

SJR

46



U. S. Department
of Transportation

Alaskan
Region

222 W. Seventh Avenue
Anchorage, Alaska
99513-7587

Federal Aviation
Administration

February 18, 1994

Mr. Gene Burden
Tesoro Alaska Petroleum Co
3230 C Street
Anchorage, Alaska 99503

Dear Mr. Burden:

The enclosed flyer is a sample of one we designed to distribute at the aviation safety seminars the Federal Aviation Administration sponsors around the state. We feel it is necessary to have some type of a long term education program on the blue fuel issue.

Please feel free to reproduce and distribute it as you see fit. If you are interested in developing a joint effort to address the safety concerns, please feel free to call upon Bill Missal or me.

Sincerely,

Joette Storm

Joette Storm
Public Affairs Officer

FUEL ALERT

**SOME DIESEL FUELS AND
KEROSENE HOME HEATING
PRODUCTS ARE BEING TREATED
WITH DYE WHICH PRODUCES
COLORS SIMILAR TO AVIATION
GASOLINES.**

When dyed, colors may range from light blue, green or red, through purple or black depending on the fuel and the dye added.

THE FAA IS CONCERNED THAT THESE FUELS MAY BE MISTAKEN FOR AVIATION GASOLINE, ESPECIALLY WHEN STORED IN SMALL CONTAINERS.

PILOTS ARE CAUTIONED TO USE APPROPRIATE IDENTIFICATION PROCEDURES TO ENSURE THAT PROPER FUEL IS BEING USED IN AIRCRAFT.

FUEL ALERT

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. SJR 46

Revision Date: February 22, 1994 Dept. Affected: None
 Title: "Requesting the United States Congress to BRU: n/a
Provide a Waiver for nontaxable diesel fuel sold in AK" Component: n/a
 Sponsor: Senator Halford, Pearce, Jacko, Donley, Taylor, et al.
 Requestor: Senate State Affairs Committee COMPONENT SERIAL NO. ---

Expenditures/Revenues (Thousands of Dollars)

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

FUND SOURCE (Thousands of Dollars)

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

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

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Portia Babcock, Committee Aide Phono: 465-4522
 Division: Senate State Affairs Committee Date: February 22, 1994
 Approved by: Senator Loren Leman, Chair Date: February 22, 1994
 Agency: Senate State Affairs Committee

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8-LS1714AE ✓
Cook
3/2/94

CS FOR SENATE JOINT RESOLUTION NO. 46()
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): SENATORS HALFORD, Pearce, Jacko, Donley, Taylor, Phillips, Kelly, Frank, Lincoln, Little, Kerttula, Miller

A RESOLUTION

1 Requesting the United States Congress to provide a waiver for nontaxable diesel
2 fuel sold in Alaska from the requirement that it contain a dye additive.

3 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

4 WHEREAS the Omnibus Budget Reconciliation Act of 1993 changed the point of
5 collection of the federal highway tax and, effective January 1, 1994, requires dyeing of diesel
6 fuel that is exempt from the federal diesel fuel tax; and

7 WHEREAS a regulation of the Internal Revenue Service requires dye to be added to
8 nontaxable diesel fuel in the state; and

9 WHEREAS the use of diesel fuel for taxable purposes in Alaska is substantially below
10 that used in the rest of the United States; the State of Alaska has determined that less than five
11 percent of all diesel fuel sold in the state is sold for taxable purposes for use in on-road
12 vehicles and recreational boats, which means that 95 percent of the diesel fuel in Alaska will
13 have to be dyed; and

14 WHEREAS compliance with the requirement imposes a special hardship in rural
15 Alaska in that the ability to meet the requirement in some rural areas is threatened due to the
16 logistical limitations of available tankage and controls; and

1 **WHEREAS** in a state in which there is a high per capita usage of private aircraft, the
2 dye requirement poses a particular problem for private aircraft users in that the dyed diesel
3 is very similar in color to one or more fuels, which could lead to inadvertent mixing or
4 substitution of fuels and increases the probability of improper fuel handling and potential for
5 accidents, serious bodily injury, or death; and

6 **WHEREAS** the Federal Aviation Administration is very concerned about these serious
7 public health issues and associated safety risks: and

8 **WHEREAS** the penalties for failure to comply with this legislation can be very high;
9 and

10 **WHEREAS** there is no indication of any tax fraud in the state related to the improper
11 use of nontaxable fuel for taxable purposes;

12 **BE IT RESOLVED** that the Alaska State Legislature urges the United States Congress
13 to take appropriate action to assure the elimination of the safety threats imposed by the current
14 requirement that nontaxable diesel fuel offered for sale in Alaska be dyed by providing a
15 waiver of the requirement.

16 **COPIES** of this resolution shall be sent to the Honorable Al Gore, Jr., Vice-President
17 of the United States and President of the U.S. Senate; the Honorable Robert C. Byrd, President
18 Pro Tempore of the U.S. Senate; the Honorable Thomas S. Foley, Speaker of the U.S. House
19 of Representatives; the Honorable Lloyd Bentsen, Secretary of Treasury; and to the Honorable
20 Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don
21 Young, U.S. Representative. members of the Alaska delegation in Congress.