unclear]	[unclear]	6476 [unclear] Anchorage 99501	
Marilyn Human	Marilyn Human	1401 Virginia Ct Anch 99501	272-3034
William [unclear]	W. [unclear]	130 Cordova St. Anchorage 99501	
William [unclear]	W. [unclear]	3605 Arctic #1211 99503	
GENE STEVEN	Gene Steven	1120 L St 99501	272-2470
DEBRA STUMP	Debra L. Stump	2420 DENNIS WAY 99515	345-2425
Paul Feigelson	Paul Feigelson	310 Marathon Circle Anch AK 99515	349-5622
Holly Kane	Holly Kane	4100 Matines Anchorage 99508	563-4470
Pamela Brodie	Pamela Brodie	P.O. Box 104082 Anchorage 99510	248-9388
JAMES M. YOUNG	James M. Young	1142 W. 12th Ave A Anch AK 99501	276-6142
Carol Brehnett	Carol Brehnett	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.	224-2808
LANI BRENNAN	<i>Lani Brennan</i>	"	"
LINA ALSTATT	<i>Lina Alstatt</i>	PO BOX 243553	248-9877
MICHAEL A. ARMSTRONG	<i>Michael A. Armstrong</i>	15032 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. Silvestri	<i>Margaret B. Silvestri</i>	4720 Cambridge Way	561-0590
Martha Sieber	<i>Martha Sieber</i>	8700 Solon Dr. 99507	346-3327
Ed Earnhart	<i>Ed Earnhart</i>	1043 W. 34th Ave. 99512	349-1100
Catherine Portlock	<i>Catherine Portlock</i>	10501 Loudermill Ave Anch 99516	
Hugh Fleischer	<i>Hugh Fleischer</i>	1401 W. 11th Ave 99501	
Lanie Fleischer	<i>Lanie Fleischer</i>	1401 W. 11th Ave 99501	
Bret England	<i>Bret England</i>	1641 Black Bay Circle Anchorage 99516	345-4182
Caryn Smith	<i>Caryn Smith</i>	16361 Black Bay Circle Anchorage 99516	345-4082
Roger D. Plym	<i>Roger D. Plym</i>	3211 Lexington Hill Anch 99502	345-3131
Colleen K. Craig	<i>Colleen K. Craig</i>	2429 Telephone 99517	
Cliff Eames	<i>Cliff Eames</i>	2615 W. 33rd, #2 Anch 99517	274-3621
Issue Hebert	<i>Issue Hebert</i>	PO Box 2570 Homer AK 99603	no phone
JOE ANDRETA	<i>Joe Andreta</i>	PO. Box 200965 Anchorage 99520	258-4111
KEVIN HARMON	<i>Kevin Harmon</i>	510 N St Anchorage, AK 99501	274-3621
MICHAEL V. COUMBE	<i>Michael V. Coumbe</i>	P.O. Box 240343 99524	277-2444
HELEN COUMBE	<i>Helen L. Coumbe</i>	1430 A St - 99501	272-8286
Patricia Gleason	<i>Patricia Gleason</i>	4211 Brick Co 99517	248-0442
Leta Wise	<i>Leta 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 Wetmore #9 Anch.	248-8070
CHRISTAL	<i>Christal</i>	4720 Eagle St #1 Anch. 99503	561-0515
Deborah L. Greenberg	<i>Deborah L. Greenberg</i>	1322 Virginia Ct Anchorage 99501	272-3763
Karl Ollis	<i>Karl Ollis</i>	3903 Wyoming Dr. Anchorage, 99501	561-1171
Ernest Piper	<i>Ernest Piper</i>	2504 Loussac Dr. Anch. 99501	242-1942
Ronald Henderson	<i>Ronald Henderson</i>	1015 Thayer Dr. Fairbanks AK	455-6682
Molly Bloom	<i>Molly Bloom</i>	1928 Steneger Cir And AK 99575	379-6165
G.W. Dine	<i>G.W. Dine</i>	Box 895 CORBOVA AK. 99579	929-5305
Joe Barona	<i>Joe Barona</i>	12304 Hilltop Dr Anch AK	99515 522-3808
THOMAS L. LOHMAN	<i>Thomas L. Lohman</i>	P.O. Box 642, BARROW, AK	99723 852-0350
Domen Sullivan-Garcia	<i>Domen Sullivan-Garcia</i>	7220 Holman Anchorage	99516 345-7961
Roy A. WARREN	<i>Roy A. Warren</i>	PO 32362 JUNEAU, AK 99803	789-4382
KEVIN M. O'SHEA	<i>Kevin M. O'Shea</i>	1865 E. TUTOR RD #102-D ANC.	99507 563-4996
Chris McLeod	<i>Chris McLeod</i>	5747 E. 40th, G-703	99504 338-2607
Mark Johnson	<i>Mark Johnson</i>	10726 HORIZON DR. JUNEAU	463-5807 99801
Sharon Lohman	<i>Sharon Lohman</i>	3340 Fitch Ave JUNEAU	
Suzie Kendrick	<i>Suzie Kendrick</i>	PO Box 4502 Soldotna AK	262-3749
JEFF GINALAS	<i>Jeff Ginalas</i>	5018 E 43 AVE Anchorage AK	337-2165
PRICE E. ERIKSON	<i>Price E. Erikson</i>	1715 ORCA Dr Anch AK	274-3751
NANCY F. LETTIGAS	<i>Nancy F. Lettigas</i>	P.O. Box 1353, Valdez AK	99686 435-4300
GAIL K. EVANOFF	<i>Gail K. Evanoff</i>	P.O. Box 8060 Pt Barrow AK	99574-8060

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





# Cordova District Fishermen United

P.O. Box 939  
Cordova, Alaska 99574  
(907) 424-3447 FAX (907) 424-3430

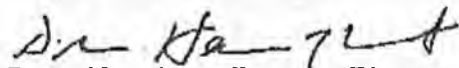
April 15, 1994

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 Heibrink	Mark Heibrink	PO Box 2084	
Peter D Ochs	Peter D Ochs	Box 447	424-3191
Jeff P. Howley	Jeff P. Howley	Box 2308	424-7281
Darla Church	Darla Church	Box 406	424-3389
Ken Hill	Kenneth A Hill	Box 1290	424-3498
Kenneth Varton	Kenneth Varite	Box 852 Cordova	424-7779
Charles Trombridge	Charles Trombridge	Box 1744 Cordova	424-3758
Trombridge E. Donovan	Trombridge E. Donovan	Box 114 Cordova	424 3951
Tina M. Donovan	Tina M. Donovan	Box 114 Cordova	424-3951
Jim Pahl	James R. Pahl	Box 179 CDV	424-3479
Georgi Kaechling	Georgi Kaechling	Box 533 Cordova	424-5108
Matt G. Miller	Matthew Miller	PO 141483 Anch	99514
Evelyn Brown	Evelyn Brown	P.O. Box 306 Cordova	99574
John Long	Sylvia Long	Box 135 Cordova	5552
Donette Janka	Donette Janka	Box 1231 Cordova	99574
SELINA KEETON	Selina Keeton	P.O. Box 1841 Pt. Townsend WA	98368
Brian L. King	Brian L. King	Box 905 Cordova, AK	99574
Tracey Speier	Tracey Speier	Box 222211, Anch, AK	99522 2211
Lawrence Kairamata	Lawrence Kairamata	3901 E. 42nd #214, Anch, AK	99578
Cheryl M. Jettell	Cheryl M. Jettell	Box 2406 Cordova, AK	99574-2406
James Kairamata	James Kairamata	Box 2272 Cordova	4247603
KARL BECKER	Karl Becker	Box 1185 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 Ballak	Jennifer Ballak	1025 W. Hickman #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 (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 #1	AK
John Winter	<i>[Signature]</i>	New Winter 1703 Roosevelt Ave	510-37106	
Carlace L. Gregor	<i>[Signature]</i>	Box 242 Cordova	424-3825	
Diana Masolini	<i>[Signature]</i>	Box 1131 Cordova	424-7328	
Michael O'Leary	<i>[Signature]</i>	Box 1052 Cordova	424-7752	
Jay Pahl	<i>[Signature]</i>	Box 179 Cordova	99574	
Shirley Stange	<i>[Signature]</i>	Box 2462 Cordova	99574	
JAMES E. HAGEN	<i>[Signature]</i>	P.O. Box 1952 Cordova	AK 99574	
Dreama Schaffer	<i>[Signature]</i>	P.O. Box 443 Cordova	AK 99574	
Ray Beaudin	<i>[Signature]</i>	1597 Cordova	AK 99574	
Cherley Chris-m	<i>[Signature]</i>	482 Cordova	AK 99574	
Robert J. Koppak	<i>[Signature]</i>	Box 1126 Cordova	AK 99574	
Kristen Ballum	<i>[Signature]</i>	P.O. Box 1689 Cordova	AK 99574	
Mitch Nolski	<i>[Signature]</i>	Box 2232 Cordova	AK 99574	
Robert Penta	<i>[Signature]</i>	Box 1033 Cordova	AK 99574	
R.J. Rowlett	<i>[Signature]</i>	Box 1748 Cordova	AK 99574	
MATT SMALL	<i>[Signature]</i>	Cordova		
John M. Keith	<i>[Signature]</i>	Box 956 Cordova	99574	
Annabelle	<i>[Signature]</i>	Box 1366 Cordova		
Janette B. Williams	<i>[Signature]</i>	Box 2224 Cordova	AK 99574	
Belle Michelson	<i>[Signature]</i>	Box 325 Cordova	AK 99574	
JAMES P. VANSANT	<i>[Signature]</i>	Box 1263 Cordova	AK 99574	
BARCLAY JONES-KORHAK	<i>[Signature]</i>	Box 126 Cordova	AK 99574	
Michael P. McCarty	<i>[Signature]</i>	Box Max Glennville	AK 99582	
Kenneth D. Kritchman	<i>[Signature]</i>	Box 1255 Cordova	AK 99574	
Wendy Weisel	<i>[Signature]</i>	Box 1989 Cordova	AK 99574	BE
Laurie Berger	<i>[Signature]</i>	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

