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# FISCAL NOTE

**STATE OF ALASKA**  
**2004 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: SB 355  
 (S) Publish Date: 2/27/04

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Environmental Conservation  
 Title "An Act relating to the protection of land and RDU Air & Water Quality  
water from waste disposal . . ." Component Water Quality  
 Sponsor Rules Committee by Request  
 Requester Governor Component No. 2062

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

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
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>6.0</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
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
<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 (FY2004) cost: 0.0  
 Mark this box (X) if funding for this bill is included in the Governor's FY 2005 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)

Bill has no fiscal impact on the Department.

Prepared by: Lynn J. Tomich Kent Phone 465-5312  
 Division Air & Water Quality Date/Time 2/18/04 2:41 PM  
 Approved by: Kurt Fredriksson, Deputy Commissioner Date 2/18/2004  
 Agency Department of Environmental Conservation

(Revised 12/2003 OMB)

## COMMITTEE COPY

# STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION  
OFFICE OF THE COMMISSIONER

FRANK H. MURKOWSKI, GOVERNOR  
410 Willoughby Ave., Ste 303  
Juneau, AK 99801-1795  
PHONE: (907) 465-5065  
FAX: (907) 465-5070  
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March 11, 2004

The Honorable Scott Ogan, Chairman  
Senate Resources Committee  
State Capitol, Room 103  
Juneau, Alaska 99801

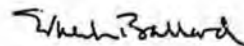
Dear Senator Ogan:

The Department of Environmental Conservation respectfully requests your consideration in scheduling a hearing for SB 355, an "Act relating to the protection of land and water from waste disposal; providing for the regulation of waste management; making conforming amendments; and providing for an effective date," in the Senate Resources Committee at your earliest convenience. The bill has had a previous hearing in the Senate Community and Regional Affairs Committee.

You may recall that we spoke last month about a bill that would direct the State to assume primacy for the federal wastewater discharge permitting (NPDES) program. We are not yet ready to proceed with NPDES assumption and SB 355 does not direct this agency to pursue primacy. The bill, however, retains many of the other important provisions we discussed. Its effect is to rationalize the statutory authority for the waste disposal permit program under AS 46.03.100, by reorganizing and supplementing the permitting tools available to the agency to protect Alaska's surface water and groundwater from pollution. SB 355 has a zero fiscal note. Attached is information which explains the bill in further detail.

Dan Easton, DEC's Water Division Director will provide you with any additional information you might require regarding this bill. Your staff can contact Mr. Easton at 465-5135, or Melanie Lesh, the department's legislative liaison, at 465-5290. As always, please contact me if I can be of assistance.

Sincerely,



Ernesta Ballard  
Commissioner

## Attachments

cc: The Honorable Senate Resources Committee Members  
Dan Easton, Director, Division of Water, DEC

DEPARTMENT OF ENVIRONMENTAL CONSERVATION  
SENATE BILL 355/HOUSE BILL 524

"RELATING TO THE PROTECTION OF LAND AND WATER FROM WASTE DISPOSAL"

Senate Bill 355 and House Bill 524 replace specific statutory references to "permits" with the broader term "authorization" and allows DEC to select from a range of tools to authorize waste disposal activities depending on risk. Tools include:

- I. **Individual permits.** This is the conventional permit issued to a specific facility for a particular disposal activity. Individual permits are used to authorize larger, more complex, larger volume, and higher risk activities.

**Examples** of facilities and operations likely authorized using **individual permits**:

- Major seafood processors
- Major municipal wastewater discharges
- Refinery discharges
- Ballast water treatment discharges
- Large (Class I and 2) landfills
- Oil and gas drilling waste disposal not covered by integrated waste mgt. permits
- Asbestos monofills

- II. **General permits.** General permits are used to authorize a number of similar activities in a geographic area. Persons that wish to be covered by the general permit notify DEC of their intent to operate in compliance with the permit. General permits are used to authorize lower risk activities.

**Examples** of facilities and operations likely authorized using **general permits**:

- Placer mines
- Log transfer facilities
- Stormwater discharges
- Remote camp sewage/solid waste disposal
- Oil and gas exploration and development
- Small seafood processors

- III. **Permits by rule.** The "permit by rule" tool is used to authorize low-risk activities by promulgating requirements in regulation.

