

HB

113

ALASKA STATE LEGISLATURE

Rep. Carl Gatto
Rep. David Guttenberg
Rep. Cheryl Heinze
Rep. Beth Kerttula
Rep. Bob Lynn
Rep. Kelly Wolf



State Capitol, Room 124
Juneau, AK 99801-1182

Chair

Rep. Hugh "Bud" Fate
(907) 465-2338 fax: 465-3883

Vice-Chair

Rep. Beverly Masek
(907) 465-2679 fax: 465-4822

House Resources Committee

MEMO

To: Committee Members

Fm: Staff

Date: March 11, 2003

Re: Committee Schedule for Resources

All meetings begin at 1:00pm in House Resources Committee, Room 124

Please bring your packets from Monday on HB 113.

+Wednesday, March 12, 2003

* HB 113- DISCHARGE PREVENTION & CONTINGENCY PLANS (PREVIOUSLY HEARD)

HB 78-UNIFIED PERMIT APPLICATION

HB 11-DEPOSITS TO THE PERMANENT FUND

Bills previously heard or scheduled

FRANK H. MURKOWSKI
GOVERNOR
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STATE OF ALASKA
OFFICE OF THE GOVERNOR
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February 18, 2003

The Honorable Pete Kott
Speaker of the House
Alaska State Legislature
State Capitol, Room 208
Juneau, AK 99801-1182

Dear Speaker Kott:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill extending the renewal period for oil discharge prevention and contingency plans under AS 46.04.030 and 46.04.055 from three years to five years.

AS 46.04.030 requires that all operators of oil terminals, pipelines, exploration or production facilities, tank vessels, and oil barges have an approved oil discharge prevention and contingency plan in order to operate. AS 46.04.055 requires that operators of nontank vessels over 400 gross tons and railroad tank cars transporting oil also have an approved oil discharge prevention and contingency plan. Current law requires that these contingency plans be renewed every three years.

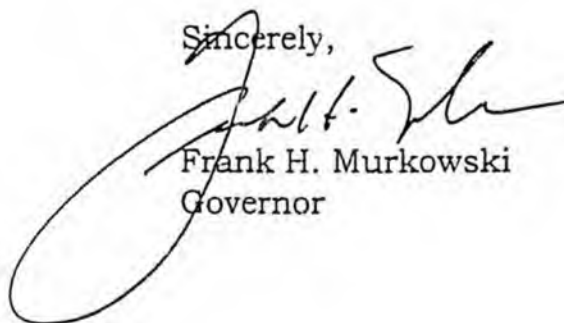
In contrast, federal oil spill response plans are reviewed and renewed every five years. However, there is no requirement that state contingency plans match the federal renewal cycle.

A five-year renewal period will streamline the review for both the state and industry, while maintaining Alaska's strong oil spill prevention and response standards. Focusing on the actual testing of oil spill prevention and response

readiness through in-the-field inspections, drills, and exercises is our most effective means of ensuring spill prevention and response readiness.

I urge your prompt and favorable action on this measure.

Sincerely,

A handwritten signature in black ink, appearing to read "Frank H. Murkowski". The signature is stylized with a large, sweeping loop on the left side and a horizontal line extending to the right.

Frank H. Murkowski
Governor



RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

Tadd Owens, Executive Director
Resource Development Council
HB113 Testimony
House Oil & Gas Committee
February 27, 2003

Thank you, Mr. Chairman. For the record my name is Tadd Owens, executive director of the Resource Development Council. RDC is a private, non-profit, business association representing individuals and companies from Alaska's oil and gas, mining, timber, tourism and fisheries industries. Our mission is to help grow Alaska's economy through the responsible development of our state's natural resources.

RDC supports House Bill 113 and we encourage the Oil & Gas Committee to pass the legislation. HB113 makes a simple change to the renewal period for ADEC-required discharge and contingency plans, commonly referred to as C-Plans, from three to five years. C-plans are essential to spill response preparedness, however, the effort associated with the plan renewals is significant for both industry and the state. Based on our members' experiences, a three-year renewal cycle often does not result in meaningful improvements in environmental protection or regulatory compliance. Increasing the time between renewals from three to five years will bring the program's benefits in line with its costs.

