

**SB**

**273**

**HFIN**

**FILE**

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: April 26, 2000

FURTHER REFERRALS:

Date of Committee Action: 4/28/00

The FINANCE Committee considered:

CSSB 273(RLS)(title am)

CS FOR SENATE BILL NO. 273(RLS)(title am)

OIL SPILL RESPONSE; NONTANK VESSELS & RR

"An Act regarding oil discharge prevention, and relating to contingency plans and proof of financial responsibility for all self-propelled nontank vessels exceeding 400 gross registered tonnage and for railroad tank cars; authorizing inspection of nontank vessels and trains; and providing for an effective date."

recommends it be replaced with the following committee substitute HCS CSSB 273 (WTR)  the same title  a new title

additional referral to \_\_\_\_\_ Committee

attached amendment(s)

ADOPTS: \_\_\_\_\_ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): \_\_\_\_\_ (Dept)

APPROVES PREVIOUS: \_\_\_\_\_ (Dept/Date)

fiscal note(s) \_\_\_\_\_

fiscal note(s) Senate Dled 4-17-00  
House JEC 4-26-00

zero fiscal note(s) \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
<u>Gene Therriault</u>	Therriault	X			
<u>Al Mulder</u>	Mulder	X			
<u>Tom Bunde</u>	Bunde			✓	
<u>Allen Austerman</u>	Austerman	X			
<u>John Davis</u>	Davis			X	
<u>W. Grossendorf</u>	Grossendorf			X	
<u>Tom Davis</u>	Davis			X	
<u>W.K. Williams</u>	Williams	X			
<u>Paul Phillips</u>	Phillips	✓			
<u>Bob Foster</u>	Foster	X			

CHAIR'S SIGNATURE Gene Therriault  
Al Mulder  
 Co Therriault Mulder

# FISCAL NOTE

Bill Version: HCSCSB 273 (RES)

(H) Publish Date: 4/17/00

**STATE OF ALASKA  
2000 LEGISLATIVE SESSION**

Revision Date/Time (Note if correction) 04/13/2000

Dept. Affect: DCED

Title Spill response legislation

BRU ARRC

Component \_\_\_\_\_

Sponsor Senator Drue Pearce

Requester \_\_\_\_\_

Component No. \_\_\_\_\_

**Expenditures/Revenues**

Thousands of Dollars

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel						
Contractual		1,650.0	750.0	750.0	750.0	750.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>1,650.0</b>	<b>750.0</b>	<b>750.0</b>	<b>750.0</b>	<b>750.0</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE**

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Railroad		1,650.0	750.0	750.0	750.0	750.0
<b>TOTAL</b>	<b>0.0</b>	<b>1,650.0</b>	<b>750.0</b>	<b>750.0</b>	<b>750.0</b>	<b>750.0</b>

Estimate of any current year (FY2000) cost:

0.0

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

Information attached outlines ARRC's proof of financial responsibility and provides estimates for oil discharge, prevention and contingency plans.

Prepared by: Wendy Lindskoog

Phone 265-2498

Division ARRC

Date/Time 4/13/00 9:53 AM

Approved by Commissioner [Signature]

Date 4/13

Agency \_\_\_\_\_

**COMMITTEE COPY**

PREPARED TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information, call the Governor's Legislative Office

SB 273: By Senator Drue Pearce

#### Alaska Railroad Corporation Financial Responsibility:

Over the last several years, the Alaska Railroad corporation has had in place two \$10,000,000 lines of credit. One to meet self insurance requirements and one to meet operational requirements. These credit lines are with two separate national banks. They are currently for one year and are renewable annually. At this time, the lines of credit are whole and have not been drawn on.

The proposed legislation would require the Alaska Railroad to have proof of financial responsibility to respond to damages of approximately \$5,450,000. This amount is derived from a maximum of 100 tank cars per train, multiplied by 545 barrels per tank car, multiplied by \$100 per barrel. Typically, an Alaska Railroad fuel train pulls approximately 50 car loads of fuel.

It is the railroad's intent to use a portion of an existing line of credit as proof of financial ability.

The Alaska Railroad also estimates the following cost for oil discharge prevention and contingency plans:

- 1) Contingency plan development: \$250,000  
Includes mapping, environmental assessment, response needs (personnel and equipment), public involvement, agency review
- 2) Risk assessment: \$400,000  
Includes risk assessment and recommendations by consultants and public review
- 3) Contingency plan implementation: \$1,000,000 - first year, \$750,000 - subsequent years  
Assumes cost of equipment, personnel, training, drills annually

# FISCAL NOTE

No: 4

Bill ~~Number~~ Session: HCSCSSB 273 (WTR)

(H) Publish Date: 4/26/00

**STATE OF ALASKA  
2000 LEGISLATIVE SESSION**

Revision Date/Time (Note if correction) 04/27/00 10:40 AM Dept. Affected: Environmental Conservation  
 Title "An Act requiring oil discharge prevention BRU Spill Prevention & Response  
and contingency plans...for non-tank vessels and railroad..." Component Industry Preparedness & Pipeline Program  
 Sponsor Senator Pearce  
 Requester World Trade and State/Federal Relations. Component No. 1922

**Expenditures/Revenues (Thousands of Dollars)**

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	54.9					
Travel	18.6					
Contractual	125.4					
Supplies	1.6					
Equipment	0.0					
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>200.5</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						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type) 1052 Oil/Haz FD	200.5					
<b>TOTAL</b>	<b>200.5</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 (FY2000) cost: 0.0

**POSITIONS**

Full-time	0	0	0	0	0	0
Part-time	0	0	0	0	0	0
Temporary	1	0	0	0	0	0

**ANALYSIS: (Attach a separate page if necessary)**

**Fiscal Impact:** One non perm Environmental Specialist III (shown in the temporary category above) in Juneau, will initially assist with the Task Force on Motorized Oil Transport and will establish the policies and procedures for receiving and reviewing financial responsibility documentation, maintaining the associated database, and issuing certificates of financial responsibility for nontank vessels and the railroad. The Alaska Department of Environmental Conservation is tasked with managing, participating in, and staffing a Task Force on Motorized Oil Transport. The task force is directed to meet as frequently as needed to prepare a report to the Twenty-Second Alaska State Legislature. Contractual services will be for assistance with technical issues in applying the oil spill prevention and response rules to the Alaska Railroad and to the various classes and categories of nontank vessels operating in the different areas of the state. The completed report will include recommendations on changes to the statutes and regulations. Additionally a facilitator will be retained to assist with the complexities in bringing together the divergent and often contentious views of the participating task force members. Travel and per diem is for Department staff to participate in task force meetings.