**Examples** of facilities and operations likely authorized using **permits by rule**:

- Rural landfills
- Residential domestic wastewater systems that discharge to marine waters
- Coal bed methane exploration
- Non-jurisdictional wetland fill
- Construction dewatering
- Oil/water separators
- Small animal confinement operations
- Construction debris landfills
- Wood waste monofills

**IV. Plan approvals.** Sewerage systems and treatment works **that do not discharge** can be authorized by plan approval.

**Examples** of facilities and operations likely authorized by **plan approval**:

- Zero-discharge sewage treatment lagoons
- Zero-discharge temporary storage of oil and gas drilling waste
- Zero-discharge temporary storage of some coal bed methane projects

**V. Integrated waste management permits.** Complex facilities and operations requiring more than one DEC waste disposal authorization can be authorized using integrated waste management permits.

**Examples** of facilities and operations likely authorized by **integrated waste management permits**:

- Complex mining operations
- Major oil/gas development/production projects

DEPARTMENT OF ENVIRONMENTAL CONSERVATION

SENATE BILL 355

**"RELATING TO THE PROTECTION OF LAND AND WATER FROM WASTE DISPOSAL"**

Senate Bill 355 clarifies the statutory foundation for a rational water protection program. It is an integral piece of the Department of Environmental Conservation's (DEC) "Raindrops to Oceans" initiative to move the State of Alaska to a comprehensive and rational program for protecting Alaska's water as it flows through the hydrologic cycle, from raindrops to oceans.

**What the bill does:**

SB 355 replaces specific statutory references to "permits" with the broader term "authorization" and **allows DEC to select from a range of tools to authorize waste disposal activities depending on risk.** Tools include:

- **Individual permits.** This is the conventional permit issued to a specific facility for a particular disposal activity. Individual permits are used to authorize larger, more complex, larger volume, and higher risk activities.
- **General permits.** General permits are used to authorize a number of similar activities in a geographic area. Persons that wish to be covered by the general permit notify DEC of their intent to operate in compliance with the permit. General permits are used to authorize lower risk activities.
- **Permits by rule.** The "permit by rule" tool is used to authorize low-risk activities by promulgating requirements in regulation. Permits by rule are used for low-risk activities.
- **Plan approvals.** Sewerage systems and treatment works that do not discharge can be authorized by approving plans.
- **Provides for integrated waste management permits** for complex facilities requiring more than one DEC permit.

**Allows administrative extension of DEC permits.** SB 355 allows DEC to develop regulations under which the agency may extend expiring individual and general permits beyond their expiration date.

**Expands requirements for proof of financial responsibility** for harmful mining waste. Proof of financial responsibility authority is used to make sure that owners of large solid waste disposal facilities have set aside enough money to properly close the facilities. For mining activities, rather than requiring separate financial assurance, SB 355 allows DEC to accept financial assurance provided to a state or federal land management agency.

**Modifies the definition of "solid waste"** to make the term more specific and **adds a definition for "municipal solid waste"** to help distinguish municipal solid waste from industrial and other forms of solid waste. SB 355 also allows DEC to exempt small landfills that accept household hazardous waste from providing proof of financial responsibility.

SB 355

SENATE BILL NO. 355 BY THE SENATE RULES COMMITTEE  
BY REQUEST OF THE GOVERNOR, entitled:

"An Act relating to the protection of land and water from waste disposal; providing for the regulation of waste management; making conforming amendments; and providing for an effective date."

Dear President Therriault:

Under the authority of article III, section 18, of the Alaska Constitution, and in the interest of reducing duplication in and otherwise improving regulatory processes, I am transmitting a bill relating to regulation of waste management and disposal that would:

1. reorganize and supplement existing statutory authority to provide flexibility in the regulatory tools used to control the treatment and disposal of waste;
2. streamline certain aspects of the permitting process; and
3. provide explicit statutory authority for proof of financial responsibility for certain types of municipal solid waste and mining waste treatment and disposal facilities.