A five-year renewal cycle will allow the state to focus its resources on site inspections rather than the office work associated with plan reviews. Currently, ADEC is responsible for more than 125 C-Plans in Alaska. Allowing agency staff

additional time in the field will provide them with a more thorough understanding of industry operations.

A five-year renewal period will give agency staff a better opportunity to determine the effectiveness of existing plans and to observe plan implementation prior to any incident. By utilizing this information and experience, subsequent plan renewals will have better oversight, incorporate more high-value improvements, and be less vulnerable to legal challenges.

Meanwhile industry will be able to shift its resources away from the largely administrative exercise of three-year renewals to additional prevention-specific activities. Improved networking and communication between industry and ADEC will further enhance the quality of plan renewals. Also, a five-year renewal cycle would mirror the federal requirement, allowing industry to consolidate its review process.

RDC's members believe that increasing the C-Plan renewal cycle from three to five years will result in a more thorough public process, the creation of more realistic and sophisticated plans, and establish a more efficient and predictable regulatory regime. HB113 deserves the committee's support.

Thank you, Mr. Chairman for the opportunity to testify this afternoon.

TESTIMONY OF
MARILYN CROCKETT
ALASKA OIL AND GAS ASSOCIATION
BEFORE
HOUSE SPECIAL COMMITTEE ON OIL AND GAS
RE: HB113
February 27, 2003

My name is Marilyn Crockett and I am Deputy Director of the Alaska Oil and Gas Association. AOGA is a trade association whose 17 member companies account for the majority of oil and gas exploration, development, production, transportation, refining and marketing activities in Alaska.

Every AOGA member conducting activities in Alaska is required to have an Oil Spill Prevention and Contingency Plan (or C-Plan) approved and in place. Therefore, AOGA has a significant interest in HB113, and we encourage the Committee to pass it.

AOGA spent a considerable amount of time over the past 12 months identifying permitting programs that were in need of updating and streamlining. Early on we adopted a guiding principle to guide us through this process. That principle reads: "accomplish updates and streamlining without compromising environmental protection or safety standards". HB113 fits perfectly within this principle.

The bill would extend the renewal cycle for C Plans from the current period of three years to five years—the cycle required by the federal government, west coast states, and other oil producing states we've studied.

Preparation and processing of a renewal application is expensive endeavor. Renewal costs can average between \$60,000 and \$100,000 for the renewal alone (legal challenges can increase these numbers by an additional \$200,000 to \$500,000).

The renewal process also is very time-intensive. Experience has shown that for some plans, even with submittals 180 days in advance of the expiration date, approvals still can average 360 days, essentially meaning that once a renewal is complete, work must begin on the next renewal.

It's important to recognize what purpose the C Plan serves. It is the "blueprint", if you will, describing how an operator will respond to an event. The proof of the effectiveness of the plan is not how often it is renewed; it's whether the response identified in the Plan can be delivered as promised. Demonstration of this effectiveness is accomplished through drills. It is in this area that we will see the biggest benefit of an extended renewal cycle by shifting the focus away from administrative processing to field performance.

It's also important to recognize that these Plans are evergreen documents. They are not simply placed on a shelf after approval to collect dust until the next renewal period. They are continually reviewed to ensure information is kept up-to-date and to ensure the Plan continues to reflect the current operation and state of readiness. ADEC regulations require that updates and amendments be submitted to the Department.

Finally, we understand the Administration will be proposing an amendment to HB113 providing a Transitional provision extending existing approved plans for two years or for a shorter period of time if requested by the plan holder. AOGA supports this amendment.

Thank you for allowing me to testify.

THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES



Regional Citizens' Advisory Council / "Citizens promoting environmentally safe operation of the Alyeska terminal and associated tankers."