Prepared by: Larry Dietrick Phone 465-5250  
 Division SPAR Date/Time 4/27/00 10:37 AM  
 Approved by: Commissioner *[Signature]* Date 4/27/00  
 Agency Department of Environmental Conservation

**PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE**

For further distribution information, call the Governor's Legislative Office

## Personal Services New Position Detail

Department of Environmental Conservation

Scenario: FY2001 Legislative Fiscal Note Info  
 Component: Industry Preparedness and Pipeline Operations (1922)  
 BRU Name: Spill Prevention and Response

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range & Steps	Budgeted Months	Split / Annual Count Salary	COLA	Premium Pay	Annual Benefits	Total Costs
18-#005	Environmental Spec III	NP	A	GC	Juneau	1A	18 A	12.0	43,860	0	0	11,069	54,929

**Justification:**

Environmental Specialist III will initially assist in developing regulations and will subsequently review financial responsibility documentation and maintain associated database.

**Funding Detail:**

1052	Oil/Hazardous Response Fund	100.00%	54,929
<b>Total Funding:</b>		100.00%	54,929

**Component Summary:**

Total New Positions: 1

Fund Description	Fund Percent	Fund Amount
1052 Oil/Hazardous Response Fund	100.00%	54,929
<b>Total Funding:</b>	100.00%	54,929

Note: If a position is split, an asterisk (\*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (\*\*) will appear in this column.

# Alaska State Legislature



*During Interim: (June - Dec.)*  
716 West 4th Avenue, Suite 500  
Anchorage, Alaska 99501-2133  
(907) 269-0200  
Fax (907) 269-0204

*During Session: (Jan. - May)*  
State Capitol  
Juneau, Alaska 99801-1182  
(907) 465-4993  
Fax (907) 465-3872

**Drue Pearce**  
*President of the Senate*

**SB 273**  
**Sponsor Statement**  
4/27/2000

Alaska arguably has the world's best oil spill prevention and response program. However, the current program is limited to vessels that carry oil as cargo (tank vessels), and on-shore oil facilities such as oil wells, pipelines, refineries, and tank farms.

Most of Alaska's oil spills come from carriers that are currently not required to prepare for spill response. Since 1995, 93 spills totaling 5,286 gallons of oil came from regulated vessels and facilities. During this same period, 945 spills totaling 258,000 gallons of oil came from non-regulated carriers. SB 273 will expand the prevention and response program to include larger non-tank vessels and the railroads transporting oil in bulk.

Specifically, non-tank vessels covered by this bill are defined as self-propelled watercraft of 400 or greater gross registered tons. These vessels include larger fishing and processing vessels, cargo and cruise ships, and public vessels engaged in commerce such as the Alaska State Ferries. SB 273 establishes the spill response planning standard of containment and control, up to 15 percent of the vessel's maximum capacity within 48 hours, and clean up the spill as quickly as possible with minimal damage to the environment. SB 273 also requires these vessels and the railroad to provide proof of financial ability to respond to damages resulting from a spill.

In addition, SB 273 establishes a task force to study, and report back the Legislature by the first day of next session, how to achieve the planning standard in a way that minimizes any potential adverse impacts to industry.

Recent major oil spills along the Alaska Railroad system and from a large fishing vessel in Dutch Harbor illustrate the need to expand Alaska's oil spill prevention and response program. The railroad, cruise ships, large fishing vessels, container ships, along with Alaska's State Ferries carry large volumes of oil and should be prepared to respond quickly in the case of an spill.

Alaska is the only state on the West Coast that has not extended its contingency plan and financial responsibility laws to include non-tank vessels. In light of recent spills from these vessels in our waters, and from the railroad on our land, it is time to strengthen our oil spill laws. SB 273 will provide a heightened awareness of prevention and response readiness and will reduce the number and consequences of oil spills in the future.

## SB 273

### Overview

#### What does the Bill do?

- Requires non-tanker vessels and the railroad to provide proof of financial responsibility in case of an oil spill.
- Sets out planning standards for oil spill response contingency plans.
- Establishes a Task Force to study, and report back the Legislature, how to achieve the planning standard in a way that minimizes any potential adverse impacts to industry.

#### Why?

- Since 1995, non-regulated transportation operations have spilled 10 times more often and spilled 50 times more oil product than the regulated transporters.
  - Regulated tankers and barges – 93 spills totaling 5,286 gallons
  - Non-regulated vessels and the railroad – 945 spills totaling 258,000 gallons

#### What would be covered?

- Any vessel operating in Alaska over 400 gross. Such as cruise ships, Alaska state ferries, large fishing and processing vessels, cargo ships. Government owned and operated vessels that are not engaged in commerce would be exempt.
- The railroad (oil transportation in tank cars)

#### Why non-tanker vessels?

- These vessels frequently carry more volume than those carrying fuel as cargo, but are not currently required to have a system and equipment in place to prevent and or respond to spills.
- Non-tanker vessels have a significant spill history in Alaskan Waters
  - Most recently in 1997 the Kuroshima spilled 39,000 gallons of oil near Dutch Harbor.