<del>C. K. WEAVERLING</del>	<del>Ch. K. Weaverling</del>	<del>Box 895</del>	<del>Cordova AK 99574</del>	<del>424-5305</del>
<del>Uelgh...</del>	<del>Ralph E. Lohse</del>	<del>Box 14</del>	<del>Cordova AK 99574</del>	<del>424-7170</del>
<del>Linda Lohse</del>	<del>Linda Lohse</del>	<del>Box 14</del>	<del>Cordova AK 99574</del>	<del>424-7170</del>
<del>Mark King</del>	<del>Mark King</del>	<del>Box 265</del>	<del>Cordova AK 99574</del>	<del>424-8373</del>
<del>ROBERT PERINIS</del>	<del>R. Perinis</del>	<del>Box 171</del>	<del>Cordova AK 99574</del>	<del>424-5657</del>
<del>DAN TORGERSON</del>	<del>DAN TORGERSON</del>	<del>Box 1356</del>	<del>Cordova AK 99574</del>	<del>424-5719</del>
<del>ERWIN SIMPSON</del>	<del>ERWIN SIMPSON</del>	<del>Box 1212</del>	<del>Cordova AK 99574</del>	<del>7718</del>
<del>GAIL T. NOLAN</del>	<del>GAIL T. NOLAN</del>	<del>770</del>	<del>CDU AK 99574</del>	<del>3503</del>
<del>Gene Thomas</del>	<del>Gene Thomas</del>	<del>Po 1331</del>	<del>CDU AK 99574</del>	<del>-3117</del>
<del>DAVID P. JANKA</del>	<del>D.P. Janka</del>	<del>Po 1231</del>	<del>Cordova AK 99574</del>	<del>424-7602</del>
<del>BECKY CHAPEK</del>	<del>Becky Chapek</del>	<del>Box 1564</del>	<del>CDU AK 99574</del>	<del>424-5356</del>
<del>Christina Topley</del>	<del>Christina Topley</del>	<del>Box 850</del>	<del>Cordova AK 99574</del>	<del>424-3605</del>
<del>Robert Blake</del>	<del>Robert Blake</del>	<del>Box 718</del>	<del>Cordova AK 99574</del>	
<del>John A. Crowe</del>	<del>John A. Crowe</del>	<del>Box 2473</del>	<del>Cordova AK 99574</del>	
<del>Kevin G. O'Neil</del>	<del>Kevin G. O'Neil</del>	<del>Box 1875</del>	<del>Cordova AK 99574</del>	
<del>Sandy VanDyke</del>	<del>Sandy VanDyke</del>	<del>Box 473</del>	<del>Cordova AK 99574</del>	
<del>CATHY SHERMAN</del>	<del>Cathy Sherman</del>	<del>Box 1186</del>	<del>Cordova AK 99574</del>	
<del>DAVID GRAMEL</del>	<del>David Gramel</del>	<del>Box 1676</del>	<del>Cordova AK 99574</del>	
<del>SUSAN OGLE</del>	<del>Susan Ogle</del>	<del>Box 895</del>	<del>Cordova AK 99574</del>	
<del>KEJEE KANKIN</del>	<del>Kejee Kankin</del>	<del>Box 985</del>	<del>Cordova AK 99574</del>	
<del>Shy Dard...</del>	<del>Shy Dard...</del>	<del>Box 2234</del>	<del>Cordova AK 99574</del>	
<del>MICHAEL L. MEINTS</del>	<del>Michael L. Meints</del>	<del>Box 2402</del>	<del>Cordova AK 99574</del>	
<del>Kim J. Ewert</del>	<del>Kim J. Ewert</del>	<del>Box 1324</del>	<del>Cordova AK 99574</del>	
<del>Tia R. Smith</del>	<del>Tia R. Smith</del>	<del>Box 52</del>	<del>Cordova AK 99574</del>	
<del>Thea Th...</del>	<del>Thea Th...</del>	<del>Box 1566</del>	<del>Cordova AK 99574</del>	
<del>Sally Patch</del>	<del>Sally Patch</del>	<del>Box 956</del>	<del>Cordova AK 99574</del>	
<del>Vairo Mannerino</del>	<del>Vairo Mannerino</del>	<del>Box 1431</del>	<del>Cordova AK 99574</del>	

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
WILLIAM R REID	<i>Wm R Reid</i>	Bx 1234 CDV	424-7448
DOENE HAWKHURST	<i>Doene Hawkhurst</i>	Bx 856 CDV	424-3447/5757
Christine Honkola	<i>Christina Honkola</i>	Bx 100 CDV	424-7530
JAMES MYKLAND	<i>James L Mykland</i>	Bx 1241 CDV	424-7115
John Bocer	<i>John Bocer</i>	Bx 1512 CDV	424-5152
Michael Bredde	<i>Michael Bredde</i>	Bx 1154 CDV AK	424-3715
Kory Blake	<i>Kory Blake</i>	Bx 1122 CDV	424-7194
Herb Jensen	<i>Herb Jensen</i>	Bx 294 CDV	424-3767
JIM JOHNSON	<i>Jim Johnson</i>	Bx 263 CDV	424-3525
MICHAŁOWICKI	<i>Michal</i>	Bx 7232 CDV	5492
Linda Masolin	<i>Linda Masolin</i>	Bx 162 CDV	424-7489
John B. Anderson	<i>John B. Anderson</i>	Bx 11 Cordova AK	5378
Michael Elliott	<i>Michael Elliott</i>	Bx 855 Cordova AK	3584
ANDREW F. ALLEN	<i>Andrew F. Allen</i>	Bx 1836 CDV AK	99574 (3684)
Teresala De Simone	<i>Teresala De Simone</i>	Bx 169 Cordova AK	424-7436
Dorothy Carpenter	<i>Dorothy Carpenter</i>	Bx 1430 Cordova AK	424-39
Susan Laird	<i>Susan Laird</i>	Bx 1624 Cordova AK	424-38
Max L. Bennett	<i>Max L. Bennett</i>	Bx 1006 Cordova AK	99574
JANISS KOUANON	<i>Janiss Kouanon</i>	Bx 2272 Cordova AK	99574 (4247603)
MAX McFARLANE	<i>Max McFarlane</i>	POB 2368 Cordova AK	
TORIE BAKER	<i>Torie Baker</i>	POB 1159 CDV	424-3820
<del>XXXXXXXXXX</del>			
Elizabeth Senesi	<i>Elizabeth Senesi</i>	Bx 752 CDV	424-5611
CARROLL KOMPANEI	<i>Carroll Kompaine</i>	Bx 535 CDV	424-3821
Jim Jager	<i>Jim Jager</i>	530 St. Lazaria Cr. Anchorage AK	337-8602