In Anchorage: 3709 Spenard Road / Anchorage, Alaska 99503 / (907) 277-7222 / FAX (907) 277-4523
In Valdez: P.O. Box 3089 / 339 Hazelet Avenue / Valdez, Alaska 99686 / (907) 835-5957 / FAX (907) 835-5926

February 26, 2003

MEMBERS

Alaska State
Chamber of
Commerce

Representative Vic Kohring
Chair, House Oil and Gas Committee
State Capitol, Room 24
Juneau, AK 99801-1182

Alaska Wilderness
Recreation & Tourism
Association

Subject: Opposition to House Bill 113 as Currently Drafted

Chugach Alaska
Corporation

Dear Representative Kohring:

City of Cordova

The Prince William Sound Regional Citizens' Advisory Council (PWSRCAC) is an independent non-profit corporation whose mission is to promote environmentally safe operation of the Valdez Marine Terminal and associated tankers. Our work is guided by the Oil Pollution Act of 1990, and our contract with Alyeska Pipeline Service Company. PWSRCAC's 18 member organizations are communities in the region affected by the 1989 Exxon Valdez oil spill, as well as commercial fishing, aquaculture, Native, recreation, tourism and environmental groups.

City of Homer

City of Kodiak

City of ...

City of ...

We have reviewed contingency plan (C-Plans) for the Valdez Marine Terminal and the Prince William Sound tanker trade for over a decade and speak from experience on this important issue.

City of Valdez

City of Whittier

Community of
Chugach Bay

We are opposed to House Bill 113 (HB113) as currently drafted. This bill would weaken Alaska's oil spill prevention and response capability by extending the C-Plans renewal cycle from a 3 to a 5-year period. While the stated purpose of HB113 is to align the State's 3-year renewal cycle with the federal 5-year renewal cycle for C-Plans, the actual benefit of this alignment is negligible.

Community of
Tatlinak

Cordova District
Fishermen United

As written, HB113 would weaken Alaska's oil spill prevention and response capability in three ways:

Kodiak Peninsula
Borough

- 1) by extending the timeframe for updating and incorporating into the plan important "lessons learned" from drills and exercises;
- 2) by reducing the frequency of Best Available Technology analyses, which ensure that the best technology, equipment and/or procedures are utilized to prevent and respond to oil spills; and
- 3) by reducing the agency and planholder familiarization with the plan, which could result in complacency.

Kodiak Island
Borough

La Jota Village Mayors
Association

Oil Spill Region
Environmental
Coalition

Since many of Alaska's oil spill planning requirements are more stringent than federal planning requirements, federal agencies (USCG, MMS, EPA) generally accept Alaska C-Plans as meeting federal requirements. Two separate plans are not required. Each planholder can submit one joint plan that meets both state and

Prince William Sound
Aquaculture
Corporation

federal requirements. There is currently no conflict between state and federal planning cycle requirements.¹ Hence the alignment this bill seeks to achieve has already been accomplished.

The sponsors of this bill may be unaware that HB113 actually introduces a discrepancy between state and federal oil spill programs. HB113 would misalign Alaska's C-Plan renewal cycle with the federal 3-year oil spill drill cycle. The federal National Preparedness for Response Exercise Program (NPREP) is set to a triennial cycle that requires a major oil spill equipment deployment drill once every three years to ensure that C-Plan personnel and equipment are fully tested. Many Alaskan C-Plan holders align their NPREP drills to coincide with Alaska's 3-year renewal cycle, so that improvements recommended from drills and exercises can be incorporated in their plan at renewal. Alignment between the State's C-Planning cycle and the federal drill program is important, since the state has not adopted any regulatory requirements for drills, and relies on the federal drill program to ensure the integrity of Alaska's oil spill response system.

While federal agencies are on a 5-year renewal cycle, they require that an annual review be conducted by the planholder and that the planholder submit amendments to keep the plan current². This annual review requirement forces the planholder to review their plan and make updates and improvements, such as may be identified from drills and exercises. The federal requirement ensures that the key plan elements are improved on a continuous basis and do not languish for a period of 5 years. Annual amendments are submitted for portions of the plan that require revision. The entire plan is submitted for renewal once every 5 years. Additionally, since the plan is maintained on an annual basis, major revisions are not typically required at the 5-year renewal cycle. If an annual update process were in place, there would be no incompatibility between the 3-year NPREP cycle and the 5-year cycle (with annual updates).

If Alaska seeks full alignment with the federal C-Plan review process, that alignment requires that Alaska not only adopt the 5-year renewal cycle, but also adopt the federal annual updating and amendment requirements.