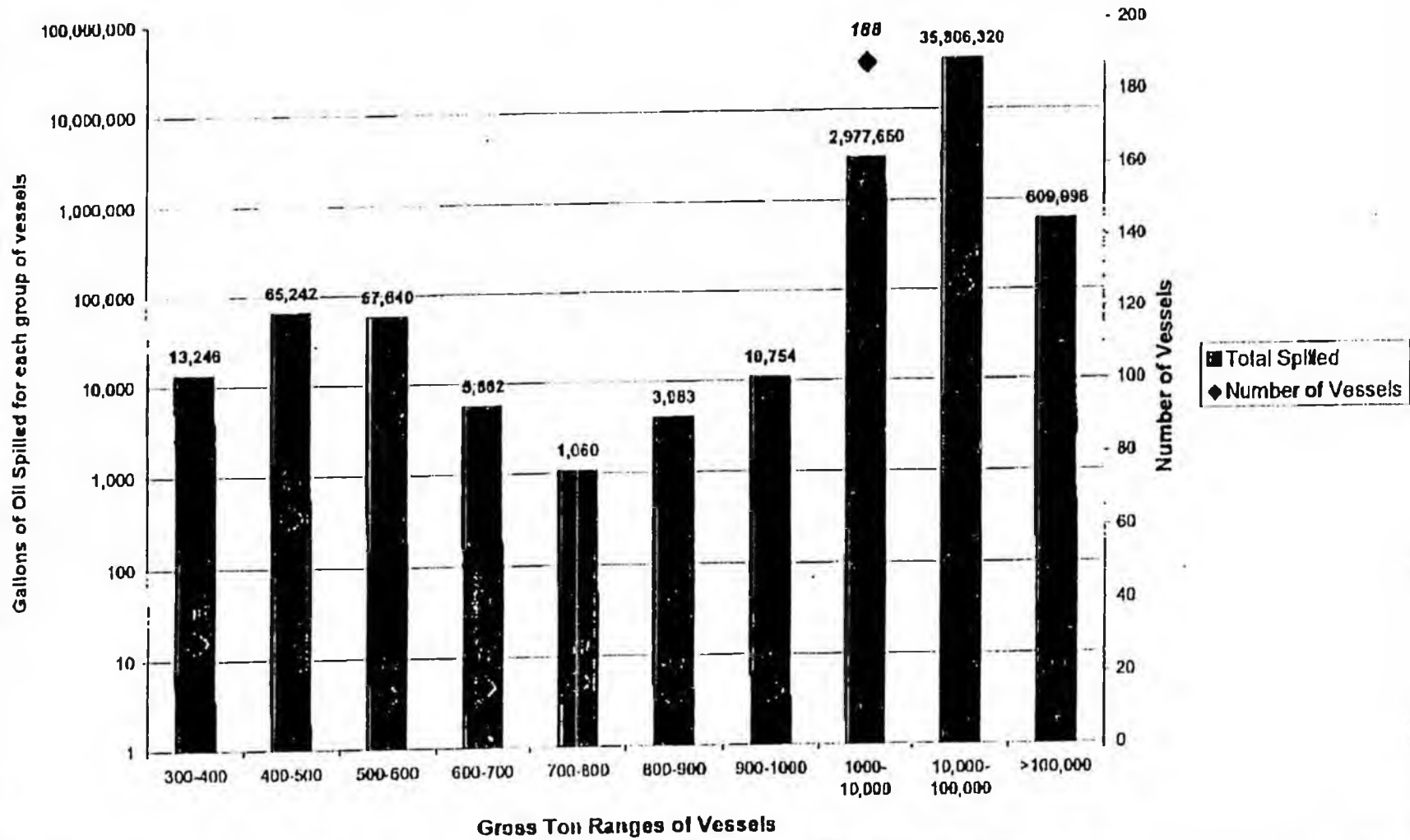
#### Why include the Railroad ?

- Railroad - Three derailments since 1992 and three spills in the last four months.
  - Two recent spills of approximately 125,000 and 12,450 gallons
  - 1999 – 28,000 cars of fuel x 22,500 gallon (avg.) = 630,000,000 gallons of fuel

#### Proof of Financial Responsibility:

- A vessel operator/owner and the railroad would be required to demonstrate proof of financial ability to respond and cleanup a major spill.
  - Non-tank vessels & Railroad – persistent oil.....\$300 per barrel  
(\$5,000,000 min.)
  - Non-tank vessel & Railroad – non-persistent oil.....\$100 per barrel  
(\$1,000,000 min.)