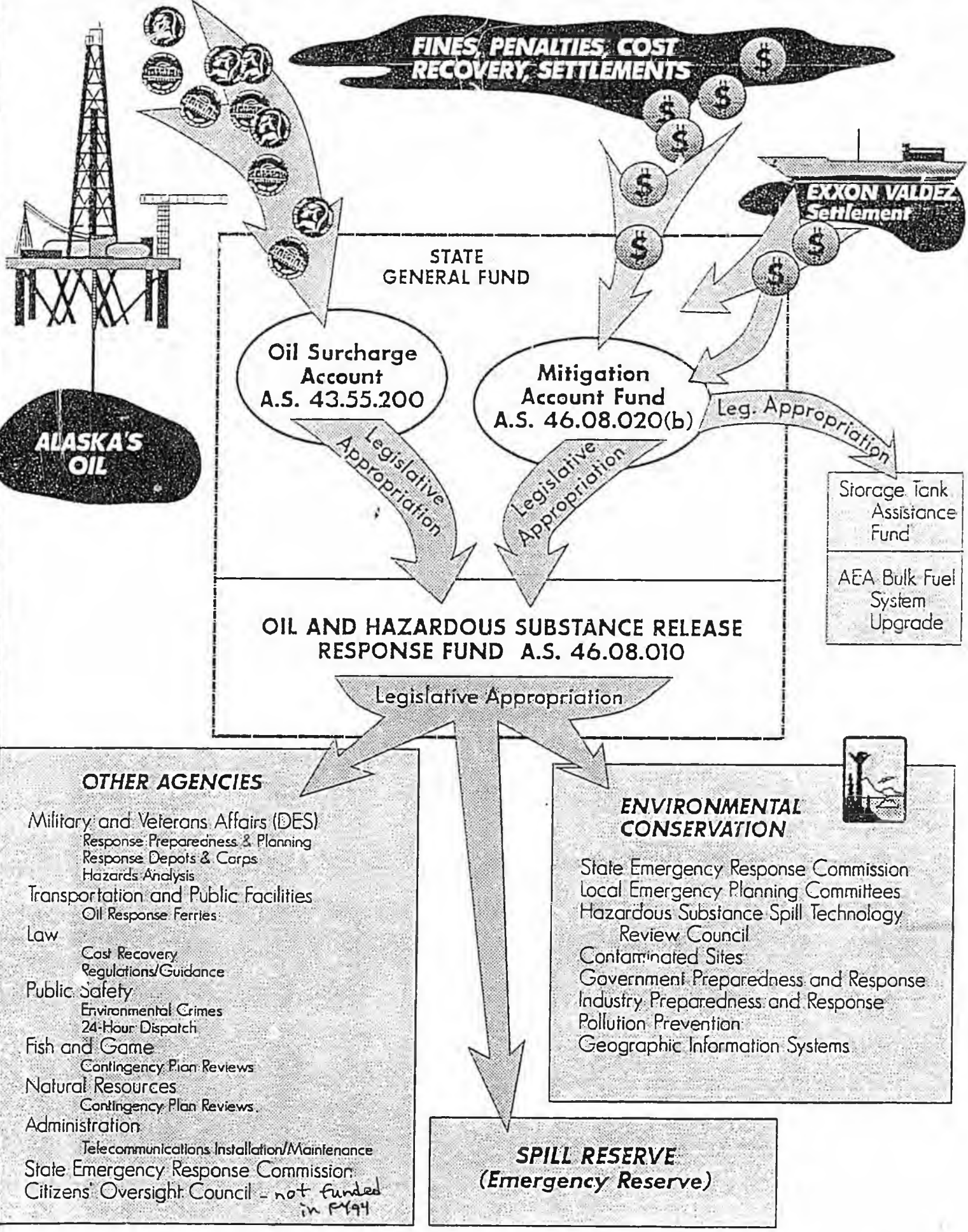
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### Petition for Protecting the Oil and Hazardous Substance Release Response Fund (470 Fund)

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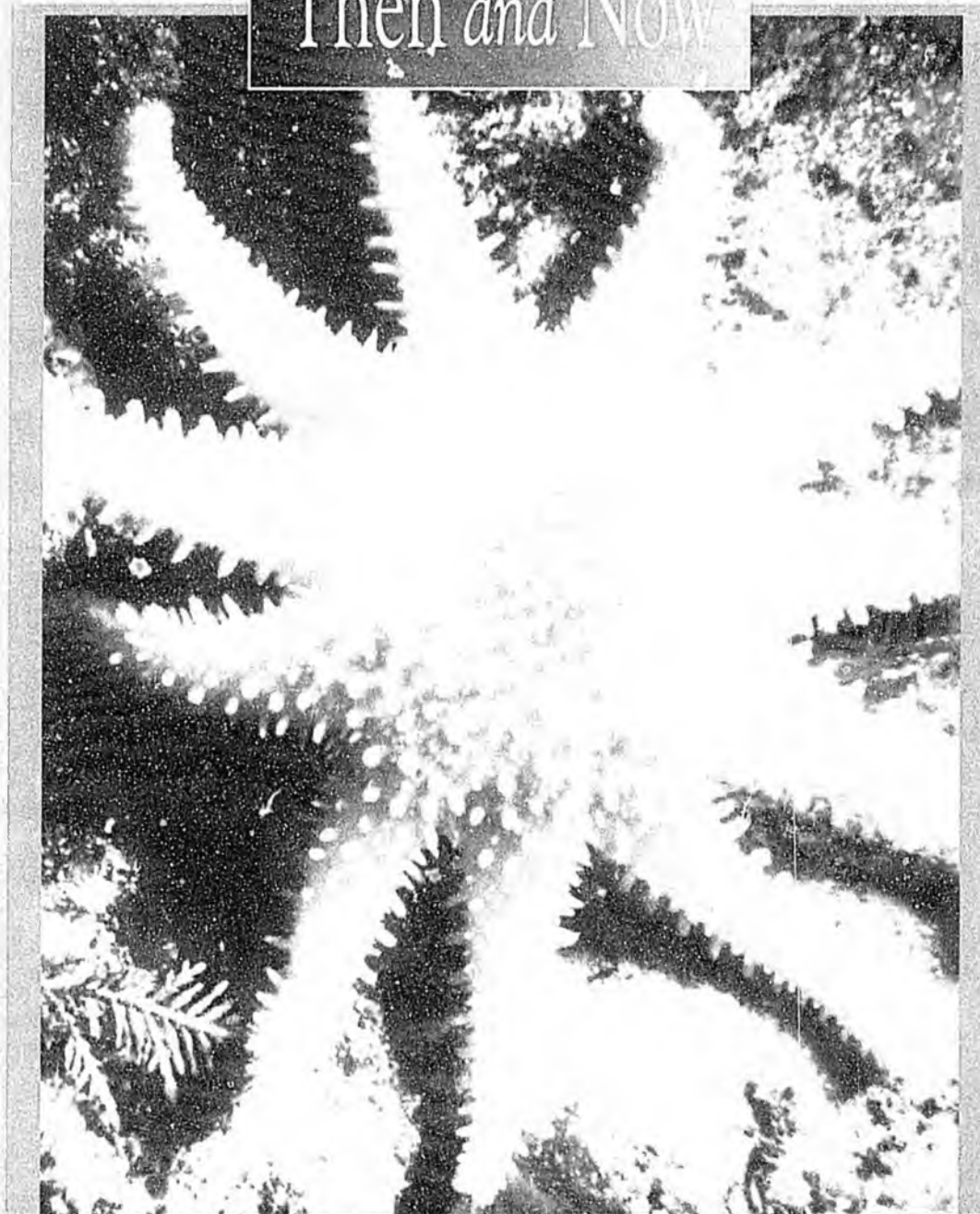
Name	Signature	Address	Phone
Pete Mickelson	<i>Pete Mickelson</i>	Box 255, Cordova	424-5111
Don Strickland	<i>Don Strickland</i>	Box 9304-D Palmer, AK	745-1260
Tim Kennedy	<i>Tim Kennedy</i>	Box 299 Cordova	424-3604
Sheela N. Mullins	<i>Sheela N. Mullins</i>	Box 136, Cordova	424-3664
STEVE L. COBB	<i>Steve L. Cobb</i>	Box 378, Cordova	424-7601
Heidi Babic	<i>Heidi Babic</i>	Box 1208 Cordova	424-7244
Jack Babic	<i>Jack Babic</i>	1208 CDU	424-7244
Robert Korobok	<i>Robert J. Korobok</i>	1126 CDU	424-7178
TRICIA A CARON	<i>Tricia A. Caron</i>	Box 1202 Homer, AK	235-5551
Mike Gundlach	<i>Mike J. Gundlach</i>	Box 1236 CDU	424-3871
Cindy Anletor	<i>Cindy Anletor</i>	Box 1795 CDU	7577
Heather McCarty	<i>Heather McCarty</i>	Box 2368 CDU	7885
Tony Hanner	<i>Tony Hanner</i>	Box 1034	7387
BENE DINE JANKARD JR	<i>Bene Dine Jankard 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