Under existing state law, the Department of Environmental Conservation (DEC) regulates a broad universe of waste and wastewater disposal activities. In addition to regulating discharges to surface waters, the DEC regulates discharges to groundwater and the disposal of solid and liquid wastes on land. The existing statutory authority for these regulatory programs is drawn from several sections of AS 46.03, some providing broad, general powers and others prescribing detailed requirements. These statutory authorities do not provide adequate regulatory tools for efficient regulation of waste treatment and disposal.

This bill would change the existing statutory authority for a waste disposal permit program (AS 46.03.100) by reorganizing and supplementing it. That reorganized section would preserve the essential requirement to obtain authorization before conducting an operation that results in waste disposal. The bill would allow for the needed authorization to take one of several forms, providing flexibility to use regulatory tools other than the individual and general permits contemplated by the current law, in addition to those permits. The bill would provide for stakeholder participation in that even the simplest of the regulatory tools would include notice and comment regulation adoption.

The changes proposed to existing AS 46.03.100 would address requirements for proof of financial responsibility for certain types of waste treatment or disposal facilities. Current law explicitly requires such proof only for permits to dispose of hazardous waste. This bill would refocus the requirement on solid waste disposal facilities that accept hazardous waste and on mine waste treatment and disposal facilities that use chemical processing or have acid generation potential. For mines that do not use chemical processing or produce

waste with acid generation potential, proof of financial responsibility would not be required as a condition for the waste treatment or disposal authorization, but this would not affect the separate reclamation-related financial responsibility requirements administered by the Department of Natural Resources. The bill would provide for DEC to accept proof of financial responsibility provided to the Department of Natural Resources or a federal land manager agency for mine reclamation instead of requiring duplicative bonding.

The bill would clarify that the proof of financial responsibility must cover managing and closing the facility to control or minimize the risk of release of unauthorized levels of pollutants to waters. The bill also would allow for the possibility that this financial responsibility requirement may need to be extended to some municipal solid waste disposal facilities.

The changes proposed to AS 46.03.100 would modify the requirement for a solid waste permit applicant to demonstrate consideration of all solid waste management options and consistency with the waste reduction practices and priorities of AS 46.06.021. As modified, those requirements would apply only to non-municipal solid waste disposal applicants.

The bill also would reorder the components of the waste disposal authorization provisions so that they flow from the prohibition against unauthorized waste disposal, to the basic regulatory tools available for authorizing the disposal, to provisions for plan reviews and integrated waste management permits, to the exemptions, and finally to specific requirements that must be met by certain categories of disposers.

This bill would amend some existing permit processing requirements related to application submittals, public notice and comment opportunities, the maximum term of permits, and the causes for termination or modification of an authorization.

This bill would add a definition for "municipal solid waste" and would amend the definition of "solid waste." It also would repeal the plan submittal, review, and approval provisions of AS 46.03.090 and 46.03.720(a) as superfluous in light of the changes proposed to AS 46.03.100 (which makes written plan approvals one of the tools available for authorizing activities covered by the repealed sections). It also would make conforming amendments in AS 16.05.782(e), AS 44.46.025(a), and 46.03.833(a), to reflect citation or terminology changes caused by other amendments and repealers in the bill.

I urge your prompt and favorable action on this measure.

Sincerely yours,

/s/

Frank H. Murkowski  
Governor

**SB 355 - Sectional Analysis**  
Relating to Protection of Land and Water from Waste Disposal

**Section 1.** Makes conforming changes to reflect AS 46.03.100's switch from "permit" as the only form of agency approval to the more flexible "prior authorization."

**Section 2.** Makes conforming changes to reflect retitling of AS 46.03.100 to "waste management and disposal authorizations" and repeal of AS 46.03.720(a).

**Section 3.** Modifies current "waste disposal permit" requirements to fit a "waste management and disposal authorization" regulatory approach.

1. Subsection (a) prohibits waste disposal and related sewer or treatment system construction activities without DEC authorization.

2. Subsection (b) describes five waste management and disposal authorization tools to be used and revises general permit standards.

3. Subsection (c) centralizes sewer or treatment system plan review and approval authority and provides for plan approval to serve in lieu of a permit under some circumstances.