**Alaska Vessel Oil Spill Incidents reported to the USCG  
1985 - 1999**

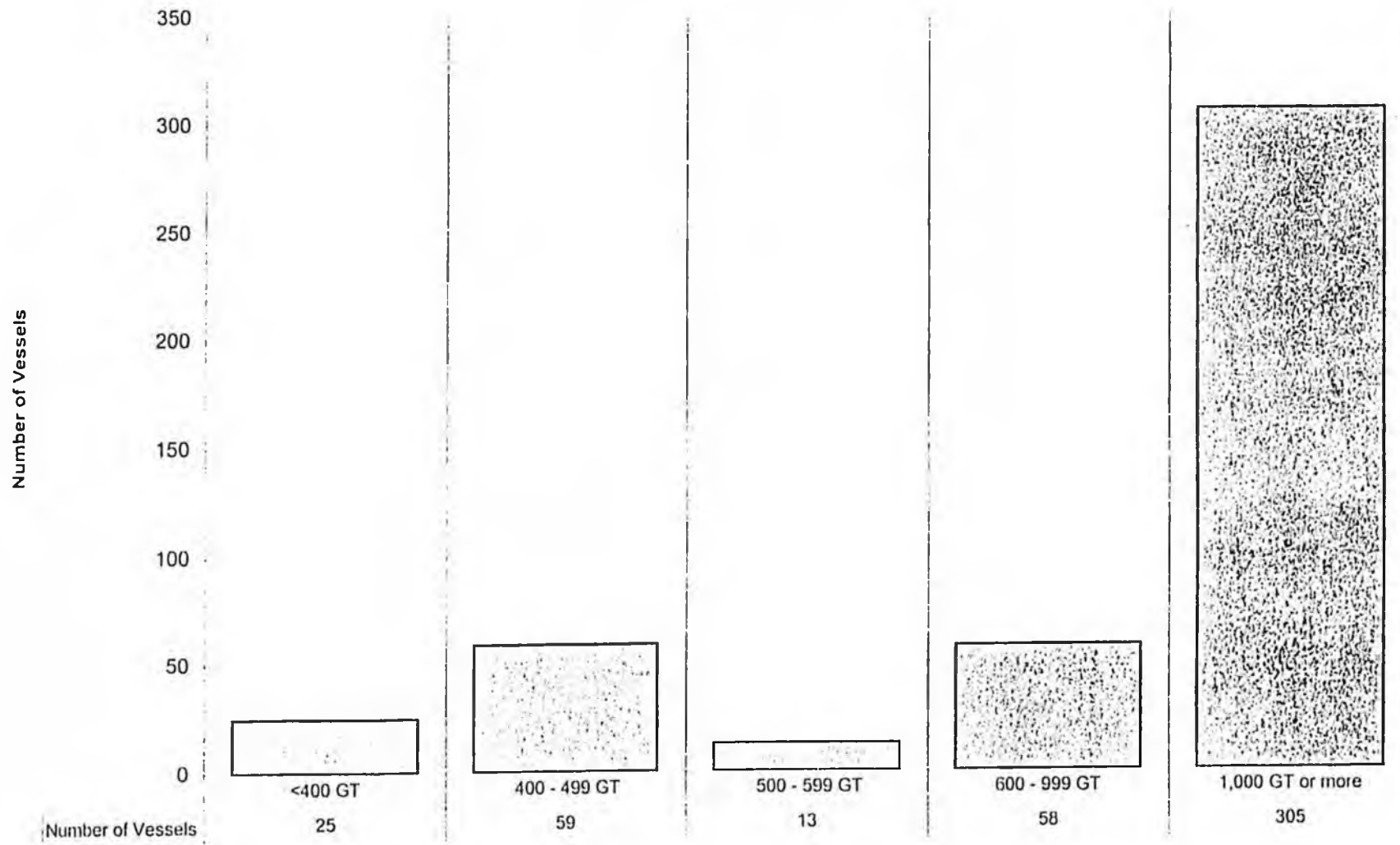


Source: 17th District USCG

Date of Report: 3/22/00

### Number of Vessels by Size Class (GT)

(data source: USCG)



## NONTANK VESSELS SPILL PREPAREDNESS

	Laws	Threshold	G-Plan	Incident Command System	Response Planning Standard	Financial Responsibility	Best Available Technology	Prevention Requirements	Drills	Inspections	Oil Spill Cleanup Contracts
Alaska Proposed	Y	300 GT	Y	Y	Y	Y	Y	Y	Y	Y	Y
British Columbia	Y	400 GT	Y	N	N	N	N	N	N	N	Y
Washington	Y	300 GT	Y	Y	Y	Y	Y	Y	Y	Y	Y
Oregon	Y	300 GT	Y	Y	Y	Y	N	Y	Y	Y	Y
California	Y	300 GT	Y	Y	Y	Y	Y	N	Y	N	Y
Alaska Present	N	N	N	N	N	N	N	N	N	N	N

### VESSELS COVERED BY BILL:

- over 300 gross tons and 6000 gallons of fuel storage capacity -

- bulk freighters & barges
- container ships & container barges
- factory trawlers, fish processors, fish tenders
- LNG tankers
- cruise ships, ferries
- idled offshore drill ships
- seismic & survey ships
- pipeline & cable laying ships
- crane & construction barges, dredges

## RESPONSE PLANNING STANDARDS

### Equipment, Personnel, and Resources Available

	Covered Vessels and Rail Cars	In Region	Out of Region
<b>PROPOSED</b>	<b>Nontank vessels which:</b> 1. are at least 300 gross tons; and 2. have an oil capacity of at least 6000 gallons	15% of total oil capacity within 48 hours.	Worst case discharge as soon as possible.
	<b>Bulk oil rail tank cars.</b>	15% of total cargo within 48 hours.	
<b>CURRENT</b>	<b>Tank vessels and barges carrying crude oil:</b> 1. with a capacity of less than 500,000 barrels.  2. with a capacity of 500,000 barrels or more.	1. 50,000 barrels within 72 hours. 60% of total cargo as soon as possible.  2. 300,000 barrels within 72 hours. 60% of total cargo as soon as possible.	Worst case discharge as soon as possible.
	<b>Tank vessels and barges carrying non-crude oil.</b>	15% of total cargo within 48 hours.	

## PROPOSED FINANCIAL RESPONSIBILITY

Nontank vessel, persistent oil	\$300 <i>per barrel</i>
Nontank vessel, non-persistent oil	\$100 <i>per barrel</i> \$1,000,000 <i>minimum</i>
Railroad, persistent oil	\$300 <i>per barrel</i>
Railroad, non-persistent oil.	\$100 <i>per barrel</i> \$1,000,000 <i>minimum</i>

\* **Persistent** - Heavy refined fuels such as bunker, crude, and lube oil.

\* **Non-persistent** - Lighter refined fuels such as gas, diesel, kerosene, and jet fuel.

1 barrel = 42 gallons

273

TONY KNOWLES, GOVERNOR

**DEPT. OF ENVIRONMENTAL CONSERVATION**

OFFICE OF THE COMMISSIONER

410 Willoughby Ave., Ste 105  
Juneau, AK 99801-1795  
PHONE: (907) 465-5065  
FAX: (907) 465-5070  
<http://www.state.ak.us/dec/>

April 28, 2000

The Honorable Eldon Mulder  
The Honorable Gene Therriault  
Co-Chairmen, House Finance Committee  
Alaska House of Representatives  
Capitol Building  
Juneau, AK 99801

Dear Representative Mulder and Representative Therriault:

It is my understanding that an amendment to HCS CSSB 273 (WTR) may be introduced in the House Finance Committee to exempt US Navy ships from the state's water quality standards for discharges from their seawater compensation systems. As explained in the department's letter to Senator Leman when a similar amendment was proposed to SB 308 (attached), we do not believe this exemption is necessary for Navy ships to operate in Alaska's waters.

Article 2 of the department's water quality standards in chapter 70 currently provide for exceptions to statewide standards (18AAC 70.200 – 18 AAC 70.270). By using the existing tools for exceptions to the state water quality standards the department can protect important water uses and sensitive areas while ensuring all members of the regulated community are treated fairly and consistently.

The department operates under a "Statement of Cooperation" agreement with the Navy to identify and work together on common environmental protection problems. To date we have received no indication from the Navy that the state's water quality standards are an unreasonable barrier to Naval operations in Alaska, nor has the Navy identified the need for waivers to the state water quality standards.

In trying to understand the need for and the origin of this proposal, we contacted General Tom Case of the Alaska Command and Al Hurt, the Navy Regional West Coast Coordinator. Neither had heard about any barrier to Navy ships entering state waters. Neither of them had heard about this proposed legislative exemption. And, neither had heard of the need for any waiver of state water quality standards. General Case further noted that the military services and the state have had success under the terms of the "Statement of Cooperation" in dealing with other situations where there was a conflict with the military service's need and state environmental laws.

