

Leg. Finance-House & Senate Finance Comte Files (1991-1992) 780 80

	APPROPRIATION	APPROPRIATION	FUND SOURCES	
	ITEMS	GENERAL FUND	OTHER FUNDS	
1				1
2				2
3	* SEC. 46 THE FOLLOWING SETS OUT THE FUNDING BY AGENCY			3
4	FOR THE APPROPRIATIONS MADE IN THE PRECEDING SECTION OF			4
5	THIS ACT.			5
6	OFFICE OF THE GOVERNOR			6
7	FEDERAL RECEIPTS	2,552,700		7
8	GENERAL FUND MATCH	28,600		8
9	GENERAL FUND	15,294,400		9
10	GENERAL FUND/PROGRAM RECEIPTS	5,000		10
11	*** TOTAL FUNDING ***	\$17,880,700		11
12	DEPARTMENT OF ADMINISTRATION			12
13	FEDERAL RECEIPTS	6,839,100		13
14	GENERAL FUND MATCH	982,100		14
15	GENERAL FUND	155,466,400		15
16	GENERAL FUND/PROGRAM RECEIPTS	7,730,500		16
17	GENERAL FUND/MENTAL HEALTH TRUST	2,118,000		17
18	INTER-AGENCY RECEIPTS	25,668,200		18
19	PUBLIC EMPLOYEES RETIREMENT FUND	2,233,400		19
20	SURPLUS PROPERTY REVOLVING FUND	164,800		20
21	TEACHERS RETIREMENT SYSTEM FUND	1,791,200		21
22	JUDICIAL RETIREMENT SYSTEM	39,600		22
23	NATIONAL GUARD RETIREMENT SYSTEM	33,300		23
24	CAPITAL IMPROVEMENT PROJECT RECEIPTS	67,400		24
25	INTERNAL SERVICE FUND	23,349,800		25
26	*** TOTAL FUNDING ***	\$226,483,800		26

1	DEPARTMENT OF LAW		1
2	FEDERAL RECEIPTS	500,000	2
3	GENERAL FUND MATCH	55,600	3
4	GENERAL FUND	29,246,900	4
5	GENERAL FUND/PROGRAM RECEIPTS	392,000	5
6	GENERAL FUND/MENTAL HEALTH TRUST	1,281,000	6
7	INTER-AGENCY RECEIPTS	10,807,300	7
8	STATE CORPORATION RECEIPTS	2,750,000	8
9	INTER-AGENCY OIL/HAZARD RESPONSE FUND	3,383,000	9
10	*** TOTAL FUNDING ***	\$48,415,800	10
11	DEPARTMENT OF REVENUE		11
12	FEDERAL RECEIPTS	5,694,000	12
13	GENERAL FUND MATCH	1,767,600	13
14	GENERAL FUND	9,116,600	14
15	GENERAL FUND/PROGRAM RECEIPTS	715,000	15
16	INTER-AGENCY RECEIPTS	555,300	16
17	ALASKA EDUCATION TRUST FUND	35,600	17
18	FEDERAL INCENTIVE PAYMENTS	981,900	18
19	STATE CORPORATION RECEIPTS	28,860,200	19
20	SCIENCE & TECHNOLOGY ENDOWMENT INCOME	4,857,200	20
21	PUBLIC EMPLOYEES RETIREMENT FUND	12,753,500	21
22	TEACHERS RETIREMENT SYSTEM FUND	7,696,000	22
23	JUDICIAL RETIREMENT SYSTEM	92,400	23
24	NATIONAL GUARD RETIREMENT SYSTEM	27,900	24
25	UNIVERSITY RESTRICTED RECEIPTS	73,500	25

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1	DEPARTMENT OF REVENUE (CONT.)		1
2	PERMANENT FUND DIVIDEND FUND	4,328,900	2
3	INVESTMENT LOSS TRUST FUND	35,600	3
4	PUBLIC SCHOOL FUND	304,000	4
5	*** TOTAL FUNDING ***	\$77,895,200	5
6	DEPARTMENT OF EDUCATION		6
7	FEDERAL RECEIPTS	56,468,900	7
8	GENERAL FUND MATCH	1,901,300	8
9	GENERAL FUND	24,173,800	9
10	GENERAL FUND/PROGRAM RECEIPTS	2,139,400	10
11	GENERAL FUND/MENTAL HEALTH TRUST	1,837,000	11
12	INTER-AGENCY RECEIPTS	7,497,500	12
13	DONATED COMMODITY/HANDLING FEE ACCOUNT	582,700	13
14	STATE CORPORATION RECEIPTS	5,348,300	14
15	PUBLIC LAW 81-874	73,100	15
16	CAPITAL IMPROVEMENT PROJECT RECEIPTS	212,800	16
17	INDV/FOUNDT'N/CORP GIFTS/GRANTS/BEQUESTS	365,200	17
18	*** TOTAL FUNDING ***	\$100,600,000	18
19	DEPARTMENT OF HEALTH & SOCIAL SERVICES		19
20	FEDERAL RECEIPTS	234,973,200	20
21	GENERAL FUND MATCH	163,069,500	21
22	GENERAL FUND	121,421,800	22
23	GENERAL FUND PROGRAM RECEIPTS	9,891,000	23
24	GENERAL FUND/MENTAL HEALTH TRUST	113,674,300	24
25	INTER-AGENCY RECEIPTS	25,554,600	25

1	DEPARTMENT OF HEALTH & SOCIAL SERVICES (CONT.)		1
2	ALCOHOLISM & DRUG ABUSE LOAN FUND	2,000	2
3	TITLE XX	6,394,700	3
4	PERMANENT FUND DIVIDEND FUND	18,540,900	4
5	INTER-AGENCY OIL/HAZARD RESPONSE FUND	7,500	5
6	CAPITAL IMPROVEMENT PROJECT RECEIPTS	458,100	6
7	*** TOTAL FUNDING ***	\$693,987,600	7
8	DEPARTMENT OF LABOR		8
9	FEDERAL RECEIPTS	31,377,100	9
10	GENERAL FUND MATCH	1,461,800	10
11	GENERAL FUND	7,872,400	11
12	GENERAL FUND/PROGRAM RECEIPTS	760,300	12
13	INTER-AGENCY RECEIPTS	7,030,300	13
14	SECOND INJURY FUND RESERVE ACCOUNT	2,253,100	14
15	DISABLED FISHERMANS RESERVE ACCOUNT	1,247,500	15
16	TRAINING AND BUILDING FUND	986,500	16
17	STATE EMPLOYMENT & TRAINING PROGRAM	3,540,000	17
18	INTER-AGENCY OIL/HAZARD RESPONSE FUND	5,000	18
19	*** TOTAL FUNDING ***	\$56,534,000	19
20	DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT		20
21	FEDERAL RECEIPTS	8,804,500	21
22	GENERAL FUND MATCH	1,039,800	22
23	GENERAL FUND	36,484,600	23
24	GENERAL FUND/PROGRAM RECEIPTS	22,876,300	24
25	INTER-AGENCY RECEIPTS	325,400	25