4. Subsection (d) provides for use of integrated waste management and disposal authorizations.

5. Subsection (e) pulls together in one subsection the existing waste disposal permit exemptions.

6. Subsection (f) clarifies and amends proof of financial responsibility requirements for facilities that handle hazardous waste, mining waste from operations that use chemical processing or have the potential to generate acid, and some municipal solid waste disposal facilities.

7. Subsection (g) modifies the waste reduction practices and priorities demonstration so that it applies only to non-municipal solid waste disposal applicants.

**Section 4.** Amends permit application requirements and makes conforming changes.

**Section 5.** Changes newspaper publication requirements for waste management and disposal permits.

**Section 6.** Clarifies permit duration limit, provides for regulations on administrative continuance of expiring permits, and makes conforming language changes.

**Section 7.** Amends statutory provisions on termination and modification of waste disposal permits and makes conforming changes.

**Section 8.** Adds a savings clause to allow for termination and modification of permits or plan approvals for reasons other than those in Section 7.

**SB 355 - Sectional Analysis**  
Relating to Protection of Land and Water from Waste Disposal

Section 9. Makes conforming changes to reflect the reorganization of subsections in AS 46.03.100 and the terminology used for financial responsibility requirements.

Section 10. Redefines the term "solid waste."

Section 11. Adds definition for "municipal solid waste."

Section 12. Repeals AS 46.03.090 sewage and industrial waste or treatment plan submittal provision and AS 46.03.720(a) sewerage system or treatment works plan review and approval provisions.

Section 13. Instructs the Revisor of Statutes to make conforming changes to one section heading to reflect repeal of a subsection.

Section 14. Provides for an immediate effective date to allow work on regulations to implement the requirements of Sections 1-12 above to begin without delay.

# STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION  
OFFICE OF THE COMMISSIONER

FRANK H. MURKOWSKI, GOVERNOR  
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March 16, 2004

The Honorable Kim Elton  
State Senate  
Alaska State Capitol, Room 115  
Juneau, Alaska 99801

Dear Senator Elton:

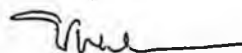
Please find below my answer to your question raised at the Senate Community & Regional Affairs Committee hearing held on March 10, 2004.

Changing the AS 46.03.110 waste management permit notice requirement from two publications in one newspaper to at least one publication in one newspaper is consistent with the level of newspaper notice required under the Administrative Procedure Act (APA) for regulations.

- The APA does not prescribe public notice requirements for permit actions, but it does for regulations. AS 44.62.100(a) requires publication of a notice of the proposed adoption, amendment or repeal of a regulation in a newspaper of general circulation or trade or industry publication. The public notice requirement can be satisfied in a number of ways, including through a combination of publication and broadcasting. Under the APA, the notice of the action on regulations also must be posted on the Alaska Online Public Notice System.
- The driving force behind the change in the minimum number of publications in Section 5 of SB 355 (page 6, lines 6-7) was a desire for regulatory flexibility. The ability to reduce costs by minimizing the number of required publications when appropriate was a consideration but not the main reason for the change.
- Instead of being stuck in the mold of ordering two newspaper publications for each and every waste management permit application, DEC wants to be able on a program-specific or authorization-specific basis to put together the combination of notices that is best calculated to reach the affected public, with the minimum being a single publication in the newspaper, coupled with other forms such as the on-line public notices and mailing/email distribution lists.

If you have any further questions, please let me know.

Sincerely,



Ernesta Ballard  
Commissioner

March 19, 2004

The Honorable Scott Ogan, Chair  
Senate Resources Committee  
State Capitol, Room 103  
Juneau, Alaska 99801



Coeur Alaska, Inc.  
3031 Clinton Dr., Suite 202  
Juneau, Alaska 99801  
Telephone 907.789.1591  
Facsimile 907.789.1503

Dear Senator Ogan:

This letter is written in support of SB 355 by Coeur Alaska, Inc. Coeur Alaska is a wholly-owned subsidiary of Coeur d'Alene Mines Corporation. Coeur owns and operates two major mines in the U.S. in Idaho and Nevada. Coeur is the largest primary silver producer in the U.S. We are currently working on permitting and feasibility studies to develop the Kensington Gold Mine north of Juneau. We hope to commence construction in summer 2004, and create over 300 construction and 200 operations jobs in Southeast Alaska. Alaska is one of the few states in the U. S. that currently provides a reasonable degree of predictability in their permitting process.