*Then and Now*



changes since the

Establishment of the

**Regional Citizens' Advisory Council**  
PRINCE WILLIAM SOUND

RCAC  
mission

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



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### Then and Now

THE EXXON VALDEZ OIL SPILL WAS not simply a freak accident. While Exxon as the spiller should be held fully accountable and responsible for the spill and its impacts, there were myriad other factors that allowed it to happen. The oil industry, government agencies, elected officials and, to some extent, the citizens of Alaska also share varying degrees of responsibility for conditions that allowed the spill to occur and failed to ensure prompt, effective cleanup.

The oil industry failed to maintain adequate prevention and response systems.

Regulatory agencies failed to protect public resources because of ineffective or inadequate monitoring, oversight and enforcement.

State and federal elected officials were unwilling to pass laws strong enough to protect the environment and give regulatory agencies the funds they

needed to protect public resources.

Most Alaskans simply weren't paying attention.

The Exxon Valdez oil spill was caused by the ship's master and crew. It could have been prevented by stronger prevention practices and vigilant government oversight. Once the spill occurred, better response planning could have lessened the impacts.

This publication provides an overview of how factors that led to the nation's worst oil spill have been addressed in the ensuing four years. Are the resources and communities of Prince William Sound and the Gulf of Alaska better protected from a major oil spill than they were four years ago? Can Alaskans now breathe easier?

The Regional Citizens' Advisory Council of Prince William Sound (RCAC) believes Prince William Sound and communities in the path of tanker traffic clearly are much better protected now. Yet, continued vigi-

lance is essential to ensure that protections aren't diluted and that gains are not lost as political memory dims.

Much has changed since 1989, mainly because of new and revised federal and state laws and regulations spurred by the *Exxon Valdez* oil spill. The goal of this publication is to provide the general public with information about many of the changes implemented, and some of the gaps that still remain, as a measure of how much the risk of major oil spills has been reduced.

This publication was produced by the RCAC, an independent non-profit organization formed after the *Exxon Valdez* oil spill to promote environmentally safe operation of the crude oil terminal in Valdez, Alaska, and the tankers it serves.

Under a contract with Alyeska Pipeline Service Company, RCAC monitors and advises Alyeska on terminal operations, spill prevention and

response planning, and other environmental issues. RCAC conducts independent research, monitors regulatory activity and advises tanker owners and operators, regulatory agencies and the public, on issues related to oil transportation and its environmental impacts.

RCAC's 18 member organizations include communities affected by the *Exxon Valdez* oil spill and interest groups with a stake in the affected region.

The federal Oil Pollution Act of 1990 requires an industry-funded citizens' advisory group for Prince William Sound; the RCAC is certified as the entity that meets the requirement.

The views expressed in this document are those of the RCAC, which is solely responsible for the content. \*

—June 23, 1993

Continued  
vigilance is  
essential to  
ensure that  
protections  
aren't diluted  
and that gains  
are not lost  
as political  
memory dims.

**H**ISTORICALLY, once oil is spilled on water it is never fully contained and recovered. Despite improvements in containment and cleanup technology, it has been virtually impossible to recover all the oil from a major spill, even in the most favorable conditions. Indeed, the best-laid response plans in the world are no guarantee that any spilled oil will be recovered since severe weather conditions can render even a good response plan useless.

The first line of defense must be prevention.

### VESSEL TRAFFIC SERVICE AND NAVIGATION

The U.S. Coast Guard's Vessel Traffic Service (VTS) system func-

tions as the waterway manager for major shipping including tankers traveling to and from the Valdez Marine Terminal. Numerous changes have been made to update and improve the system. These changes enhance the Coast Guard's ability to monitor and provide traffic advisories to inbound and outbound tankers from its Vessel Traffic Center in Valdez.

Radar coverage has been upgraded to provide better resolution in varying weather conditions and at an extended range.

The *Exxon Valdez* left the tanker lanes altogether to avoid ice. Now, if a vessel of 1,000 or more gross tons encounters ice, the one-way zone—which has always applied through the Valdez Narrows—is extended to Bligh Reef. The extended one-way zone allows a tanker to avoid ice by using any portion of the traffic separation scheme, without risk of collision with an on-coming vessel.

A third permanent position, watch supervisor, was added to the Vessel Traffic Center, to supervise the radar and radio watch standers. Qualifications and training for watch standers have also been upgraded and expanded.

Reporting and communica-



*Tanker positions are plotted every three minutes through the Valdez Narrows and every six minutes elsewhere.*

PHOTO BY SEAN REID • 1992

tions have been upgraded. New repeater towers installed by Alyeska allow better two-way communications between tankers and the Valdez Marine Terminal. Coast Guard personnel now track and plot tanker positions every three minutes while the tanker is in the Valdez Narrows and every six minutes elsewhere in the radar coverage area between the terminal and Bligh Reef. If a ship moves from one traffic lane into another, to avoid ice for example, fixes are taken every three minutes until the vessel re-enters its correct lane.

A new tracking system, to begin operating in mid-1994, will enable the Coast Guard to track tankers beyond Bligh Reef. The new system will give a visual display of all tankers between the terminal and approaches to Hinchinbrook Entrance. The new system will automatically transmit tanker position data, determined by a satellite-based global positioning system, back to the Vessel Traffic Center.

A fixed navigational aid tower has been installed on Bligh Reef. Studies required by federal law are

investigating additional navigation aids and the adequacy of tanker navigation safety standards.

#### Traffic lanes

Watch supervisor added

More radar coverage

Navigational aid—Bligh Reef

Tracking system (to come)

The *Exxon Valdez* was traveling, unaccompanied by an escort vessel, at 12 knots and accelerating when it approached icebergs northwest of Bligh Reef. Tankers now must be accompanied by escort vessels and must stay within one-half mile of the escorts. Alyeska limits the maximum speed of the escort vessels to 10 knots in Prince William Sound, thereby indirectly limiting the speed of the tanker, as well.

Since 1977, the U.S. Coast Guard has restricted laden tankers to a maximum speed of 6 knots through the Valdez Narrows. After a steering malfunction in 1992 on the tanker *Kenai*, Alyeska

ordered escort vessels to stay within one-quarter mile of the tanker through the Narrows.