1	DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT (CONT.)		1
2	STATE CORPORATION RECEIPTS	2,300,900	2
3	PUBLIC EMPLOYEES RETIREMENT FUND	167,700	3
4	TEACHERS RETIREMENT SYSTEM FUND	140,800	4
5	VETERANS REVOLVING LOAN FUND	382,900	5
6	COMMERCIAL FISHING LOAN FUND	1,327,200	6
7	REAL ESTATE SURETY FUND	147,300	7
8	SMALL BUSINESS LOAN FUND	37,600	8
9	TOURISM REVOLVING LOAN FUND	300	9
10	CAPITAL IMPROVEMENT PROJECT RECEIPTS	3,024,500	10
11	POWER PROJECT LOAN FUND	25,000	11
12	RURA' ELECTRIFICATION LOAN FUND	3,000	12
13	MINING REVOLVING LOAN FUND	227,000	13
14	CHILD CARE REVOLVING LOAN FUND	13,500	14
15	HISTORICAL DISTRICT REVOLVING LOAN FUND	2,600	15
16	FISHERIES ENHANCEMENT LOAN FUND	289,900	16
17	ALTERNATIVE ENERGY REVOLVING LOAN FUND	424,900	17
18	RESIDENTIAL ENERGY CONSERV. LOAN FUND	195,600	18
19	POWER DEVELOPMENT REVOLVING LOAN FUND	638,200	19
20	BULK FUEL REVOLVING LOAN FUND	72,500	20
21	*** TOTAL FUNDING ***	\$78,952,000	21
22	DEPARTMENT OF MILITARY & VETERANS AFFAIRS		22
23	FEDERAL RECEIPTS	15,892,800	23
24	GENERAL FUND MATCH	1,847,000	24
25	GENERAL FUND	8,160,000	25

1	DEPARTMENT OF MILITARY & VETERANS AFFAIRS (CONT.)		1
2	GENERAL FUND/PROGRAM RECEIPTS	29,600	2
3	INTER-AGENCY RECEIPTS	538,300	3
4	INTER-AGENCY OIL/HAZARD RESPONSE FUND	800,000	4
5	*** TOTAL FUNDING ***	\$27,267,700	5
6	DEPARTMENT OF NATURAL RESOURCES		6
7	FEDERAL RECEIPTS	8,879,000	7
8	GENERAL FUND MATCH	372,300	8
9	GENERAL FUND	39,238,900	9
10	GENERAL FUND/PROGRAM RECEIPTS	8,477,200	10
11	INTER-AGENCY RECEIPTS	3,842,900	11
12	AGRICULTURAL LOAN FUND	1,364,900	12
13	INTER-AGENCY OIL/HAZARD RESPONSE FUND	28,900	13
14	CAPITAL IMPROVEMENT PROJECT RECEIPTS	1,560,800	14
15	*** TOTAL FUNDING ***	\$63,764,900	15
16	DEPARTMENT OF FISH & GAME		16
17	FEDERAL RECEIPTS	37,581,100	17
18	GENERAL FUND MATCH	903,400	18
19	GENERAL FUND	39,653,000	19
20	GENERAL FUND/PROGRAM RECEIPTS	7,397,800	20
21	INTER-AGENCY RECEIPTS	1,643,400	21
22	FISH AND GAME FUND	11,333,200	22
23	INTER-AGENCY OIL/HAZARD RESPONSE FUND	197,200	23
24	CAPITAL IMPROVEMENT PROJECT RECEIPTS	386,200	24
25	*** TOTAL FUNDING ***	\$99,095,300	25

1	DEPARTMENT OF PUBLIC SAFETY		1
2	FEDERAL RECEIPTS	4,221,600	2
3	GENERAL FUND MATCH	281,000	3
4	GENERAL FUND	82,511,800	4
5	GENERAL FUND/PROGRAM RECEIPTS	3,485,600	5
6	INTER-AGENCY RECEIPTS	1,277,400	6
7	PERMANENT FUND DIVIDEND FUND	759,500	7
8	*** TOTAL FUNDING ***	\$92,536,900	8
9	DEPARTMENT OF TRANSPORTATION/PUBLIC FACILITIES		9
10	FEDERAL RECEIPTS	1,114,900	10
11	GENERAL FUND MATCH	85,600	11
12	GENERAL FUND	96,817,400	12
13	GENERAL FUND/PROGRAM RECEIPTS	7,501,200	13
14	INTER-AGENCY RECEIPTS	5,177,000	14
15	HIGHWAY WORKING CAPITAL FUND	21,151,400	15
16	INTERNATIONAL AIRPORT REVENUE FUND	35,947,700	16
17	CAPITAL IMPROVEMENT PROJECT RECEIPTS	62,185,400	17
18	MARINE HIGHWAY SYSTEM FUND	72,114,100	18
19	*** TOTAL FUNDING ***	\$302,094,700	19
20	DEPARTMENT OF ENVIRONMENTAL CONSERVATION		20
21	FEDERAL RECEIPTS	10,144,200	21
22	GENERAL FUND MATCH	2,520,700	22
23	GENERAL FUND	15,913,200	23
24	GENERAL FUND/PROGRAM RECEIPTS	2,621,800	24
25	INTER-AGENCY RECEIPTS	440,600	25

1	DEPARTMENT OF ENVIRONMENTAL CONSERVATION (CONT.)		1
2	INTER-AGENCY OIL/HAZARD RESPONSE FUND	8,913,700	2
3	CAPITAL IMPROVEMENT PROJECT RECEIPTS	335,700	3
4	ALASKA CLEAN WATER LOAN FUND	90,500	4
5	STORAGE TANK ASSISTANCE FUND	567,800	5
6	*** TOTAL FUNDING ***	\$41,548,200	6
7	DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS		7
8	FEDERAL RECEIPTS	25,290,800	8
9	GENERAL FUND MATCH	2,243,400	9
10	GENERAL FUND	111,443,800	10
11	GENERAL FUND/PROGRAM RECEIPTS	36,600	11
12	GENERAL FUND/MENTAL HEALTH TRUST	30,000	12
13	INTER-AGENCY RECEIPTS	7,606,800	13
14	STATE EMPLOYMENT & TRAINING PROGRAM	358,900	14
15	INTER-AGENCY OIL/HAZARD RESPONSE FUND	5,000	15
16	CAPITAL IMPROVEMENT PROJECT RECEIPTS	1,154,200	16
17	NATIONAL PETROLEUM RESERVE FUND	600,000	17
18	HOUSING ASSISTANCE LOAN FUND	3,101,800	18
19	*** TOTAL FUNDING ***	\$151,871,300	19
20	DEPARTMENT OF CORRECTIONS		20
21	FEDERAL RECEIPTS	24,000	21
22	GENERAL FUND	100,214,300	22
23	GENERAL FUND/PROGRAM RECEIPTS	2,473,600	23
24	GENERAL FUND/MENTAL HEALTH TRUST	3,337,700	24
25	INTER-AGENCY RECEIPTS	79,600	25