In summary, we oppose the current version of HB113 for the following reasons:

1. HB113 is not consistent with Federal Oil Spill Planning or Drill Requirements
Retaining the 3-year C-Plan renewal cycle ensures consistency with the national oil spill exercise program, which is an important tool for ensuring that contingency plans are updated to reflect current innovations and lessons learned in a timely manner.
2. HB113 slows the implementation of Best Available Technology
Regular Best Available Technology (BAT) analyses are the cornerstone of the BAT regulations adopted by ADEC 1997 and agreed upon by citizens, industry

¹ USCG and MMS work collaboratively with the State of Alaska during Alaska's 3-year renewal cycle, and merely issue updated approval letters once every five years; an extensive plan update is not required, due to the stringency of Alaska's planning standards. EPA does not review and approve C-Plans, they only require a plan that meets federal requirements to be located at the facility. Annual plan amendments are also required by the federal agencies.

² 33CFR155.1070 United States Coast Guard, Oil or Hazardous Material Pollution Prevention Regulations for Vessels, Procedures for plan review, revision, amendment, and appeal.
Page 2 of 3

and government. Currently a BAT analysis for oil spill prevention and response is required at each plan renewal (every three years). The plan holder must adopt new equipment and/or procedures if the analysis determines that the existing technology utilized by the plan holder does not meet the BAT standards. Lengthening the 3-year renewal cycle without requiring an annual plan holder review, slows the process that ensures that BAT is being utilized to prevent and respond to oil spills.

More frequent BAT updates also provide incentives for Alaskan entrepreneurs and suppliers to develop and sell improved technology to the Alaska oil industry.

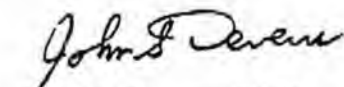
3. HB113 could lead to complacency and increased risks

Thirteen years after the Exxon Valdez Oil Spill (EVOS) tragedy we can look back and marvel at all we have accomplished together to improve Alaska's oil spill prevention and response capability. But we must not begin dismantling the very C-Plan laws that have prevented another major oil spill disaster without good reasons.

Retaining the 3-year C-Plan renewal cycle ensures that one of the greatest lessons learned from the EVOS is not repeated, that is, allowing regulators and industry to become complacent³.

We strongly oppose HB113 as drafted. Thank you for considering our views. Please contact me if you have any questions or if I can provide additional information on our position regarding HB113.

Sincerely,


John S. Devens, Ph.D.
Executive Director

Cc: Representative Mike Chenault
Representative Hugh "Bud" Fate
Representative Lesil McGuire
Representative Norman Rokeberg
Representative Harry Crawford
Representative Beth Kertua
Governor Frank Murkowski
Lt. Governor Loren Leman
Commissioner Ernesta Ballard, ADEC
Richard Ranger, Alyeska Pipeline
PWS RPG c/o Tom Colby, ATC
CDR Mark Swanson, US Coast Guard
Mike Munger, CIRCAC
PWSRCAC Member Organizations

³ "The Exxon Valdez Oil Spill, Final Report, State of Alaska", Alaska Department of Environmental Conservation, June 1993
Page 3 of 3

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: HB 113
 (H) Publish Date: 2/19/03

Revision Date/Time (Note if correction): _____ Dept. Affected: Environmental Conservation
 Title Cplan Renewal BRU Spill Prevention and Response
 Component Industry Preparedness &
 Sponsor Governor Murkowski Pipeline Operations
 Requester Resources Component No. 1922

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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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
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0
Other (Specify Type--Do not abbreviate)	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2003) cost: 0.0
 Check this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

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)

This bill changes the time between oil spill contingency plan approvals from the current three years to five years. Plans are required of operators of oil terminals, pipelines, exploration and production facilities, oil tank vessels, nontank vessels, oil barges, and railroad tank cars.

This bill furthers the goal of permit streamlining and complements initiatives currently being undertaken by DEC to shift emphasis away from the administrative review and approval process, which can often become bogged down in legal and adjudicatory challenges from third parties, to actual inspection and verification of response capability, which falls under the purview of DEC's enforcement authority.