In the past, tankers could request permission to deviate from the traffic lanes altogether. Tankers now must remain in the traffic lanes, although they may request Coast Guard permission to move from one lane to the other if circumstances warrant.



*The Braer goes down on the coast of Shetland, the victim of severe weather.*  
PHOTO BY SCOTT STERLING

Weather restrictions on tanker traffic were instituted after the *Exxon Valdez* oil spill. Now, the Coast Guard closes Port Valdez to tanker traffic if sustained winds are 40 knots or more. If sustained winds are between 30 and 40 knots, the Coast Guard requires

additional tugs through the Valdez Narrows: a total of two tugs for tankers up to 100,000 dead weight tonnage (DWT) and three tugs for tankers over 100,000 DWT. Alyeska suspends escorts altogether in sustained winds over 40 knots, because such weather would render spill response impractical, if not impossible. If escort vessels encounter such winds while under way, they normally proceed. In more severe weather conditions, escorts may turn back, but that occurs infrequently (see "Areas of concern").

While severe weather was not a factor in the grounding of the *Exxon Valdez*, it has been a factor in other major spills, most recently the *Braer* off Scotland's Shetland Islands. After the *Braer* incident, the Coast Guard Captain of the port in Valdez evaluated conditions at Hinchinbrook Entrance and instituted new weather restrictions there. Outbound laden tankers may not transit Hinchinbrook Entrance if sustained winds in the Gulf of Alaska are 60 knots or more, or if seas reach 15 feet or greater.

#### LANDING CREW

Until April 1989, signs of alcohol use did not prevent tanker crews

from returning to their vessels through the terminal. Under new alcohol screening procedures instituted by Alyeska, all tanker captains are given breath tests an hour before sailing. Crew members suspected of consuming alcohol are tested; any with blood alcohol content of .04 percent or greater are denied access to the terminal and their vessel.

A state-certified ship's pilot must be on board all tankers transiting between Bligh Reef and the terminal. A federally-licensed pilot or two licensed deck officers must be on watch on the bridge while the vessel is under way in Prince William Sound between Bligh Reef and Seal Rocks. Federal law also now limits the number of hours crew members may work, to reduce the risk of fatigue-induced accidents (see "Areas of concern").

#### TANKER ESCORTS

Spill prevention measures begin before a tanker leaves the terminal. State regulations now require that all tankers docked at the Valdez Marine Terminal be surrounded with containment boom while cargo is transferred.

The Coast Guard has always

required laden tankers to have one tug escort through the Valdez Narrows. Now, the State of Alaska requires each laden tanker to be accompanied to Hinchinbrook Entrance by at least two escort vessels. Up to two additional tugs may be required through the Valdez Narrows, depending on weather conditions and vessel size. Federal law, under the Oil Pollution Act, also requires two escort vessels in Prince William Sound. The Coast Guard is writing regulations to implement that requirement.

The escort vessels have two functions: to assist a tanker disabled or in trouble and to provide the first line of defense should a spill occur. At least one of the escorts is a spe-



*The Heritage Service escorts a laden outbound tanker.*

PHOTO COURTESY ALYESKA PIPELINE SERVICE CO. © 1989 DAVID PREDEGER

cially-fitted Escort Response Vessel, or ERV, equipped with containment boom, oil skimmers, a work boat deploy boom, storage capacity and trained crew. The second escort may be another ERV or a tug.

Since 1980, when the tanker *Prince William Sound* drifted powerless for approximately 17 hours, tankers calling at the terminal have carried towing packages to facilitate hook up with an escort vessel (see "Areas of concern").

One of the most important steps taken to prevent and reduce oil spills is the federal requirement that by 2015, all tankers in U.S. waters must have double hulls. Double hulls are to be phased in, with certain vessels to be converted or scrapped on schedules based on size and age of the vessel.

Double hulls are important because studies indicate that double hulls could have prevented five of the six major oil spills in Alaskan waters between 1975 and 1990. In the case of the *Exxon Valdez*, one study said a double hull could have reduced the amount of oil spilled by 60 to 80 percent.<sup>1</sup>

Double-hulled vessels existed

long before 1989, and more have been built since then. However, no double-hulled tankers are currently used in the trans-Alaska pipeline system (TAPS) trade. Most of the tankers calling at the terminal in Valdez were built in the 1970s. Approximately one-third of the tankers now coming to Valdez have double bottoms.<sup>2</sup> On three of the double-bottom tankers, the wing tanks are left empty, making them de facto double-hulled tankers.

The structural integrity of the tanker *Exxon Valdez* was not an issue in its grounding. However, in 1988, a report issued by the Coast Guard identified the TAPS trade fleet as disproportionately affected by structural failures. The problem was underscored in January 1989, when the tanker *Thompson Pass* spilled 71,000 gallons of crude oil at the terminal because of cracks in its hull. The Coast Guard now requires more stringent inspections of tankers vulnerable to structural failure.



[TOP] Citizens whose communities may be at risk from tanker traffic are represented on the Citizens' Advisory Council of Prince William Sound Regional. Pictured: Jim La Belle, Chugach Alaska Corp., and Lorry Evanoff, Chenega.

[BOTTOM] Cordova is one of 18 communities and interest groups that make up the Regional Citizens' Advisory Council of Prince William Sound.

PHOTO BY RICHARD NEWMAN

The Exxon Valdez oil spill generated a shift in the oil industry's attitude about the need to communicate with and involve local citizens in issues and decisions that affect their lives. That change in attitude was exemplified by former Alyeska President James Hermiller, who in

the summer of 1989, actively supported formation of a citizens' advisory group funded by Alyeska.

Citizens are involved in preventing and responding to oil spills through the RCAC. There is a similar citizens' group for Cook Inlet and another is forming among citizens of Northwest Alaska. The RCAC has 18 member organizations consisting of communities affected by the Exxon Valdez oil spill and other interest groups with a stake in the region.

The RCAC monitors terminal and tanker operations in the area impacted by the Exxon Valdez oil spill, conducts independent research and advises industry and government on ways to prevent oil spills and respond effectively if spills do occur. The RCAC is funded through a contract with Alyeska Pipeline Service Company. The RCAC, or a similar citizens' advisory group, is required by the federal Oil Pollution Act of 1990 (OPA 90) as a demonstration program that eventually may be applied in other U.S. ports.

Citizen advisory groups do not necessarily prevent complacency among the general public, but they can serve as an early warning system to alert industry, government

The Exxon Valdez oil spill generated a shift in the oil industry's attitude about the need to communicate with and involve local citizens.

ET

and the public of problem areas.

Prior to 1989 there was no mechanism, other than public hearings required by regulatory agencies, for citizens to advise the oil industry or otherwise speak directly on operations that affect their communities and livelihoods. Earlier attempts by Prince William Sound residents to give their input to oil industry representatives were generally met with negative responses.

Alyeska and others in the oil industry have become more sensitive to and communicate better with Alaskans in coastal communities, where residents' lives depend on the Sound's resources.

### MONITORING AND ENFORCEMENT

The Alaska Department of Environmental Conservation (ADEC) and the U.S. Coast Guard are the two agencies most directly responsible for oversight and monitoring of the Valdez Marine Terminal and oil tanker traffic. After the *Exxon Valdez* oil spill, both agencies were criticized for failing to either implement or enforce

adequate prevention measures.

Changes have been made in both agencies.

At the state level, the *Exxon Valdez* oil spill focused public and political attention on the need for ADEC to have the authority and funding to monitor and oversee terminal and tanker operations, programs which had been under-funded through the late 1970s and '80s.

After 1989, state funding increased significantly for spill drills, review and approval of contingency plans, and facility and vessel inspections. Oil-related functions were consolidated into one division, called Spill Prevention and Response (SPAR). State legislation passed in 1990 provided the authority, resources and funding that ADEC needed to effectively monitor and oversee industry operations and implement spill prevention and response programs.