STATE OF ALASKA  
2000 LEGISLATIVE SESSION

Bill Number: HCSCSSB 273 (WTR)  
(H) Publish Date: 4/26/00

Revision Date/Time (Note if correction) \_\_\_\_\_ Dept. Affected: Environmental Conservation  
Title "An Act requiring oil discharge prevention BRU Spill Prevention & Response  
and contingency plans...for non-tank vessels and railroad..." Component Industry Preparedness & Pipeline Program  
Sponsor Senator Pearce  
Requester World Trade and State/Federal Relations. Component No. 1922

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	58.5	58.5	58.5	58.5	58.5	58.5
Travel	18.6	6.6	6.6	6.6	6.6	6.6
Contractual	125.4	5.4	5.4	5.4	5.4	5.4
Supplies	1.6	1.1	1.1	1.1	1.1	1.1
Equipment	6.5	1.2	1.2	1.2	1.2	1.2
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>210.6</b>	<b>72.8</b>	<b>72.8</b>	<b>72.8</b>	<b>72.8</b>	<b>72.8</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						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type) 1052 Oil/Haz FD	210.6	72.8	72.8	72.8	72.8	72.8
<b>TOTAL</b>	<b>210.6</b>	<b>72.8</b>	<b>72.8</b>	<b>72.8</b>	<b>72.8</b>	<b>72.8</b>

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time	1	1	1	1	1	1
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Fiscal Impact: One Environmental Specialist III, in Juneau will initially assist with the Task Force on Motorized Oil Transport and will subsequently receive and review financial responsibility documentation, maintain the associated database, and issue certificates of financial responsibility for nontank vessels and the railroad.

The Alaska Department of Environmental Conservation is tasked with managing, participating in, and staffing a Task Force on Motorized Oil Transport. The task force is directed to meet as frequently as needed to prepare a report to the Twenty-Second Alaska State Legislature. Contractual services will be for assistance with technical issues in applying the oil spill prevention and response rules to the Alaska Railroad and the various classes and categories of nontank vessels operating in the different areas of the state. The completed report will include recommendations on changes to the statutes and regulations. Additionally a facilitator will be retained to assist with the complexities in bringing together the divergent and often contentious views of the participating task force members. Travel and per diem is for Department staff to participate in task force meetings.

Prepared by: Larry Dietrick Phone 465-5250  
Division SPAR Date/Time 4/25/00 12:05 PM  
Approved by: Commissioner [Signature] Date 4/25/00  
Agency Department of Environmental Conservation

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE  
For further distribution information, call the Governor's Legislative Office

## Personal Services New Position Detail

Department of Environmental Conservation

Scenario: FY2001 Legislative Fiscal Note Info  
 Component: Industry Preparedness and Pipeline Operations (1922)  
 BRU Name: Spill Prevention and Response

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range & Steps	Budgeted Months	Split / Count	Annual Salary	COLA	Premium Pay	Annual Benefits	Total Costs
18-#005	Environmental Spec III	FT	A	GG	Juneau	1A	18A	12.0		43,860	0	0	14,617	58,477

**Justification:**

Environmental Specialist II will initially assist in developing regulations and will subsequently review financial responsibility documentation and maintain associated database.

**Funding Detail:**

1052	Oil/Hazardous Response Fund	100.00%	58,477
<b>Total Funding:</b>		100.00%	58,477

**Component Summary:**

Total New Positions: 1

Fund Description	Fund Percent	Fund Amount
1052 Oil/Hazardous Response Fund	100.00%	58,477
<b>Total Funding:</b>		100.00% 58,477

Doris R. R.

Note: If a position is split, an asterisk (\*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (\*\*) will appear in this column.

# FISCAL NOTE

Bill Version: HCSCSSB 273 (RES)

(H) Publish Date: 4/17/00

**STATE OF ALASKA  
2000 LEGISLATIVE SESSION**

Revision Date/Time (Note if correction) 04/13/2000

Dept. Affect: DCED

Title Spill response legislation

BRU ARRC

Component \_\_\_\_\_

Sponsor Senator Drue Pearce

Requester \_\_\_\_\_

Component No. \_\_\_\_\_

**Expenditures/Revenues**

Thousands of Dollars

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel						
Contractual		1,650.0	750.0	750.0	750.0	750.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>1,650.0</b>	<b>750.0</b>	<b>750.0</b>	<b>750.0</b>	<b>750.0</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE**

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Railroad		1,650.0	750.0	750.0	750.0	750.0
<b>TOTAL</b>	<b>0.0</b>	<b>1,650.0</b>	<b>750.0</b>	<b>750.0</b>	<b>750.0</b>	<b>750.0</b>

Estimate of any current year (FY2000) cost: \_\_\_\_\_

0.0

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

Information attached outlines ARRC's proof of financial responsibility and provides estimates for oil discharge, prevention and contingency plans.

Prepared by: Wendy Lindskoog

Phone 265-2498

Division ARRC

Date/Time 4/13/00 9:53 AM

Approved by Commissioner [Signature]

Date 4/13

Agency \_\_\_\_\_

**COMMITTEE COPY**

PREPARED TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information, call the Governor's Legislative Office

SB 273: By Senator Drue Pearce

**Alaska Railroad Corporation Financial Responsibility:**

Over the last several years, the Alaska Railroad corporation has had in place two \$10,000,000 lines of credit. One to meet self insurance requirements and one to meet operational requirements. These credit lines are with two separate national banks. They are currently for one year and are renewable annually. At this time, the lines of credit are whole and have not been drawn on.

The proposed legislation would require the Alaska Railroad to have proof of financial responsibility to respond to damages of approximately \$5,450,000. This amount is derived from a maximum of 100 tank cars per train, multiplied by 545 barrels per tank car, multiplied by \$100 per barrel. Typically, an Alaska Railroad fuel train pulls approximately 50 car loads of fuel.

It is the railroad's intent to use a portion of an existing line of credit as proof of financial ability.