1	DEPARTMENT OF CORRECTIONS (CONT.)		1
2	PERMANENT FUND DIVIDEND FUND	802,900	2
3	CORRECTIONAL INDUSTRIES FUND	2,250,600	3
4	CAPITAL IMPROVEMENT PROJECT RECEIPTS	302,400	4
5	*** TOTAL FUNDING ***	\$109,485,100	5
6	UNIVERSITY OF ALASKA		6
7	FEDERAL RECEIPTS	49,983,100	7
8	GENERAL FUND MATCH	2,763,800	8
9	GENERAL FUND	168,127,500	9
10	INTER-AGENCY RECEIPTS	21,728,200	10
11	U/A INTEREST INCOME	2,580,600	11
12	U/A DORMITORY/FOOD/AUXILARY SERVICE	18,449,600	12
13	U/A STUDENT TUITION/FEES/SERVICES	38,793,900	13
14	U/A INDIRECT COST RECOVERY	10,452,900	14
15	UNIVERSITY RESTRICTED RECEIPTS	40,296,300	15
16	CAPITAL IMPROVEMENT PROJECT RECEIPTS	1,997,900	16
17	*** TOTAL FUNDING ***	\$355,173,800	17
18	ALASKA COURT SYSTEM		18
19	GENERAL FUND	44,227,000	19
20	GENERAL FUND/MENTAL HEALTH TRUST	40,000	20
21	*** TOTAL FUNDING ***	\$44,267,000	21
22	LEGISLATURE		22
23	GENERAL FUND	34,231,300	23
24	GENERAL FUND/PROGRAM RECEIPTS	93,500	24
25	INTER-AGENCY RECEIPTS	275,000	25
26	*** TOTAL FUNDING ***	\$34,599,800	26

1 * * * * * TOTAL BUDGET * * * * *

\$2,622,453,800

1

2 * SEC. 47 THIS ACT TAKES EFFECT JULY 1, 1992.

2

FY93 COLA Action by Senate Finance Committee - General Funds Only

	Funded in Governor's Amended [1]	Senate Actions		Amount Remaining
		Reduce to 3.6% [2]	Eliminate Non-covered [3]	
Office of the Governor	470.5	0.0	0.0	470.5
Department of Administration	1,627.3	-441.9	0.0	1,185.4
Department of Law	0.0	0.0	0.0	0.0
Department of Revenue	318.2	0.0	0.0	318.2
Department of Education	455.8	-136.1	0	319.7
Department of Health & Social Services	3,303.7	-1,060.2	0.0	2,243.5
Department of Labor	0.0	0.0	0.0	0.0
Dept. of Commerce & Economic Development	358.5	-216.4	0.0	142.1
Department of Military & Veterans Affairs	45.0	0.0	0.0	45.0
Department of Natural Resources	802.9	-475.6	-125.8	201.5
Department of Fish & Game	742.5	-460.3	-123.1	159.1
Department of Public Safety	1,730.8	-499.8	0.0	1,231.0
Dept. of Transportation & Public Facilities	1,865.2	-693.4	-62.4	1,109.4
Department of Environmental Conservation	227.0	-227.0	-28.9	-28.9
Department of Community & Regional Affairs	234.8	-232.6	-19.2	-17.0
Department of Corrections	3,365.1	-962.6	0.0	2,402.5
University of Alaska [4]				
Court System	1,645.6	-455.3	0.0	1,190.3
Legislature	1,150.0	0.0	0.0	1,150.0
TOTAL	18,342.9	-5,861.2	-359.4	12,122.3

[1] Includes covered and non-covered. Reflects COLA amounts remaining within personal services.

If personal services is not reduced, it is assumed that COLA is funded.

[2] Reduce COLA to 3.6% for all employees

[3] Eliminate COLA for non-covered employees

[4] Governor's request included a \$5,000.0 unallocated addition and the Senate reduced this by \$3,800.0

The University needs \$2,158.1 for their 3.0% salary adjustment

THIS
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THE FOLLOWING DOCUMENTS HAVE NOT BEEN FILMED BUT ARE AVAILABLE IN
THE HB 405 FILE:

FY 93 SENATE FINANCE SUBCOMMITTEES' RECOMMENDATIONS
INCLUDING INCREMENT/DECREMENT RECOMMENDATIONS AND BUDGET
OPTION REPORTS

HB4008

HOUSE COMMITTEE REPORT

(11)

Date Referred: April 24, 1992

FURTHER REFERRALS:

Date of Committee Action: 5/4/92

The FINANCE Committee considered:

HB 408

HOUSE BILL NO. 408

GRANTS FOR LOCAL EMERGENCY PLANNING

"An Act authorizing the Alaska Department of Environmental Conservation to award grants for local emergency planning committees; and providing for an effective date."

RECOMMENDATIONS:

be replaced with CS HB 408 (CRA) the same title a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal impact _____

fiscal note(s) _____

zero fiscal note _____

zero fiscal note(s) DEC 1/16/92
DOA 1/16/92

SIGNING DC PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>EP Machean</i>	<input checked="" type="checkbox"/>	<i>20,000 EC zero.</i>		<input checked="" type="checkbox"/>	
<i>Yvonne Savane</i>	<input checked="" type="checkbox"/>	<i>Bert...</i>		<input checked="" type="checkbox"/>	
<i>Mark Boyer</i>	<input checked="" type="checkbox"/>	<i>Donald J. ...</i>		<input checked="" type="checkbox"/>	
<i>Kay Brown</i>	<input checked="" type="checkbox"/>				
<i>Alexander</i>	<input checked="" type="checkbox"/>				
<i>William</i>	<input checked="" type="checkbox"/>				

Yvonne Savane EP Machean
CHAIRMAN'S SIGNATURE

CS FOR HOUSE BILL NO. 408 (CRA)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered: 4/10/92

Referred: Resources, Finance

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to grants for local emergency planning committees and emergency
2 response organizations; and providing for an effective date."

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

4 * Section 1. AS 26.23.040(e) is amended by adding a new paragraph to read:

5 (12) to the extent that money is available from an appropriation for the purposes
6 of this paragraph, award grants for training local emergency planning committees and the
7 emergency response organizations created to execute the plans developed by the committees
8 under AS 46.13.080 and 46.13.090.

9 * Sec. 2. AS 46.03.020 is amended by adding a new paragraph to read:

10 (14) award grants for the purposes of forming or operating local emergency
11 planning committees under AS 46.13.070.