ADEC now has the authority, which it didn't have before, to require and enforce prevention measures as a condition for approval of contingency plans. Those measures include more training, more equipment, more inspection and maintenance of equipment, better record-keeping

**FAST ALASKAN:** Giant hairy Urch was downed at National Championships. Sports, C-1

**EXXON VALDEZ SPILL**

- More photos of the spill. A-6
- Marine life in danger. A-7
- Map of the spill. Back Page

# Anchorage Daily News

## Crude oil fouls Sound



**Oil officials react slowly to disaster**

**Tanker spill is largest ever in U.S.**

**MAJOR U.S. OIL SPILL (NEWS)**

**Governor says he won't run for re-election**

*The Exxon Valdez oil spill focused public and political attention on the need for better monitoring and oversight.*

Progress by the state appears to be woefully short-lived, since ADEC is under attack again and many of the gains made are now at risk.

and specific requirements for laden tankers.

However, the progress appears to be woefully short-lived, since ADEC is under attack again and many of the gains made are now at risk (see "Areas of concern").

The Coast Guard is the federal agency most affected by the Exxon Valdez. As a result of the problems

that emerged from the spill, the Coast Guard has a more direct role in spill prevention and response and much greater regulatory oversight of the oil transportation industry. It is responsible for implementing most of the new prevention measures required by the Oil Pollution Act of 1990 (OPA 90). ★

**P**REVENTION measures reduce the incidence and sometimes the severity of oil spills. But until prevention efforts become fail safe, the industry, regulatory agencies and the public must be prepared to respond to spills that do occur. Oil transportation poses risks to the environment. It is incumbent upon those who handle and carry crude oil, as well as regulatory agencies and the public, to make sure that spilled oil is contained and recovered to the greatest extent humanly possible.

The speed and effectiveness of responding to an oil spill hinge on the availability of equipment, resources and trained personnel. Ultimately, responding to a spill depends on planning, preparation and favorable weather.

Anyone who handles or transports crude oil or refined product is a potential spiller. Potential spillers cannot operate without an approved contingency plan for preventing and responding to a spill. What's in the plan and provisions

for drills, training, acquisition of equipment, etc. is determined by state and federal laws and regulations. Requirements vary based on type of vessel or facility, location, and amount and type of cargo carried or handled.

Contingency plans were required before. But since 1989, state and federal agencies have expanded plan requirements and changed some of the assumptions. Those who must have contingency plans to operate—called “plan holders”—must provide greater assurances that personnel are being trained, that equipment and resources are available and can be mobilized quickly, and that all players have practiced their roles in preparation for an actual spill.

The size of spill assumed in a response plan makes a tremendous difference in the resources and equipment that must be available. Alyeska's 1987 contingency plan, approved by the state, said it was highly unlikely that a spill of 8.4 million gallons (three-quarters the size of the *Exxon Valdez* spill) would occur and reasoned that “Catastrophic events of this nature

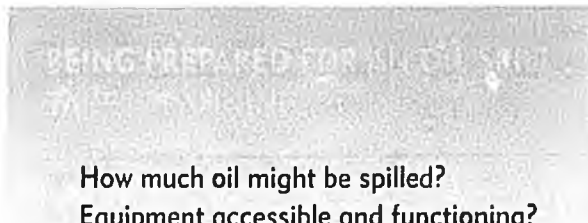
are further reduced because the majority of tankers calling on Port Valdez are of American registry and all of these are piloted by licensed masters or pilots."<sup>3</sup>

Both state and federal law now require planning for larger potential spills than in the past, and require more spill response equipment to be immediately available.

Plan holders must have enough equipment immediately available to deal with a spill of 300,000 barrels of oil within 72 hours. Plan holders must also plan for a much larger spill based on a complicated formula that includes credit for prevention measures.

As the consortium that operates the trans-Alaska pipeline and terminal for its seven owner companies, Alyeska is the plan holder for spills on the pipeline and at the terminal. In Prince William Sound, the tanker owner or operator would be the actual spiller and therefore ultimately responsible, but Alyeska is charged by the State of Alaska with providing the initial response. Federal law requires the tanker operator to submit vessel response plans, but the vessel operator may contract with Alyeska.

Tanker owners and operators must have their own approved



- How much oil might be spilled?
- Equipment accessible and functioning?
- Who will do what?
- Is everybody trained?
- Fishing vessels on contract to help out?
- Who's in charge?

contingency plans, but state law requires them to contract with Alyeska to provide the initial response described in their plans. Under these contracts, Alyeska manages the spill response for up to the first 72 hours after a spill. After that, it may transfer management of the response to the spiller, so long as the U.S. Coast Guard and the Alaska Department of Environmental Conservation agree that the spiller or its representative is ready to take over.



*Alyeska's escort response vessels are equipped to respond quickly if a spill occurs.* PHOTO © SEAN REID



*Fishing vessel tows boom during a spill drill. Local fishermen demonstrated in 1989 that they could be effective components of spill response.*

PHOTO COURTESY ALYESKA PIPELINE SERVICE CO. © RANDY BRANDON

#### UNUSUAL REPLY

The first three days after the Exxon Valdez oil spill afforded nearly ideal weather for oil recovery. Seas and winds were calm. But the equipment wasn't ready. Seventeen hours after the grounding, neither the leading edge of the spill nor the grounded tanker had been boomed and the few skimmers on-scene were operating ineffectively. Two hours later, skimming was forced to stop, pending arrival of more storage capacity. Throughout the first few days, debate raged about use of dispersants.<sup>4</sup> Exxon argued for widespread dispersant use, yet didn't have either enough dispersant or the equipment to do the job.

The situation now is quite different. Prince William Sound is home to Alyeska's Ship Escort and Response Vessel System (SERVS), among the top oil spill response forces in the world.

SERVS has two functions: to assist tankers in safe navigation through Prince William Sound and respond to a tanker problem or spill. The escort side of SERVS' fleet consists of five escort response vessels (ERVs) and three tugs. The ERVs are equipped to

tow or assist tankers, carry spill response equipment and contain, recover and store oil. The escort vessels stay within one-half mile of the laden tanker and maintain radio communication with the tanker bridge until the tanker reaches Seal Rocks, outside Hinchinbrook Entrance.

Trained response crews are on duty around the clock and a response fleet is on standby alert whenever a laden tanker is transiting the Sound. SERVS employs approximately 200 trained personnel; another 60 people comprise Alyeska's crisis management team.

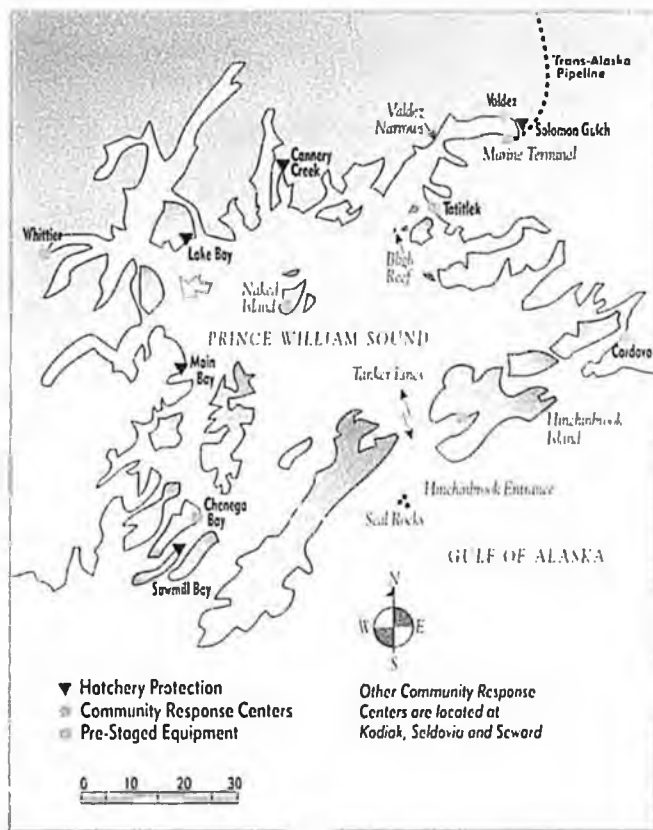
Four task forces, each with a trained crew and a large barge with two skimming systems on-board, are stationed at three sites: one each at Naked Island and Cape Hinchinbrook and two in Port Valdez. SERVS' response resources include 33 miles of containment boom, 37 high-volume skimming systems, barges to receive recovered oil and water mixture, and equipment to pump and transfer oil-water mix. Equipment is tested in drills and exercises, to reduce the chances of confusion and surprises in an actual incident.