The Alaska Railroad also estimates the following cost for oil discharge prevention and contingency plans:

- 1) Contingency plan development: \$250,000  
Includes mapping, environmental assessment, response needs (personnel and equipment), public involvement, agency review
- 2) Risk assessment: \$400,000  
Includes risk assessment and recommendations by consultants and public review
- 3) Contingency plan implementation: \$1,000,000 – first year, \$750,000 – subsequent years  
Assumes cost of equipment, personnel, training, drills annually

# FISCAL NOTE

STATE OF ALASKA  
2000 LEGISLATIVE SESSION

BILL No. 2  
Bill Version: SB 273  
(S) Publish Date: 3-21-00

Revision Date/Time (Note if correction) \_\_\_\_\_ Dept. Affected: Environmental Conservation  
Title "An Act requiring oil discharge prevention BRU Spill Prevention & Response  
and contingency plans...for non-tank vessels and railroad..." Component Industry Preparedness & Pipeline Program  
Sponsor Senator Pearce  
Requester Senate Resources Component No. 1922

## Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	168.5	168.5	168.5	168.5	168.5	168.5
Travel	19.8	19.8	19.8	19.8	19.8	19.8
Contractual	127.7	37.7	37.7	37.7	37.7	37.7
Supplies	3.3	3.3	3.3	3.3	3.3	3.3
Equipment	19.5	3.7	3.7	3.7	3.7	3.7
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>338.8</b>	<b>233.0</b>	<b>233.0</b>	<b>233.0</b>	<b>233.0</b>	<b>233.0</b>

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
----------------------	-----	-----	-----	-----	-----	-----

CHANGE IN REVENUES ( )	0.0	0.0	0.0	0.0	0.0	0.0
------------------------	-----	-----	-----	-----	-----	-----

## FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type) 1052 Oil/Haz FD	338.8	233.0	233.0	233.0	233.0	233.0
<b>TOTAL</b>	<b>338.8</b>	<b>233.0</b>	<b>233.0</b>	<b>233.0</b>	<b>233.0</b>	<b>233.0</b>

Estimate of any current year (FY2000) cost: 0.0

### POSITIONS

Full-time	3	3	3	3	3	3
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

### ANALYSIS: (Attach a separate page if necessary)

**Fiscal Impact:** Three (3) full time positions will be required to draft and administer regulations for approximately 50 new nontank vessel operators and railroads. Two Environmental Specialists III will be located in Anchorage to initially develop regulations, and will then subsequently review and approve individual oil discharge prevention and contingency plans, inspect vessels and railroad facilities, and conduct and evaluate spill response drills. One Environmental Specialist II in Juneau will initially assist in developing regulations, and will subsequently review financial responsibility documentation and maintain the associated database, and conduct southeast vessel inspections. During the first year, \$90.0 for professional services contracts is included to assist in the negotiated rule making process and technical issues associated with the regulations. Other contractual funds cover position support costs and technical assistance with inspections and spill response drills.

**Economic Impact:** This bill will require some operators to incur additional costs for oil spill response equipment, contracts with spill response organizations if they are not already voluntarily meeting the regulatory standard, and costs to obtain and demonstrate proof of financial responsibility.

Prepared by: Larry Dietrick Phone 465-5250  
Division: SPAR Date/Time 2/18/00 5:35 PM  
Approved by: Commissioner *Ken Tashiro* Date 2-19-00  
Agency: Department of Environmental Conservation

**PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE**

For further distribution information, call the Governor's Legislative Office

## Personal Services Component Summary

FY: 2001  
 Scenario: FY2001 Legislative Fiscal Note Info  
 Department: Environ Conservation

BRU: Spill Prevention and Response  
 Component: Industry Prep. & Pipeline Op. (1922)

**Line 100 Summary:**

Salaries:	125,796
Benefits:	42,711
Premium Pay:	0
COLA:	0
Pre-vacancy total:	168,507
Minus 0.00% vacancy:	(0)
Post-vacancy total:	168,507
Lump sum prem. pay:	0
<b>Total Line 100:</b>	<b>168,507</b>

Change Record Total: 0.0

Total Component Months: 36.0

**Active Positions:**

	Existng	New	Transferred In	Total Positions
Full Time:	0	3	0	3
Part Time:	0	0	0	0
Non-Perm:	0	0	0	0
<b>Total:</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>3</b>

**Inactive Positions:**

	Deleted	Transferred Out
Full Time:	0	0
Part Time:	0	0
Non-Perm:	0	0
<b>Total:</b>	<b>0</b>	<b>0</b>

**Split Positions:**

	Counted	Not Counted	Total Splits
Full Time:	0	0	0
Part Time:	0	0	0
Non-Perm:	0	0	0
<b>Total:</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Component PCN Funding Summary:**

	Amount	w/Vacancy
1004 General Fund Receipts	168,507	168,507
	168,507	168,507

**Component PCN Summary:**

PCN	Status	Job Title	Rng	Stp	BU	Pos	Split	Location	Mths	Salary	Prem	COLA	Benes	Total
18-#004	N	[No job title provided]	18	A	GG	FT		Anchorage	12.0	43,860	0	0	14,617	58,477
18-#005	N	[No job title provided]	16	A	GG	FT		Juneau	12.0	38,076	0	0	13,477	51,553
18-#006	N	[No job title provided]	18	A	GG	FT		Anchorage	12.0	43,860	0	0	14,617	58,477

Status Key: N=New D=Deleted TI=Transferred-in TO=Transferred-out

Personal Services Detail For PCN 18-#004

FY: 2001

Scenario: FY2001 Legislative Fiscal Note Info (890)  
 Department: Environ Conservation

BRU: Spill Prevention and Response  
 Component: Industry Prep. & Pipeline Op. (1922)

**Position Detail:**

Position Status: New	Budgeted Months: 12.0
Bargaining Unit: GG General Gov't Employees	Component Months: 12.0
Class: #0018 [No Job Title Provided]	Ment Date: none
Location: EBA Anchorage	Salary Change Date: none
Position Type: FACL Full Time	Calculation Method: Monthly - Steps and Months
Retirement: A PERS Other	Range / Step 1: 18 A 3,655.00/mth. for 12.0 mths.
Salary Schedule: 1A BASE	Range / Step 2:
Strike Class: 1	
Overtime Eligible: Yes	Total Salary: 43,860
Position Frozen: No	Total Premium Pay: 0
Position Split: No	Total Benefits: 14,617
Project:	Total COLA: 0
Region:	Total Position Cst: 58,477

**Premium Pay:**

Overtime Pay: 0.00 Hours: 0.00	Higher Class Pay: 0.00
Graveyard Pay: 0.00 Mths: 0.00	Standby Pay: 0.00
Swing Shift Pay: 0.00 Mths: 0.00	Subsistence Pay: 0.00
Hazardous Pay: 0.00	Additional Pay: 0.00
Seaduty Pay: 0.00	Total Premium Pay: 0