12 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

FISCAL NOTE

No. 1

STATE OF ALASKA
1992 LEGISLATIVE SESSION

Bill Version: HB 408

(H) Publish Date: 1/16/92

Revision Date: _____ Department Affected: Administration

Title: "An Act Authorizing the AK. DEC to BRU: Finance

award grants for local emergency planning... Component: Finance

Sponsor: Rules Committee

Requestor: _____ COMPONENT SERIAL NO.

59			
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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE						
FUND SOURCE:	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE:	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Don Wanie *DW 12/16* Phone: 465-2240

Division: Finance Date: 12/16/91

Approved by Commissioner: Nancy Bear Usara *NBU*

Agency: Administration Date: 12/18/91

FISCAL NOTE

No. 2

STATE OF ALASKA
1992 LEGISLATIVE SESSION

Bill Version: HB 408

(H) Publish Date: 1/16/92

Revision Date: _____

Department Affected: Environmental Conservation

Title: Authorizing DEC to award grants for LEPC; efd

BRU: Spill Prevention & Response

Sponsor: Governor

Component: Spill Prevention, Planning

Requestor: Governor

and Management

COMPONENT SERIAL NO.

1	4	3	0
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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
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REVENUE						
FUND SOURCE:						

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER FUND SOURCE:						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.)

DEC has received funds for the past two fiscal years, and is requesting funding for FY 93, to use for LEPC formation and operation. This legislation would allow the Department to enter into grant agreements for this purpose.

Prepared By: Janice Adair Phone: 455-5050

Division: Commissioner's Office Date: December 12, 1991

Approved by Commissioner: Janice Adair for John Sender

Agency: Department of Environmental Conservation Date: December 12, 1991

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Ofc., & Impacted Agency(ies).

Rev 10/7/91

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COMMITTEE COPY

DEPT. OF ENVIRONMENTAL CONSERVATION

OFFICE OF THE COMMISSIONER
410 WILLOUGHBY AVENUE, SUITE 105
JUNEAU, AK 99801-1795

Phone: (907) 465-5000
Fax: (907) 465-5070

January 28, 1992

The Honorable Jerry Mackie
Chairman
House Community and Regional
Affairs Committee
P.O. Box V
Juneau, AK 99811

Dear Representative Mackie:

HB 408 was recently referred to your committee after introduction by the Governor. This bill clarifies the statutory powers of the Department of Environmental Conservation by adding language that DEC may award grants for the purposes of forming or operating a Local Emergency Planning Committee (LEPC) under AS 46.13.070.

In 1990, the Alaska Legislature created within the Department of Environmental Conservation the State Emergency Response Commission (SERC) pursuant to federal laws adopted in 1986. Under that federal law, as well as state law, a SERC is to appoint an LEPC for the various regions of the state. LEPCs are responsible for preparing emergency plans for communities to respond to the release of hazardous substances. A listing of the LEPCs which have been approved by the SERC is enclosed for your information.

DEC receives money in its budget each year for the purposes of assisting in the formation and operation of LEPCs. We learned this summer that DEC in fact has no granting authority and thus may not issue a grant to an organization wishing to form an LEPC. After an LEPC is formed, it is an entity of the state and DEC may then transfer money to them. HB 408 is designed to assist in the formation of LEPCs by making it clear that DEC can in fact issue such grants.

LEPCs are an essential part of the State of Alaska's readiness to prevent catastrophic hazardous substance releases, and respond to such releases when they do occur. The Department of Environmental Conservation respectfully requests that you

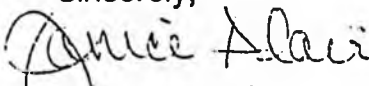
The Honorable Jerry Mackie

-2-

January 28, 1992

schedule this bill at your earliest convenience. Please contact Janice Adair at 465-5050 if you need further information. We look forward to your favorable action.

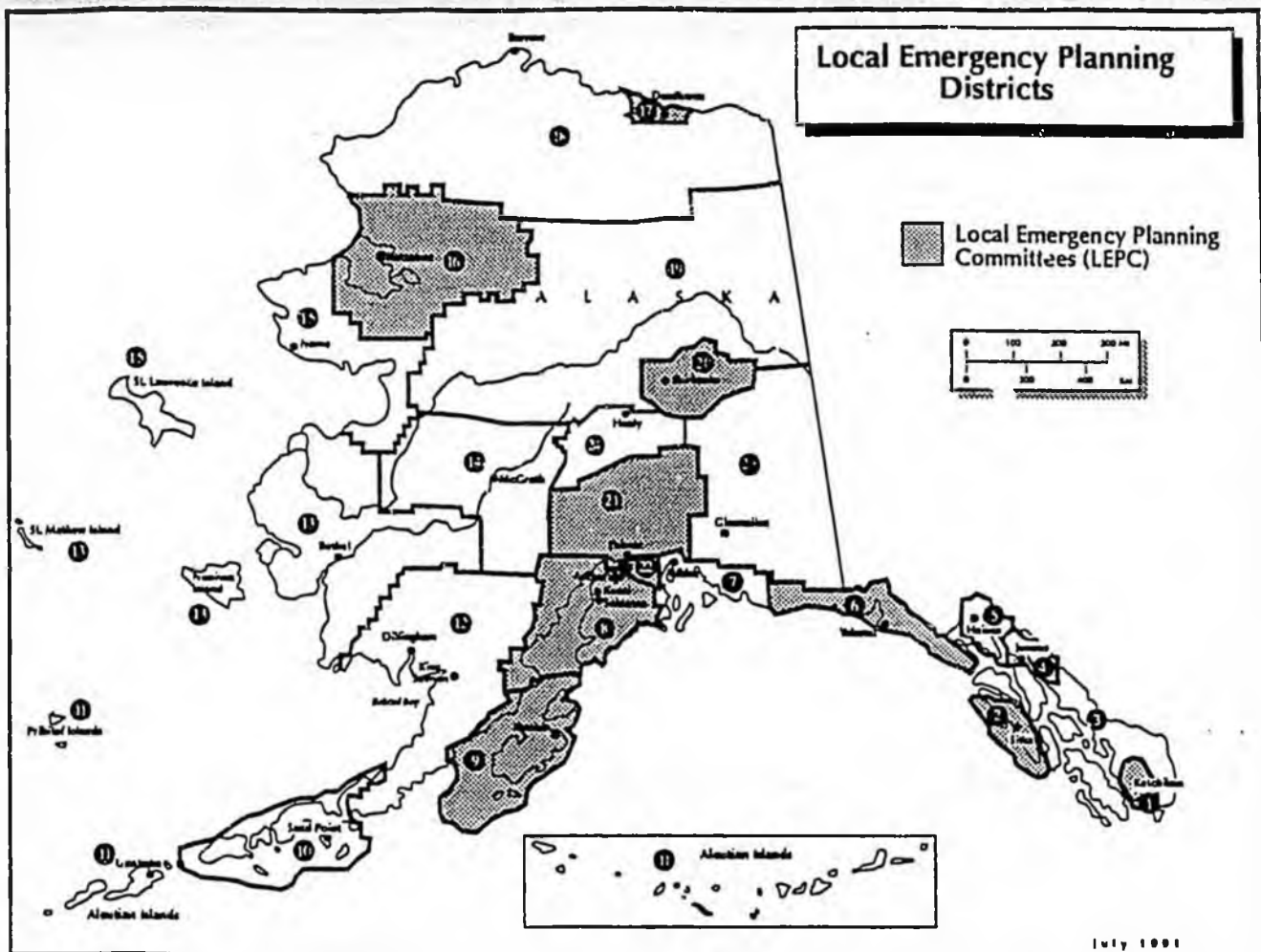
Sincerely,


John A. Sandor
Commissioner

JA/vr (CO-comm\mackie.408)