Local fishing vessels are part

*Alyeska has pre-positioned spill response equipment at hatcheries, community response centers and other sites in Prince William Sound. Community Response Centers are also set up in Kodiak, Seldovia and Seward.*

<b>OIL SPILL</b>	✓ Equipment stockpiled & ready
	✓ Drills & exercises held regularly
	✓ Fishing vessels organized
	✓ Management structure clear
<b>WEAK OR UNCERTAIN AREAS:</b>	X Storage for recovered oil
	X Response outside Sound

of Alyeska's planned response to a tanker spill. Private vessels are used, among other things, to transport response equipment, deploy and tend boom, and mobilize pre-staged equipment to protect fish hatcheries. Alyeska has provided comprehensive response training to about 35 fishing boats and their crews. Another 300-plus



fishing boats and their crews have undergone training in basic response. The fishing vessels, based in communities in Prince William Sound, the Kenai Peninsula and Kodiak Island, are under contract with Alyeska to respond according to a pre-determined call-out procedure.

Spill containment and removal equipment is stockpiled at five fish hatcheries in Prince William Sound. Five community response centers also have been established in Prince William Sound, at Chenega, Cordova, Tatitlek, Whittier and Valdez. Three other centers have been established in Kodiak, Seldovia and Seward. Each center is responsible for coordinating emergency responses, manpower and equipment. Spill response equipment is pre-positioned at the five community response centers in Prince William Sound, and at Naked Island and Port Etches.

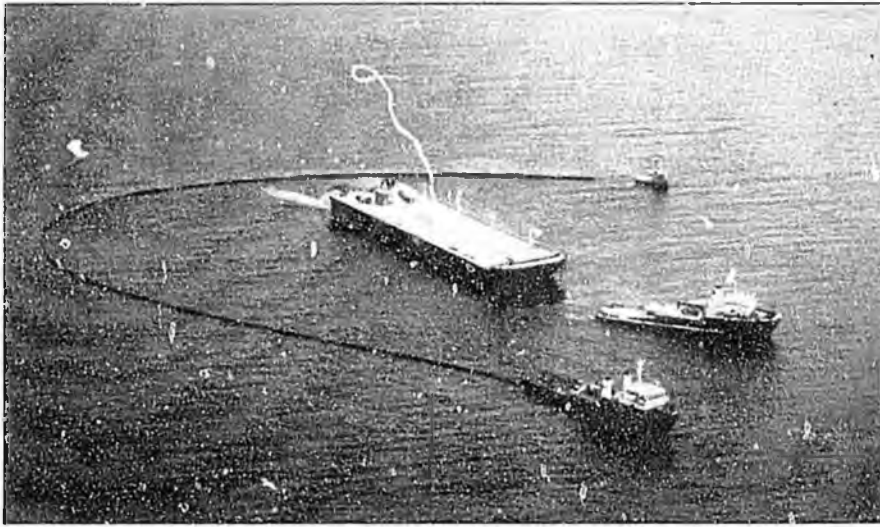
Two airborne dispersant delivery systems are maintained at Anchorage International Airport, for rapid mobilization if dispersant use is approved.

Storage capacity for recovered oil was a problem in the 1989 recovery effort. Boats would pick up the emulsified oil, only to find

there was nowhere to put it. Alyeska now maintains storage capacity, much of it on barges, for nearly 20 million gallons of recovered oil and water mixture (see "Areas of concern").

Spill drills enable response personnel to become knowledgeable and proficient in the strengths and weaknesses of equipment and procedures. Major, all-systems drills are conducted twice a year, as required by the state and the Coast Guard. These major drills include state and federal agencies, fishing vessels, tanker owners and operators and the RCAC. In 1992, Alyeska conducted nine drills at the terminal, including two surprise drills. Smaller equipment exercises are held much more frequently, often on a weekly basis.

An important aspect of spill response implemented since 1989 is use of the National Interagency Incident Management System (NIIMS), an incident command system (ICS) first developed by fire fighters in California to coordinate management, resources and roles during an emergency response.



*Practice—a tanker is surrounded by boom during a major spill drill.*

PHOTO BY DENNIS HARDING  
CHEVRON CORP

This ICS integrates the party responsible for the spill, the State of Alaska and the Coast Guard in a unified command structure that expands according to need. It also establishes a pre-determined decision-making process and a common language that significantly reduces confusion and misunderstandings among personnel from different organizations. The ICS structure has been adapted by industry and government agencies to define and coordinate their roles and responsibilities in the event of a spill. The ICS structure has been tested and practiced extensively in drills.

Other requirements added since 1989 put more emphasis on shoreline protection, identification

of sensitive areas such as hatcheries, and wildlife protection. A new term was coined – Nearshore Response – to describe the effort to protect shorelines threatened by spilled oil that has escaped initial containment.

Nearshore response is a major component of spill response, in which local personnel, knowledge and resources can be used to protect critical resources and shorelines. Industry groups, RCAC and regulatory agencies have worked cooperatively to develop nearshore response plans. The nearshore response plan for Prince William Sound appears strong, but strategies for implementing it still need to be developed (see "Areas of concern").



One of the jobs of the RCAC is to monitor the adequacy of spill response. From left, Kristin Stahl-Johnson, John Herschleb and Ann Rothe get briefed at the Valdez Marine Terminal.

PHOTO | SEAN REID

### STATE RESPONSE TO OIL SPILLS

After the *Exxon Valdez* oil spill, an existing spill response fund was expanded to ensure that reserves would be available to respond to a major oil spill and provide a long-term funding source for the state's spill prevention and response programs. The money for this expanded role comes from a five-cent conservation surcharge on every barrel of oil produced in Alaska. The surcharge ceases when the fund reaches \$50 million.

One of the projects to be paid for from the fund is a volunteer response corps and emergency response depots to ensure prompt response in the event of another major spill. However, little progress has been made to set them up (see "Areas of concern").

### LOCAL EFFORTS TO PREVENT

To ensure that money will be available to pay for responding to and cleaning up a major spill, the federal Oil Pollution Act required

establishment of a \$1 billion oil spill liability trust fund, funded by the oil industry.

The Oil Pollution Act strengthened federal authority to order spill cleanup action and requires the Coast Guard to direct spill response actions when any spill poses a risk to public health or safety. It also provides tougher criminal penalties and higher civil penalties for the spiller.

### CITIZEN PARTICIPATION

Local citizens are involved in actual spill response and drills in several different ways. One of the jobs of the RCAC is to monitor the adequacy of spill response. RCAC representatives convey local concerns, advice and observations to response officials and help communicate developments in the response effort to local communities. \*

## Areas Of Concern

### SPILL BACKSTOP

**P**ROGRESS made by the State of Alaska since 1989 is in jeopardy. ADEC's ability to implement monitoring, oversight, prevention and response is being hobbled by a legislature and administration sympathetic to oil industry concerns.

Much of the state's spill prevention and response efforts are funded by a nickel-per-barrel conservation surcharge on oil producers. The surcharge was instituted after the *Exxon Valdez* spill, in part to ensure a long-term funding source for the state's spill prevention and response programs and to set aside a reserve for use in case of a future spill. The surcharge is levied only until the fund reaches \$50 million. But continuous draws from the fund by the legislature have kept it from reaching that level, requiring the industry to keep paying into it.

Questionable legislative appropriations from the fund—to pay for a new state ferry, for example—have fueled efforts to narrow how the fund can be used. In the 1993

legislative session, oil industry lobbyists attempted to restrict the fund to actual spill response. Though unsuccessful in 1993, those efforts are expected to continue in 1994.