We have appreciated the willingness by ADEC to entertain our input on this very important legislation. We view it as the first step in the development of additional future legislation that will ultimately result in ADEC receiving NPDES primacy. This is very important to the mining industry, and future investments in the State of Alaska.

One important aspect of the bill is definitely the "permit by rule" provision, which would allow ADEC to authorize simple activities using this approach. By writing requirements into regulation in this manner, environmental objectives will be met and the process will be streamlined. This is good for the environment, allows for "site specific" treatments, and is good for responsible industries.

Also, we support the proof of financial assurance provision. The opportunity to coordinate this aspect for waste disposal facilities will help to mitigate costly and inefficient duplication of programs.

Finally, a program which will allow ADEC to administratively extend permits is again important to industry. This provision allows for thorough review by the agency, and permit coverage during renewal for the permittee. Permitting is often an onerous program. It is time critical; delays can ultimately result in "no project" decisions. The current Administration's proactive efforts to develop a consolidated process is to be commended.

Thank you for the opportunity to comment.

Best regards,

A handwritten signature in cursive script that reads "Robert T. Richins".

Robert T. "Rick" Richins  
Project Director



# RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

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March 19, 2004

Senator Scott Ogan  
 Senate Resources Committee  
 Alaska State Legislature, State Capitol  
 Juneau, Alaska 99801-1182

Re: SB 355 — Waste Management/Disposal

Dear Senator Ogan:

On behalf of the Resource Development Council for Alaska, Inc. (RDC), I am writing in support of SB 355 — Waste Management/Disposal.

RDC is a private, membership-funded, non-profit trade association. The organization represents individuals and companies from Alaska's mining, timber, oil and gas, tourism and fishing industries. Also within our ranks are local communities, Native regional and village corporations, organized labor and industry support firms. Our mission is to help grow Alaska's economy through the responsible development of the state's natural resources.

SB 355 accomplishes several objectives of importance to both the Department of Environmental Conservation (DEC) and the regulated community. The bill greatly enhances DEC's management flexibility by defining several tools the department may use to authorize waste disposal. These tools include individual and general permits, authorizations-by-regulation, approval of plans of operation and integrated waste management and disposal authorizations.

This broad array of management options will allow the department to more efficiently and effectively regulate waste disposal throughout the state. In turn, the regulated community will benefit from an oversight

Page 2, RDC letter in support of SB 355

system that can be tailored to fit a variety of different operating and disposal scenarios. SB 355 allows DEC to replace a "one-size-fits-all" program with a more dynamic and practical plan.

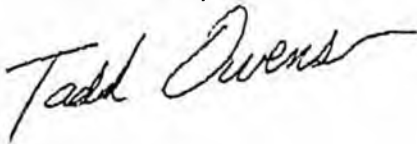
SB 355 also clarifies the financial responsibility requirements for disposal operators. The bill defines a range of options DEC may consider when evaluating an operator's proof of financial responsibility. Individual operators will benefit from the opportunity to meet the standard by choosing the assurance mechanism most appropriate to their unique set of circumstances.

Lastly, the bill provides for DEC to prescribe in regulations the circumstances under which an expiring permit may be administratively continued. Having the option to administratively extend a permit will be another valuable tool for the department and potential benefit to the regulated community. Due to DEC's limited resources, operations under an expired permit can occur through no fault of the operator. Such occurrences increase the risk of third-party litigation and threaten to drive up the costs of doing business for DEC and the regulated community. Defining an appropriate process for issuing administrative extensions addresses this important concern.

RDC appreciates the opportunity to comment on SB 355. Our membership strongly supports the legislation and we encourage you to hear the bill and move it forward. Thank you for your consideration and please feel free to contact me with any questions.

Sincerely,

RESOURCE DEVELOPMENT COUNCIL  
for Alaska, Inc.