Enclosures: List of LEPCs approved by SERC

cc: Paul Fuhs, Office of the Governor
Beth Kertula, Assistant Attorney General



Map Key	Local Emergency Planning District (LEPD)	Principal City	LEPC appointed by SERC
1	KETCHIKAN GATEWAY BOROUGH*	Ketchikan	April 4, 1991
2	CITY & BOROUGH OF SITKA*	Sitka	May 14, 1990
3	Southeast	Juneau	
4	City and Borough of Juneau	Juneau	
5	Lynn Canal	Haines	
6	CITY OF YAKUTAT*	Yakutat	September 18, 1989
7	Prince William Sound	Valdez	
8	KENAI PENINSULA BOROUGH*	Soldotna	June 9, 1989
9	KODIAK ISLAND BOROUGH*	Kodiak	June 9, 1989
10	Aleutians East Borough	Sand Point	
11	Aleutian Islands	Unalaska	
12	Bristol Bay	Dillingham	
13	Yukon Delta	Bethel	
14	Southwestern Interior	McGrath	
15	Northwestern	Noxon	
16	NORTHWEST ARCTIC BOROUGH*	Kotzebue	June 14, 1991
17	PRUDHOE BAY*	NA	June 14, 1991
18	North Slope Borough	Barrow	
19	Interior Alaska	Fairbanks	
20	FAIRBANKS NORTHSTAR BOROUGH*	Fairbanks	June 9, 1989
21	MATANUSKA-SUSITNA BOROUGH*	Palmer	June 14, 1991
22	MUNICIPALITY OF ANCHORAGE*	Anchorage	June 14, 1991
23	Southeastern Interior	Glennallen	
24	Denali Borough	Healy	

**KETCHIKAN
GATEWAY
BOROUGH**

OFFICE OF THE MAYOR

Ralph M. Bartholomew
344 Front Street
Ketchikan, AK 99901-6494
Phone 228-6605 Fax 225-7282

March 31, 1992

**The Honorable Jerry Mackie
House of Representatives
P.O. Box V
Juneau, AK 99801**

HB 408, GRANTS FOR LOCAL EMERGENCY PLANNING COMMITTEES

The Ketchikan Gateway Borough Assembly voted to support HB 408 on March 16, 1992. The community has an active Local Emergency Planning Committee which has been working on tasks related to hazardous substance emergency planning and preparedness, community right-to-know reporting, toxic chemical release reporting, management of hazardous substances and related planning efforts.

This bill authorizes the Department of Conservation to award grants for the purpose of forming or operating local emergency response committees under AS 46.13.070.



**Ralph M. Bartholomew
Mayor**

WALTER J. HICKEL
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 16, 1992

*The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182*

Dear Speaker Grussendorf:

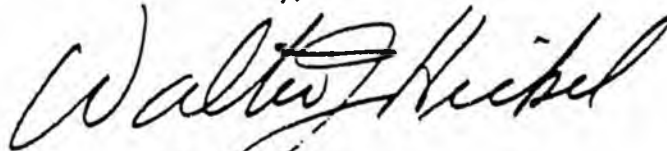
Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill authorizing the Department of Environmental Conservation (DEC) to award grants for the purposes of forming or operating local emergency planning committees (LEPCs) under AS 46.13.070.

Under AS 46.13.040(5), the Alaska State Emergency Response Commission in DEC is required to establish, supervise, and coordinate LEPCs for emergency planning districts across the state. LEPCs play a vital role in developing community awareness, training of community resources, and planning for hazardous substances emergencies in their areas.

This bill amends AS 46.03.020 to give DEC the authority to award grants so that LEPCs may be formed or operated.

I urge your prompt consideration and passage of this bill.

Sincerely,



Walter J. Hickel
Governor

HB411

(11)

Date Referred: March 20, 1992

HOUSE COMMITTEE REPORT

FURTHER REFERRALS:

Date of Committee Action: _____

The FINANCE Committee considered:

HB 411

HOUSE BILL NO. 411

APPROP: EXXON VALDEZ RESTORATION PROJECTS

"An Act making appropriations for restoration projects relating to the Exxon Valdez oil spill; and providing for an effective date."

RECOMMENDATIONS:

be replaced with _____

CS HB 411 (FIN)

the same title

a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____

APPROVES PREVIOUS: (Dept/Date) _____

fiscal impact _____

fiscal note(s) _____

zero fiscal note _____

zero fiscal note(s) _____

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
Taylor Brown	✓	Mark Brown ^{Brown} DO NOT PASS w/o amendment			
		Koponen ditto			✓
		Barnes	X		
		Boa Sharp		L	
		Phillips		-	
		Larson		X	
		JACKO			
		NAVARRE			✓

NAVARRE
 Mike Navarre
 CHAIRMAN'S SIGNATURE

CS FOR HOUSE BILL NO. 411 (FINANCE)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:

Referred:

Funding Information:	General Fund	\$	-0-
	Other Funds		<u>49,795,000</u>
			\$49,795,000

Sponsor(s): REPRESENTATIVES DAVIDSON, Navarre, Gruenberg, Finkelstein, Ellis, Mackie

A BILL

FOR AN ACT ENTITLED

1 "An Act making appropriations for restoration projects relating to the Exxon Valdez oil
2 spill; and providing for an effective date."

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

4 * Section 1. FINDINGS. The Seventeenth Alaska State Legislature finds that

5 (1) Under the recently approved criminal plea agreement between the United States and
6 Exxon Shipping Company and Exxon Corporation (United States of America v. Exxon Corporation and
7 Exxon Shipping Company, United States District Court, District of Alaska, case No. A90-015 CR.), the
8 State of Alaska received \$50,000,000 as "remedial and compensatory payments." The payments received
9 by the state "are to be used by the State of Alaska . . . exclusively for restoration projects, within the
10 State of Alaska, relating to the 'Exxon Valdez' oil spill. Restoration includes restoration, replacement
11 and enhancement of affected resources, acquisition of equivalent resources and services, and long-term
12 environmental monitoring and research programs directed to the prevention, containment, cleanup and
13 amelioration of oil spills."