**Benefits:**

<u>Department Benefits:</u>	<u>FULL</u>	
Leave Cash-In:	1.36% =	596.50
Risk Management:	0.82% =	359.65
Unemployment Insurance:	0.42% =	184.21
Term Leave:	1.88% =	824.57
Short Term Non Perm:	0.00% =	0.00
Unique Rate:	0.00% =	0.00
Bargaining Unit Override Rate:	0.00% =	0.00
<b>Total Department Benefits:</b>	<b>4.48% =</b>	<b>1,964.93</b>
<u>Retirement Benefit:</u>	<u>FULL</u>	
Retirement Benefit:	8.09% =	3,548.27

<u>Statewide Benefits:</u>	<u>FULL</u>	
Health Insurance:	488.50 / Mth. =	5,862.00 / Yr.
Life Insurance:	1.54 / Mth. =	18.48 / Yr.
Legal Trust Fund:	8.00 / Mth. =	96.00 / Yr.
<b>Total Statewide Benefits:</b>	<b>498.04 / Mth. =</b>	<b>5,976.48 / Yr.</b>
<u>SBS Benefits:</u>	<u>FULL</u>	
Supplement Benefits:	6.13% =	2,688.62
<u>Medicare Deduction:</u>	<u>FULL</u>	
Medicare Cost:	1.00% =	438.60
<b>Total Benefits:</b>		<b>14,617</b>

Notes: [none]

**Position Justification:**

Funding Detail:	Percent	Amount
1004 General Fund Receipts	100.00%	58,477.00
<b>Total Funding:</b>	<b>100.00%</b>	<b>58,477.00</b>

**Personal Services Detail For PCN 18-#005**

FY: 2001  
 Scenario: FY2001 Legislative Fiscal Note Info (890)  
 Department: Environ Conservation

BRU: Spill Prevention and Response  
 Component: Industry Prep. & Pipeline Op. (1922)

**Position Detail:**

Position Status: New	Budgeted Months: 12.0
Bargaining Unit: GG General Gov't Employees	Component Months: 12.0
Class: #0016 [No Job Title Provided]	Merit Date: none
Location: AWA Juneau	Salary Change Date: none
Position Type: FACL Full Time	Calculation Method: Monthly - Steps and Months
Retirement: A PERS Other	Range / Step 1: 16 A 3,173.00/mth. for 12.0 mths.
Salary Schedule: 1A BASE	Range / Step 2:
Strike Class: 1	
Overtime Eligible: Yes	Total Salary: 38,076
Position Frozen: No	Total Premium Pay: 0
Position Split: No	Total Benefits: 13,477
Project:	Total COLA: 0
Region:	Total Position Cost: 51,553

**Premium Pay:**

Overtime Pay: 0.00 Hours: 0.00	Higher Class Pay: 0.00
Graveyard Pay: 0.00 Mths: 0.00	Standby Pay: 0.00
Swing Shift Pay: 0.00 Mths: 0.00	Subsistence Pay: 0.00
Hazardous Pay: 0.00	Additional Pay: 0.00
Seaduty Pay: 0.00	Total Premium Pay: 0

**Benefits:**

<u>Department Benefits:</u> <span style="border: 1px solid black; padding: 2px;">FULL</span>	<u>Statewide Benefits:</u> <span style="border: 1px solid black; padding: 2px;">FULL</span>
Leave Cash-In: 1.36% = 517.83	Health Insurance: 488.50 / Mth.= 5,862.00/ Yr.
Risk Management: 0.82% = 312.22	Life Insurance: 1.54 / Mth.= 18.48/ Yr.
Unemployment Insurance: 0.42% = 159.92	Legal Trust Fund: 8.00 / Mth.= 96.00/ Yr.
Term Leave: 1.88% = 715.83	<u>Total Statewide Benefits:</u> 498.04 / Mth.= 5,976.48 / Yr.
Short Term Non Perm: 0.00% = 0.00	<u>SBS Benefits:</u> <span style="border: 1px solid black; padding: 2px;">FULL</span>
Unique Rate: 0.00% = 0.00	Supplement Benefits: 6.13% = 2,334.06
Bargaining Unit Override Rate: 0.00% = 0.00	<u>Medicare Deduction:</u> <span style="border: 1px solid black; padding: 2px;">FULL</span>
<u>Total Department Benefits:</u> 4.48% = 1,705.80	Medicare Cost: 1.00% = 380.76
<u>Retirement Benefit:</u> <span style="border: 1px solid black; padding: 2px;">FULL</span>	<u>Total Benefits:</u> 13,477
Retirement Benefit: 8.09% = 3,080.35	

Notes: [none]

Position Justification:

Funding Detail:	Percent	Amount
1004 General Fund Receipts	100.00%	51,553.00
<b>Total Funding:</b>	<b>100.00%</b>	<b>51,553.00</b>

Personal Services Detail For PCN 18-#006

FY: 2001  
 Scenario: FY2001 Legislative Fiscal Note Info (890)  
 Department: Environ Conservation

BRU: Spill Prevention and Response  
 Component: Industry Prep. & Pipeline Op. (1922)

**Position Detail:**

Position Status: New	Budgeted Months: 12.0
Bargaining Unit: GG General Gov't Employees	Component Months: 12.0
Class: #0018 (No Job Title Provided)	Merit Date: none
Location: EBA Anchorage	Salary Change Date: none
Position Type: FACL Full Time	Calculation Method: Monthly - Steps and Months
Retirement: A PERS Other	Range / Step 1: 18 A 3,655.00/mth. for 12.0 mths.
Salary Schedule: 1A BASE	Range / Step 2:
Strike Class: 1	
Overtime Eligible: Yes	Total Salary: 43,860
Position Frozen: No	Total Premium Pay: 0
Position Split: No	Total Benefits: 14,617
Project:	Total COLA: 0
Region:	Total Position Cost: 58,477

**Premium Pay:**

Overtime Pay: 0.00 Hours: 0.00	Higher Class Pay: 0.00
Graveyard Pay: 0.00 Mths: 0.00	Standby Pay: 0.00
Swing Shift Pay: 0.00 Mths: 0.00	Subsistence Pay: 0.00
Hazardous Pay: 0.00	Additional Pay: 0.00
Seaduty Pay: 0.00	Total Premium Pay: 0

**Benefits:**

<b>Department Benefits:</b>	<b>FULL</b>
Leave Cash-In: 1.36% =	596.50
Risk Management: 0.82% =	359.65
Unemployment Insurance: 0.42% =	184.21
Term Leave: 1.88% =	824.57
Short Term Non Perm: 0.00% =	0.00
Unique Rate: 0.00% =	0.00
Bargaining Unit Override Rate: 0.00% =	0.00
<b>Total Department Benefits:</b>	<b>4.48% = 1,964.93</b>
<b>Retirement Benefit:</b>	<b>FULL</b>
Retirement Benefit: 8.09% =	3,548.27