While the bill didn't pass, the message was not lost on the legislature. Most of the Fiscal Year 1994 budget cuts made in ADEC's Spill Prevention and Response Division (SPAR) are projects and programs paid for out of that fund. The result will be significant delays in programs designed to mitigate environmental impacts of terminal operations, prevent another major spill and improve response should oil spills occur. By reducing those programs, the legislature ensured that the fund will reach its \$50 million cap sooner, resulting in less industry taxes.

### IMPERIAL STATE'S BUDGET ADJUSTS

Separate from political pressure on the response fund, there have been staffing and organizational problems. Positions in ADEC's Spill Prevention and Response (SPAR) Division have gone unfilled. As of

Progress  
made by the  
State of Alaska  
since 1989  
is in  
jeopardy.

A tanker disabled at the narrowest portion of the Narrows could hit the rocks in less than 10 minutes.

June 1992, 16 positions were vacant or unfilled, representing about 18 percent of the division's total staff.<sup>5</sup>

Between 1989 and 1992, the legislature appropriated nearly \$10 million from the spill response fund to establish a volunteer response corps and emergency depots. Yet little progress has been made to set it up and much of the funding has lapsed because it wasn't spent.<sup>6</sup>

Although all laden oil tankers coming into Prince William Sound must carry special towing equipment, there is significant disparity in how the towing equipment is stowed. Stowage affects how quickly the equipment can be deployed. On some tankers, towing equipment can be deployed in 15 minutes or less with a deck crew of two. On others, however, deployment would take a crew of eight at least one hour, with power, and at least three hours, without power.

Although not currently a federal requirement, emergency towing equipment is being proposed under rules to implement provisions of OPA 90.

Efficient towing packages are

only part of the solution. Any towing package would be of questionable value to a tanker that loses power in the Valdez Narrows, where the navigable water shrinks to a width of 0.5 nautical mile. A tanker disabled at the narrowest portion of the Narrows could hit the rocks in less than 10 minutes. Averting a grounding in that situation would depend on the escort tug's ability to push or pull the tanker away from the rocks. It is not clear that the assist tugs and ERVs now being used in the Narrows are capable of doing so.

A study co-sponsored by the RCAC, industry groups and regulatory agencies is investigating the adequacy of current towing practices and equipment, and escort vessel deployment. The study is expected to be completed by the end of 1993.

At the center of the issue is whether the more-maneuverable tractor tugs should be required in Prince William Sound. Unlike conventional tugs, tractor tugs could be more safely attached to a tanker before it enters the Narrows. The study findings will be considered by the Coast Guard when it develops federal regulations on escort requirements.

## LEVEL OF RELIABLE WEATHER DATA

Lack of information about weather conditions in Prince William Sound and Hinchinbrook Entrance is a problem. Because of wind patterns and local topography, readings from the wind measuring station at Potato Point are not always a reliable gauge of actual conditions. Inadequate reporting stations through the Sound mean that frequently the only information available about wind and sea conditions is from a vessel already under way.

The problem is lack of funding. During the *Exxon Valdez* oil spill cleanup, the National Oceanic and Atmospheric Administration (NOAA) temporarily placed reporting stations at numerous sites in Prince William Sound, but later removed them. The Coast Guard has requested NOAA install weather stations at various locations in Prince William Sound to provide real time weather information to aid in better vessel traffic management.

## OVERWORKED TANKER CREW MEMBERS

While federal law now limits the work hours of tanker crews, ques-

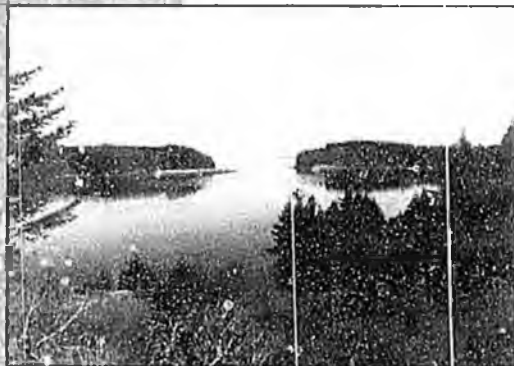
tions about other human factors have yet to be answered. Meanwhile, the U.S. Congress has yet to ratify international protocols for crew certification and training, even though such protocols would improve the safety and technical training of crews on foreign vessels calling at U.S. ports.

Issues such as the adequacy, qualifications and training of crews are to be addressed in a U.S. Coast Guard study of tanker navigation safety standards. The study is expected to be released in 1995. Minimum requirements for pilots also need to be re-evaluated; that issue will also be addressed in a Coast Guard study.

**Coast Guard given more  
authority & responsibility  
ADEC given more  
authority and funding  
Citizens have a voice**

### PROBLEM AREAS:

- X State politicians cutting back on spill programs
- X Transfer of spill response to spiller (criteria vague)



*Kodiak—Oil from the Exxon Valdez hit the beaches but little has been done to assess the need there for response resources.*

### ADDITIONAL NEARSHORE RESPONSE

The nearshore response plan for Prince William Sound is good, but more work needs to be done to implement and test it. Strategies must be developed, equipment must be tested and personnel trained and drilled. The nearshore response plans are expected to be addressed more fully in future major drills, beginning in fall 1993.

RCAC continues to be concerned about the adequacy of response capabilities and preparation outside Prince William Sound. Oil from the *Exxon Valdez* washed up on the beaches of Kodiak Island and the southern Kenai Peninsula, yet little has been done to assess the needs of those areas or provide them with response resources. There are no specific detailed plans describing what resources and equipment will be provided, where they will come from, and how they will be transported to the region within the time period required.

RCAC is also concerned about whether the storage capacity outlined in Alyeska's contingency plan will be sufficient to meet actual needs in the event of a spill.

This is especially critical for nearshore response. Available storage capacity affects recovery of spilled oil, because skimming can proceed only so long as there is somewhere to store the recovered oil and water.

### BY WHOSE RESPONSIBILITY?

Under its state-required contingency plan for tanker spills in Prince William Sound, Alyeska may transfer management of a spill response to the actual spiller, i.e., the vessel owner or operator. The transfer of spill management from Alyeska to the spiller must be approved by the Department of Environmental Conservation (DEC) and the U.S. Coast Guard.

However, RCAC has several concerns about the transition of response management. The criteria used to determine whether the responsible party is capable of managing the response are vague. Also vague are the criteria for determining whether the responsible party is financially able to respond. RCAC also questions whether responsible parties have the experience and training to take over in the middle of a crisis. ★

## Conclusion

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**R**CAC believes Prince William Sound is better protected from major oil spills and better prepared for an effective initial response should a spill occur. Important steps have been taken to prevent oil spills from occurring. Crews are better trained and monitored. Masters are held to more stringent requirements. Measures have been instituted to increase chances of safe passage and reduce the possibility of accidents.

Several important prevention measures, such as double hulls on tankers and a study of human factors in tanker operations, will take time to implement. Getting laws on the books is only the first step and the federal rulemaking process is slow. Many of the actual requirements and specific decisions have yet to be clarified and formalized in final regulations. Laws that appear strong when enacted can be weakened through vague regulations and inadequate funding. Laws must be implemented through clear, strong regulations and enforced by committed agencies that are given the funding necessary to monitor, oversee and enforce compliance.

Yet, industry and regulators are actively demonstrating the importance of learning from experience. During 1993, the Coast Guard and Alyeska's SERVS division instituted safety changes in response to potential problems that came to light from the *Braer* spill in Shetland and the *Kenai* incident in 1992.

Response capabilities in Prince William Sound have improved dramatically. Alyeska, through its SERVS division, has done an excellent job of acquiring, stockpiling, testing and drilling spill response equipment and training personnel.

The fact that there is room for improvement in some areas should not detract from the very substantial overall progress that has been made by both industry and regulatory agencies.

In the face of such progress, it is all the more alarming to see the State of Alaska backing off its commitment to oil spill prevention and response. Alaskans who care about the safe transportation of oil and environmental protection must defend ground gained since 1989, continue to monitor implementation of new laws, strengthen weak areas and close gaps that remain. ★

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