14 (2) The expeditious appropriation of remedial and compensatory payments for the

1 acquisition and protection of high value resources and services and action on appropriations for
2 additional restoration, replacement, and enhancement activities will provide interim protection needed
3 to allow the Exxon Valdez Trustee Council time to develop a systematic restoration plan. The
4 appropriations made by this Act complement the process being established by the Exxon Valdez Trustee
5 Council.

6 (3) As stated by the United States Department of Justice in recommending that the United
7 States District Court accept the criminal plea agreement, "[t]his oil spill was a catastrophe, and it was
8 also an environmental crime. The criminal remedy should, likewise, in substantial part, be environmental
9 in nature; . . . The environment, as a victim, must be aided quickly through efforts funded by
10 restitutionary payments."

11 (4) The health of damaged coastal and near-shore habitats is substantially related to
12 activities on adjacent uplands. Economically important fish species, including herring and halibut, utilize
13 near-shore areas, and anadromous species, including five species of salmon, rely on continued access
14 to both clean streams and unpolluted estuaries for spawning and rearing.

15 (5) Sea otter pups are particularly dependent on pristine water quality, a productive near-
16 shore and shallow subtidal ecosystem, and a disturbance free environment.

17 (6) Populations of aquatic birds, including the tree-nesting marbled murrelet and bald
18 eagle and the fresh water nesting species such as harlequin ducks, were severely damaged by the Exxon
19 Valdez oil spill.

20 (7) Recreational, aesthetic, and subsistence services provided by the prespill environment
21 were severely damaged. Residents who relied upon these services desire to have these damaged services
22 replaced through the acquisition and retention of comparable threatened resources.

23 (8) The quality of fresh water entering the estuarine environment is critical to satisfactory
24 restoration and recovery of the physical and biotic environment in the region affected by the Exxon
25 Valdez oil spill.

26 (9) Recovery of the coastal estuaries affected by the Exxon Valdez oil spill is placed at
27 risk by further environmental stress resulting from timber harvesting and other industrial activities that
28 involve substantial environmental disturbance. In order to minimize the potential for further
29 environmental stress and to encourage and enhance the natural recovery and restoration of the affected
30 region, acquisition of coastal related uplands in the affected region, including Prince William Sound, the
31 Kenai Peninsula, the Kodiak Archipelago, and adjacent biologically related areas, is an important use

1 of "remedial and compensatory payments" received by the state under the criminal plea agreement.

2 (10) Continued citizen involvement and education of residents and nonresidents are
3 essential to the expeditious and effective restoration of the areas affected by the Exxon Valdez oil spill,
4 and to the prevention of future oil spills and the restoration of public confidence in the ability of the
5 state to protect the environment.

6 * Sec. 2. In order to achieve the purposes of the remedial and compensatory payments, the sum of
7 \$4,350,000 is appropriated from the remedial and compensatory payments to the Department of Natural
8 Resources for the acquisition of land, development rights in land, including timber rights, or moratoria
9 on timber harvesting from willing sellers in the areas of Eyak Lake, Nelson Bay, Simpson Bay, and
10 Sheep Bay in Township 15 South, Range 2 West; Township 15 South, Range 3 West; Township 14
11 South, Range 3 West; and Township 14 South, Range 4 West, Copper River Meridian.

12 * Sec. 3. In order to achieve the purposes of the remedial and compensatory payments, the sum of
13 \$2,175,000 is appropriated from the remedial and compensatory payments to the Department of Natural
14 Resources for the acquisition of land, development rights in land, including timber rights, or moratoria
15 on timber harvesting from willing sellers in the areas of Port Fidalgo and Bligh Island in Township 12
16 South, Range 6 West; Township 12 South, Range 7 West; and Township 12 South, Range 9 West,
17 Copper River Meridian.

18 * Sec. 4. In order to achieve the purposes of the remedial and compensatory payments, the sum of
19 \$2,175,000 is appropriated from the remedial and compensatory payments to the Department of Natural
20 Resources for the acquisition of land, development rights in land, including timber rights, or moratoria
21 on timber harvesting from willing sellers in the areas of Eshamy Bay, Paddy Bay, Ewan Bay, Jackpot
22 Bay, Chenega Island, Evans Island, and southern Knight Island in Township 1 South, Range 9 East;
23 Township 1 North, Range 9 East; Township 1 South, Range 8 East; Township 1 North, Range 8 East;
24 Township 1 North, Range 10 East; Township 2 North, Range 8 East; Township 3 North, Range 7 East;
25 Township 3 North, Range 8 East; Township 4 North, Range 7 East; Township 4 North, Range 8 East;
26 Township 4 North, Range 9 East; Seward Meridian.

27 * Sec. 5. (a) In order to achieve the purposes of the remedial and compensatory payments, the sum
28 of \$6,000,000 is appropriated from the remedial and compensatory payments to the endowment trust
29 fund established under AS 14.40.400 upon the completion of an agreement before January 1, 1993,
30 between the Department of Natural Resources and the Board of Regents of the University of Alaska for

31 (1) the transfer of timber rights on land between Seal River and Cape Suckling (as

1 conveyed under ADL 223456 and known as the Cape Suckling parcel) to the Department of Natural
2 Resources under the terms of ch. 143, SLA 1990; and

3 (2) a moratorium on the sale, harvesting, or other development by the University of
4 Alaska or its agents or contractors of the land described in (1) of this subsection that is subject to timber
5 rights held by the University of Alaska until December 31, 2002.

6 (b) It is the intent of the legislature that the agreement between the Department of Natural
7 Resources and the Board of Regents of the University of Alaska described in (a) of this section must
8 provide that

9 (1) the value of the timber rights on the Cape Suckling parcel is established as the fair
10 market value of those rights on July 1, 1992, under the process for appraisal and repurchase developed
11 under ch. 143, SLA 1990, provided that if the Department of Natural Resources and the Board of
12 Regents are unable to reach agreement as to the fair market value, the Department of Natural Resources
13 and the Board of Regents shall each submit a final offer that is between the two appraisals and a
14 mutually acceptable arbitrator shall determine the value of the timber rights by selecting the more
15 reasonable of the offers submitted by the Board of Regents or the Department of Natural Resources;

16 (2) if the fair market value of the timber rights exceeds \$6,000,000, the Department of
17 Natural Resources shall seek additional appropriations or provide additional assets necessary to complete
18 the acquisition of the timber rights; if the University of Alaska has received more than two-thirds of the
19 total value of the timber rights before December 31, 1997, then the moratorium described in (a)(2) of
20 this section shall be extended to December 31, 2007; interest shall accrue on the unpaid balance owing
21 the endowment trust fund at the rate prescribed by AS 09.30.070 and shall be included in the total
22 purchase price for the timber rights;

23 (3) if timber rights remain to be purchased at the conclusion of the moratorium, the
24 Department of Natural Resources and the Department of Fish and Game shall select timber rights for
25 those areas of the Cape Suckling parcel that are most valuable for fish and wildlife habitat and most
26 desirable for inclusion in the Yakataga State Game Refuge, up to the value of funds already paid to the
27 endowment trust fund plus an amount for imputed interest at the rate prescribed by AS 09.30.070 from
28 the date of payment; all timber rights selected by either department shall be valued at the fair market
29 value on July 1, 1992, plus an adjustment for interest at a rate prescribed in AS 09.30.070; in making
30 their selections, the departments shall assure that the University of Alaska retains reasonably accessible,
31 harvestable, and economically viable areas in which to harvest its remaining timber;

1 (4) in the event that the title of the University of Alaska to timber on the Cape Suckling
2 parcel is determined to be invalid before the end of the moratorium, the terms of this subsection shall
3 no longer apply and each party to the agreement shall retain the timber rights or funds it possesses on
4 the date of the determination.