Continued on Page 2

Prepared by: Larry Dietrick, Director Phone 465-5250
 Division Spill Prevention and Response Date/Time 2/11/03 4:49 PM
 Approved by: Kurt Fredriksson Date 2/11/2003
 Agency Department of Environmental Conservation

FISCAL NOTE #1

STATE OF ALASKA
2003 LEGISLATIVE SESSION

BILL NO. HB 113

ANALYSIS CONTINUATION

Continuation from Page 1

The application, review and approval process for oil spill prevention and contingency plans has become unnecessarily burdensome to applicants and DEC. The ability to prevent and respond to spills will be improved by increasing the capacity to conduct on-site regulated facility and vessel inspections, spill drills and exercises, technical assistance, and interaction with regulated operators to enhance response preparedness.

The bill supports the Governor's goal of fostering clarity and certainty through clear and consistently applied industry requirements and providing a stable and predictable permitting process.

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: CSHB 113(O&G)
 (H) Publish Date: 3/3/03

Revision Date/Time (Note if correction): _____ Dept. Affected: Law
 Title "An Act extending the renewal period for oil BRU Civil Division
discharge and contingency plans; . . ." Component Environmental Law
 Sponsor Rules Committee by Request of the Governor
 Requester House Special Committee on Oil and Gas Component No. 2092

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2003) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

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

This bill extends the renewal period for oil discharge prevention and contingency plans (c-plans) from three to five years. Passage of this legislation is not anticipated to have a fiscal impact on the Department of Law. The department currently spends considerable time defending and advising the Department of Environmental Conservation on c-plan adjudications and appeals. The number and complexity of these challenges has steadily increased over time. The overall increase in the number and size of these challenges has been driven by the agendas of third-party litigants and the expanding availability of funding for these litigants. Extending the c-plan renewal cycle may reduce the rate of growth of this workload, but passage of this legislation may not result in an overall reduction of workload for the department in the area of c-plan adjudications and litigation.

Prepared by: Joan M. Kasson
 Division: Attorney General's Office
 Approved by: Kathryn Daughhete for Gregg D. Renkes, Attorney General
 Agency: Department of Law

Phone (907) 465-5370
 Date/Time 2/26/03 4:36 PM
 Date 2/26/2003



RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

Tadd Owens, Executive Director
Resource Development Council
HB113 Testimony
House Resources Committee
March 12, 2003

Thank you, Mr. Chairman. For the record my name is Tadd Owens, I'm the executive director of the Resource Development Council. RDC is a private, non-profit, business association representing individuals and companies from Alaska's oil and gas, mining, timber, tourism and fisheries industries. Our mission is to help grow Alaska's economy through the responsible development of our state's natural resources.

RDC supports the CS for House Bill 113 and we encourage the Resources Committee to move the legislation forward. HB113 makes a simple change to the renewal period for ADEC-required discharge and contingency plans, commonly referred to as C-Plans, from three to five years. C-plans are essential to spill response preparedness, however, the effort associated with the plan renewals is significant for both industry and the state. Based on our members' experiences, a three-year renewal cycle often does not result in meaningful improvements in environmental protection or regulatory compliance. Increasing the time between renewals from three to five years will bring the program's benefits in line with its costs.

A five-year renewal cycle will allow the state to focus its resources on site inspections rather than the office work associated with plan reviews. Currently, ADEC is responsible for more than 125 C-Plans in Alaska. Allowing agency staff

additional time in the field will provide them with a more thorough understanding of industry operations.

A five-year renewal period will also give agency staff a better opportunity to determine the effectiveness of existing plans and to observe plan implementation prior to any incident. By utilizing this information and experience, subsequent plan renewals will have better oversight, incorporate more high-value improvements, and be less vulnerable to legal challenges.

Meanwhile industry will be able to shift its resources away from the largely administrative exercise of three-year renewals to additional prevention-specific activities. Improved networking and communication between industry and ADEC will further enhance the quality of plan renewals. Also, a five-year renewal cycle would mirror the federal requirement, allowing industry the option of consolidating its review process.

Lastly, it is important to note that this bill does not affect the federal requirement for a three-year spill drill, nor does this legislation change the annual federal review requirements. Also this legislation does not change the requirement of C-Plan holders to submit plan amendments to DEC for approval whenever a change to the plan is made.