Tadd Owens  
Executive Director

cc: Commissioner Ernesta Ballard, DEC  
Dan Easton, Director, Division of Water, DEC

## Alaska Oil and Gas Association



121 W. Fireweed Lane, Suite 207  
Anchorage, Alaska 99503-2035  
Phone: (907)272-1481 Fax: (907)279-8114  
Email: crockett@aoga.org  
*Marilyn Crockett, Deputy Director*

March 19, 2004

Senator Scott Ogan, Chair  
Senate Resources Committee  
Alaska State Legislature  
State Capitol, Room 103  
Juneau, Alaska 99801-1182

### SB355 – Waste Management and Disposal

Dear Senator Ogan:

The Alaska Oil and Gas Association (AOGA) is a private, nonprofit trade association whose 19 member companies account for the majority of oil and gas exploration, development, production, transportation, refining and marketing activities in Alaska. We are submitting this letter for the Committee's consideration during its deliberations on SB355, "An Act relating to the protection of land and water from waste disposal; providing for the regulation of waste management; making conforming amendments; and providing for an effective date". AOGA strongly supports this legislation.

This legislation is an excellent example of the Alaska Department of Environmental Conservation continuing to pursue opportunities to streamline its processes, while at the same time ensuring that its assigned responsibility of protecting Alaska's environment is carried out. It gives DEC additional regulatory tools for waste management and disposal activities in Alaska by providing it with flexibility to authorize these activities through general permits for like activities, authorization by regulation, and approvals of management plans, in addition to the traditional vehicle of issuing individual permits.

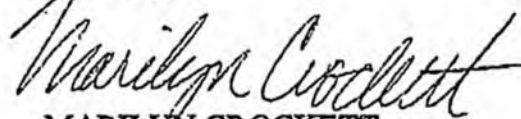
It also gives the Department the ability to administratively extend permits which are about to expire. This is an authority which has long been in place with other agencies, and in particular, the U.S. Environmental Protection Agency. The ability to administratively extend permits is important because it allows the Department to spend additional time on renewal of a particular permit if it feels it is necessary; it allows DEC the flexibility to prioritize limited permitting resources by extending those permits which are low risk and for which there are no changes needed, allowing it then to focus those limited resources on permits which may be more complicated and need additional attention; and finally, it satisfies the need of the permit holder to have a permit in place so that their operations can continue in the situations discussed above where a permit may expire through no fault of the permit holder.

March 19, 2004

Page 2

We encourage the Committee's prompt passage of SB355. Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Marilyn Crockett". The signature is written in black ink and is positioned above the printed name.

MARILYN CROCKETT



## Briefing Paper

SB 355

Thank you for the opportunity to speak to this bill.

My name is Rich Heig. I am president of the Council of Alaska Producers, and also General Manager of Greens Creek Mining Company.

The Council of Alaska Producers is an organization that educates and promotes responsible development of natural resources in the State of Alaska. We are made up of the larger mining operations and potential operations of Alaska, all of which are also members of the Alaska Mining Association.

The Producers Council supports SB 355.

This bill will make several important changes to the requirements for management and disposal of mining wastes. These changes have been discussed within DEC and the mining industry for quite some time. This bill will streamline and supplement existing statutory authority in the treatment and disposal of wastes.

One of the changes of this bill is to allow DEC the authority to administratively extend permits. It is occasionally not possible for DEC to process a permit renewal before the current permit expires. However, the company involved must have the permit to legally operate. This change will give DEC the authority to extend a permit.

SB-355 will also allow DEC to use permit-by-rule for various simple authorizations. Under this approach, DEC will write into regulation a certain set of requirements and if these are followed, the public is authorized to do the activity. This makes sense for both industry and DEC. This procedure will allow industry to efficiently move forward, while still complying with DEC and environmental requirements. For DEC, they do not have to keep track of and process the paper for minor permits and yet DEC maintains authority to enforce the requirements.

The bill also allows for proof of financial assurance for waste disposal facilities. This function can be completed in conjunction with other state or federal agencies to prevent duplication of financial assurance.

The mining industry has been involved in the drafting of this legislation with the Department of Environmental Conservation.

The Producers Council supports passage of SB 355 and ask that it be passed out of Committee.

Rich Heig