5 * Sec. 6. In order to achieve the purposes of the remedial and compensatory payments, the sum of
6 \$11,000,000 is appropriated from the remedial and compensatory payments to the Department of Natural
7 Resources for the purchase of the inholdings of the Seldovia Native Association and of the Timber
8 Trading Company, within the Kachemak Bay State Park as identified in the Preliminary Exchange
9 Agreement dated June 30, 1989, as amended as of the effective date of this Act, between the state, the
10 Seldovia Native Association, and the Timber Trading Company; and for the purchase of the inholdings
11 of the Cook Inlet Region, Inc., within Kachemak Bay State Park.

12 * Sec. 7. In order to achieve the purposes of the remedial and compensatory payments, the sum of
13 \$2,800,000 is appropriated from the remedial and compensatory payments to the Department of Natural
14 Resources for the acquisition of development rights or conservation easements in aquatic, wetland, and
15 riparian areas important to the maintenance of important commercial and sport fish populations within
16 the Kenai River watershed.

17 * Sec. 8. In order to achieve the purposes of the remedial and compensatory payments, the sum of
18 \$800,000 is appropriated from the remedial and compensatory payments to the Department of
19 Environmental Conservation for payment as a grant under AS 37.05.316 to the Prince William Sound
20 Science Center for facility renovation, long-term damage assessment and aquatic ecosystem monitoring,
21 and development of an ecosystem database using a geographic information system for the greater Prince
22 William Sound ecosystem.

23 * Sec. 9. In order to achieve the purposes of the remedial and compensatory payments, the sum of
24 \$75,000 is appropriated from the remedial and compensatory payments to the Department of Natural
25 Resources for payment as a grant under AS 37.05.316 to the Cook Inlet Aquaculture Association for
26 acquisition of 33 acres of land (Kenai Peninsula Borough tax number 125-010-32; North 1/2 of the
27 Northeast 1/4 of Section 13, Township 1 North, Range 1 West, Seward Meridian) adjacent to the Cook
28 Inlet Aquaculture Association Bear Creek weir site.

29 * Sec. 10. (a) In order to achieve the purposes of the remedial and compensatory payments, the sum
30 of \$7,000,000 is appropriated from the remedial and compensatory payments to the Department of
31 Natural Resources for the acquisition from willing sellers of land surrounding Pauls Lake and Malina

1 Lake on Afognak Island. One-half of this appropriation shall be used to acquire land in Township 20
2 South, Range 18 West, Seward Meridian, Sections 30 and 31; Township 20 South, Range 19 West,
3 Seward Meridian, Sections 24, 25, 26, and 36; and Township 21 South, Range 19 West, Seward
4 Meridian, Sections 1, 2, 3, 10, 11, and 12; the balance of this appropriation shall be used to acquire land
5 on Afognak Island in watersheds draining into Muskomee Bay and into Malka Bay and land westward
6 of the watersheds draining into Muskomee Bay and into Malka Bay in Township 23 South, Range 23
7 West; Township 23 South, Range 24 West; Township 24 South, Range 23 West; and Township 24
8 South, Range 24 West, Seward Meridian.

9 (b) It is the intent of the legislature that the land acquired under this section be comprised of not
10 more than two reasonably compact parcels.

11 * Sec. 11. In order to achieve the purposes of the remedial and compensatory payments, the sum of
12 \$1,300,000 is appropriated from the remedial and compensatory payments to the Department of Natural
13 Resources for the acquisition of land or development rights from willing sellers on eastern Afognak
14 Island in Township 21 South, Range 18 West, Seward Meridian.

15 * Sec. 12. In order to achieve the purposes of the remedial and compensatory payments, the sum of
16 \$350,000 is appropriated from the remedial and compensatory payments to the Department of Fish and
17 Game for the acquisition from willing sellers of land, leases, or development rights in land at weir sites
18 important to anadromous fisheries in the Kodiak Archipelago.

19 * Sec. 13. In order to achieve the purposes of the remedial and compensatory payments, the sum of
20 \$175,000 is appropriated from the remedial and compensatory payments to the Department of Fish and
21 Game for a herring spawn deposition program in Prince William Sound.

22 * Sec. 14. In order to achieve the purposes of the remedial and compensatory payments, the sum of
23 \$560,000 is appropriated from the remedial and compensatory payments to the Department of Fish and
24 Game for a four-fold increase in test fishing at the boundary of the Cook Inlet Central District to
25 improve estimates of sockeye salmon run timing in the district.

26 * Sec. 15. In order to achieve the purposes of the remedial and compensatory payments, the sum of
27 \$100,000 is appropriated from the remedial and compensatory payments to the Department of Fish and
28 Game to provide "in season" estimates of the contributions of Kenai River, Susitna River, and Kasilof
29 River sockeye salmon stocks to the total sockeye salmon run at the boundary of the Cook Inlet Central
30 District by using stock identification techniques.

31 * Sec. 16. In order to achieve the purposes of the remedial and compensatory payments, the sum of

1 \$30,000 is appropriated from the remedial and compensatory payments to the Department of Fish and
2 Game for a study to verify the forecast for 1993 and 1994 five year old Kenai River sockeye salmon
3 through analysis of the 1992 and 1993 returns of four year old sockeye salmon.

4 * Sec. 17. In order to achieve the purposes of the remedial and compensatory payments, the sum of
5 \$300,000 is appropriated from the remedial and compensatory payments to the Department of Fish and
6 Game for a study to provide a total return estimate of the Kenai River sockeye salmon runs in 1993 and
7 1994 by considering genetic stock identification estimates for the East Side set net fishery.

8 * Sec. 18. In order to achieve the purposes of the remedial and compensatory payments, the sum of
9 \$250,000 is appropriated from the remedial and compensatory payments to the Department of Fish and
10 Game for payment as a grant under AS 37.05.316 to the Cook Inlet Aquaculture Association for an
11 accelerated growth sockeye salmon smolt program in Thumb Cove in Resurrection Bay.