<b>Statewide Benefits:</b>	<b>FULL</b>
Health Insurance: 488.50 / Mth. =	5,862.00 / Yr.
Life Insurance: 1.54 / Mth. =	18.48 / Yr.
Legal Trust Fund: 8.00 / Mth. =	96.00 / Yr.
<b>Total Statewide Benefits:</b>	<b>498.04 / Mth. = 5,976.48 / Yr.</b>
<b>SBS Benefits:</b>	<b>FULL</b>
Supplement Benefits: 6.13% =	2,688.62
<b>Medicare Deduction:</b>	<b>FULL</b>
Medicare Cost: 1.00% =	438.60
<b>Total Benefits:</b>	<b>14,617</b>

Notes: (none)

**Position Justification:**

**Funding Detail:**

	Percent	Amount
1004 General Fund Receipts	100.00%	58,477.00
<b>Total Funding:</b>	<b>100.00%</b>	<b>58,477.00</b>

# FISCAL NOTE

STATE OF ALASKA  
2000 LEGISLATIVE SESSION

No.         
Bill Version: SB 273  
(S) Publish Date: 3-21-00

Revision Date/Time (Note if correction) \_\_\_\_\_ Dept. Affected DOT&PF  
Title "An Act requiring oil discharge prevention and BRU Marine Highway System  
contingency plans...." Component Southeast & Southwest  
Sponsor Senator Pearce Vessel Operations  
Requester Senate Resources Component Serial No. \_\_\_\_\_

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel						
Contractual	125.0	125.0	125.0	125.0	125.0	125.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>125.0</b>	<b>125.0</b>	<b>125.0</b>	<b>125.0</b>	<b>125.0</b>	<b>125.0</b>

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ( )						
------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other: Oil Spill Response Fund	125.0	125.0	125.0	125.0	125.0	125.0
<b>TOTAL</b>	<b>125.0</b>	<b>125.0</b>	<b>125.0</b>	<b>125.0</b>	<b>125.0</b>	<b>125.0</b>

Estimate of any current year (FY00) cost: 0.0

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This represents the estimated cost to the Alaska Marine Highway System to contract for oil spill response services to meet the requirements of this bill.

Prepared by Dennis Poshard, Special Assistant to the Commissioner Phone 465-3904  
Division Office of the Commissioner Date/Time 2/18/00 2:21 PM  
Approved by Commissioner [Signature] Date \_\_\_\_\_  
Agency for Joseph L. Perkins, DOT&RF

**PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE**  
For further distribution information, call the Governor's Legislative Office

# FISCAL NOTE

STATE OF ALASKA  
2000 LEGISLATIVE SESSION

No. 1  
Bill Version: SB 273  
(S) Publish Date: 3-21-00

Revision Date/Time (Note if correction) \_\_\_\_\_ Dept. Affected DOT&PF  
Title "An Act requiring oil discharge prevention and contingency plans,..." BRU Marine Highway System  
Sponsor Senator Pearce Component Southeast & Southwest  
Requester Senate Resources Component Serial No. \_\_\_\_\_  
Vessel Operations

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel						
Contractual	125.0	125.0	125.0	125.0	125.0	125.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>125.0</b>	<b>125.0</b>	<b>125.0</b>	<b>125.0</b>	<b>125.0</b>	<b>125.0</b>

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ( )						
------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other: Oil Spill Response Fund	125.0	125.0	125.0	125.0	125.0	125.0
<b>TOTAL</b>	<b>125.0</b>	<b>125.0</b>	<b>125.0</b>	<b>125.0</b>	<b>125.0</b>	<b>125.0</b>

Estimate of any current year (FY00) cost: 0.0

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This represents the estimated cost to the Alaska Marine Highway System to contract for oil spill response services to meet the requirements of this bill.

Prepared by Dennis Poshard, Special Assistant to the Commissioner Phone 465-3904  
Division Office of the Commissioner Date/Time 2/18/00 2:21 PM  
Approved by Commissioner Joseph L. Perkins, DOT&RF Date \_\_\_\_\_  
Agency for

**PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE**

For further distribution information, call the Governor's Legislative Office

273

**Subject: SB273 in House Finance**

**Date: Thu, 27 Apr 2000 16:47:52 -0800**

**From: "Tom W. Rueter" <tomr@northstarak.com>**

**To: <Mike\_Tibbles@legis.state.ak.us>**

Thank you for your time in talking about this bill. I am hoping to provide testimony at the hearing tomorrow if public testimony is allowed.

Please feel free to pass out the following

SB273 in conjunction with SCR01 has evolved over the past two months since first introduction by Senator Pearce. I individually as well as many members of industry operating the affected vessels and rail cars have all expressed concerns about various aspects of the proposed legislation. We have been able to make considerable headway to address those concerns which we originally raised. The bill in it's current draft in conjunction with the SCR 01 fairly meets the changes which industry has sought.

Protection of the state waters and coastline is of great concern to the vessel operators affected by this bill, but cost consideration and practical application are two items which continue to evade full evaluation at this point. With establishment of the Task force to work, develop and review how to implement the response planning standards set out in AS 46.04.055(c) (in this Act), I would hope that reasonableness can prevail.

Frequently, other state's models have been used as examples and I would again like to bring as an example a Nontank vessel entering into Puget Sound between the size of 1000 -4,999 gross tons makes notice of it's 24 hours prior to entering Puget Sound.

It is not required to have a spill contingency plan (this plan is held strictly by Washington State Maritime Co-operative)

It is not required to have any response equipment on board.  
It is not required to have any response training of the crew.  
There is not limit to the amount of time the vessel can remain within the coverage area.

All of this for the roundtrip cost of \$121.50 total. There is no membership in a response Co-op and contracts between the vessel owners and a PRAC at this level.

Serious consideration is needed by the legislature and the Task force to assure that we are not adding costs to our exportable resources or burdening our residents with unreasonable costs which may contribute to further weakening the competitive position of our resources in the World Market.

We look forward to continuing participation in this process to make sure this takes place.

Thank you.

Tom W. Rueter  
North Star Maritime Agencies  
Tel: (907) 263-0110  
Fax: (907) 272-8755  
E-Mail: tomr@northstarak.com