RDC's members believe that increasing the C-Plan renewal cycle from three to five-years will result in a more thorough public process, the creation of more realistic and sophisticated plans, and establish a more efficient and predictable regulatory regime. HB113 deserves the committee's support.

Thank you, Mr. Chairman for the opportunity to testify this afternoon.

House Oil and Gas Special Committee

House Bill 113

"An Act extending the renewal period for oil discharge prevention and contingency plans"

Testimony of Larry Dietrick

*Alaska Department of Environmental Conservation
Division of Spill Prevention and Response*

February 27, 2003

This bill supports the Governor's goal of improving regulatory efficiency by reducing the administrative burden while improving spill prevention, preparedness and protection of the environment.

House Bill 113 will streamline the states permitting process by lengthening the time for renewal of Oil Discharge Prevention and Contingency Plans from the current three years to five years.

A five year-year renewal period will streamline the contingency review process for industry while maintaining Alaska's strong spill prevention and response standards.

Focusing on the actual testing of oil spill prevention and response preparedness through in-the-field inspections, drills, and exercises is our most effective means of ensuring spill prevention and response readiness and protection of the environment.

Oil Discharge Prevention and Contingency Plans are public noticed, reviewed and approved by the Department of Environmental Conservation.

Oil Discharge Prevention and Contingency Plans are required for operators of oil terminals, refineries, crude oil transmission pipelines, oil exploration and production facilities, oil tank vessels, oil barges, nontank vessels of over 400 gross tons, and railroad tank cars.

There are multiple benefits from the change proposed by the bill.

The bill furthers the goal of permit streamlining with no loss of environmental protection, and complements initiatives currently being undertaken by the Department to shift the emphasis away from the administrative review and approval process to field verification of response capability.

The bill will significantly reduce the administrative burden on the regulated community and will shift the emphasis from paperwork to performance.

The reduction in paperwork will increase the ability of operators and the Department to focus on spill prevention and facility operation.

The change will allow operators more time to make practical enhancements to their spill prevention and response capabilities.

The change will improve environmental protection and preparedness through increased field presence and the ability to work directly with operators to ensure response readiness through on-site facility and vessel inspections, spill drills and exercises.

The change will make the state renewal cycle consistent with the five year renewal cycle for federal oil spill contingency plans required under the Oil Pollution Act of 1990, as well as those of other West Coast states.

House Resources

House Bill 113

"An Act extending the renewal period for oil discharge prevention and contingency plans"

Testimony of Larry Dietrick

*Alaska Department of Environmental Conservation
Division of Spill Prevention and Response*

March 10, 2003

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House Bill 113 will streamline the states permitting process by lengthening the time for renewal of Oil Discharge Prevention and Contingency Plans from the current three years to five years.

A five year-year renewal period will streamline the contingency review process for industry while maintaining Alaska's strong spill prevention and response standards.

Focusing on the actual testing of oil spill prevention and response preparedness through in-the-field inspections, drills, and exercises is our most effective means of ensuring spill prevention and response readiness and protection of the environment.

Oil Discharge Prevention and Contingency Plans are public noticed, reviewed and approved by the Department of Environmental Conservation.

Oil Discharge Prevention and Contingency Plans are required for operators of oil terminals, refineries, crude oil transmission pipelines, oil exploration and production facilities, oil tank vessels, oil barges, nontank vessels of over 400 gross tons, and railroad tank cars.

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The bill furthers the goal of permit streamlining with no loss of environmental protection, and complements initiatives currently being undertaken by the Department to shift the emphasis away from the administrative review and approval process to field verification of response capability.

The bill will significantly reduce the administrative burden on the regulated community and will shift the emphasis from paperwork to performance.

The reduction in paperwork will increase the ability of operators and the Department to focus on spill prevention and facility operation.

The change will allow operators more time to make practical enhancements to their spill prevention and response capabilities.

The change will improve environmental protection and preparedness through increased field presence and the ability to work directly with operators to ensure response readiness through on-site facility and vessel inspections, spill drills and exercises.

The change will make the state renewal cycle consistent with the five year renewal cycle for federal oil spill contingency plans required under the Oil Pollution Act of 1990, as well as those of other West Coast states.