12 * Sec. 19. In order to achieve the purposes of the remedial and compensatory payments, the sum of
13 \$10,000 is appropriated from the remedial and compensatory payments to the Department of
14 Administration, Alaska Public Broadcasting Commission, for payment as a grant under AS 37.05.316
15 to KCHU Radio for the acquisition of a satellite receiver for the village of Chenega Bay.

16 * Sec. 20. In order to achieve the purposes of the remedial and compensatory payments, the sum of
17 \$60,000 is appropriated from the remedial and compensatory payments to the Department of Fish and
18 Game for a contract to continue long-term research and monitoring of killer whales in Prince William
19 Sound.

20 * Sec. 21. In order to restore, replace, and enhance subsistence resources and services in southwestern
21 Prince William Sound, particularly areas in or around Chenega Bay including Eshamy Bay, Granite Bay,
22 Chenega Island, Evans Island, Elrington Island, Bainbridge Island, Latouche Island, and Knight Island,
23 the sum of \$200,000 is appropriated from the remedial and compensatory payments to the Department
24 of Environmental Conservation for payment as a grant under AS 37.05.316 to the Chenega Bay Local
25 Response Program for restoration of subsistence resources and services, including removal of oiled
26 sediment, oil, and oil debris and revegetation of beach rye grass.

27 * Sec. 22. (a) In order to achieve the purposes of the remedial and compensatory payments, the sum
28 of \$800,000 is appropriated from the remedial and compensatory payments to the Department of Natural
29 Resources for contracts to assess, inventory, and map the archeological resources of the area affected
30 by the Exxon Valdez oil spill.

31 (b) It is the intent of the legislature that contractors employed under (a) of this section agree to

1 comply with federal and state laws, including the Archeological Resources Protection Act of 1979 (16
2 U.S.C. 470aa - 470ll) and AS 41.35.010 - 41.35.240, and the terms and conditions of the consent decree
3 entered by the United States District Court in Native Village of Chenega Bay v. United States and State
4 of Alaska, United States District Court, District of Alaska, case No. A91-454 Civ.

5 * Sec. 23. In order to achieve the purposes of the remedial and compensatory payments, the sum of
6 \$3,000,000 is appropriated from the remedial and compensatory payments to the Alaska Science and
7 Technology Foundation as an endowment to fund grants for educational, public affairs, and tourism
8 purposes related to the Exxon Valdez oil spill, for environmental monitoring, and for related marine
9 pollution and coastal habitat education. The appropriation made by this section is contingent upon the
10 passage by the Seventeenth Alaska State Legislature and enactment into law of a bill creating an
11 endowment in the Alaska Science and Technology Foundation to fund grants for educational, public
12 affairs, and tourism purposes related to the Exxon Valdez oil spill, for environmental monitoring, and
13 for related marine pollution and coastal habitat education.

14 * Sec. 24. In order to achieve the purposes of the remedial and compensatory payments, the sum of
15 \$100,000 is appropriated from the remedial and compensatory payments to the University of Alaska,
16 Fairbanks, Fishery Industrial Technology Center for design and planning of a fishery technology and
17 research facility.

18 * Sec. 25. In order to achieve the purposes of the remedial and compensatory payments, the sum of
19 \$1,140,000 is appropriated from the remedial and compensatory payments to the Department of Fish and
20 Game for salmon projects in Prince William Sound.

21 * Sec. 26. In order to achieve the purposes of the remedial and compensatory payments, the sum of
22 \$65,000 is appropriated from the remedial and compensatory payments to the Department of Fish and
23 Game for restoration of the Coghill Lake sockeye salmon run.

24 * Sec. 27. In order to achieve the purposes of the remedial and compensatory payments, the sum of
25 \$30,000 is appropriated from the remedial and compensatory payments to the Department of Fish and
26 Game to monitor the early marine growth of juvenile salmon in Prince William Sound.

27 * Sec. 28. In order to achieve the purposes of the remedial and compensatory payments, the sum of
28 \$3,000,000 is appropriated from the remedial and compensatory payments to the Department of Fish and
29 Game, division of fisheries rehabilitation, enhancement and development, for construction of a heated
30 water pipeline to the Fort Richardson Hatchery.

31 * Sec. 29. In order to achieve the purposes of the remedial and compensatory payments, the sum of

1 \$585,000 is appropriated from the remedial and compensatory payments to the Department of
2 Environmental Conservation for removal and cleanup of the Chenega Bay herring saltery.

3 * Sec. 30. In order to achieve the purposes of the remedial and compensatory payments, the sum of
4 \$800,000 is appropriated from the remedial and compensatory payments to the Department of
5 Community and Regional Affairs for payment as a grant under AS 37.05.316 to the North Pacific Rim
6 Corporation for establishment and operation of an aquatic farm shellfish hatchery.

7 * Sec. 31. In order to achieve the purposes of the remedial and compensatory payments, the sum of
8 \$565,000 is appropriated from the remedial and compensatory payments to the Department of
9 Administration for payment as a grant under AS 37.05.315 to the City of Seward for research by the
10 Alaska Sea Life Center on endangered species in the region affected by the Exxon Valdez oil spill.

11 * Sec. 32. In this Act, "remedial and compensatory payments" means the remedial and compensatory
12 payments received by the state under the criminal plea agreement between the United States and Exxon
13 Shipping Company and Exxon Corporation in United States of America v. Exxon Corporation and Exxon
14 Shipping Company, United States District Court, District of Alaska, case No. A90-015 CR.

15 * Sec. 33. The appropriations made by secs. 2 - 7, 9 - 12, and 21 of this Act replace resources and
16 services injured by the Exxon Valdez oil spill with equivalent resources and services.

17 * Sec. 34. The appropriations made by secs. 2 - 4, 6, 7, 9 - 12, 22, 24, and 28 of this Act are for
18 capital projects and lapse under AS 37.25.020.

19 * Sec. 35. The appropriations made by secs. 8, 18, 25, and 29 - 31 of this Act lapse into the fund
20 from which they were appropriated June 30, 1995.

21 * Sec. 36. The unexpended and unobligated balances of the appropriations made by secs. 14 - 17,
22 20, 21, 26, and 27 of this Act lapse into the fund from which they were appropriated December 31,
23 1994.

24 * Sec. 37. The unexpended and unobligated balances of the appropriations made by secs. 5, 13, and
25 19 of this Act lapse into the fund from which they were appropriated June 30, 1993.

26 * Sec. 38. The appropriation made by sec. 23 of this Act is for the capitalization of an endowment
27 fund and does not lapse.

28 * Sec. 39. This Act takes effect immediately under AS 01.10.070(c).

CS FOR HOUSE BILL NO. 411 (FINANCE)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:

Referred:

Funding Information:	General Fund	\$	-0-
	Other Funds		<u>49,795,000</u>
			\$49,795,000

Sponsor(s): REPRESENTATIVES DAVIDSON, Navarre; Gruenberg, Finkelstein, Ellis, Mackie

A BILL

FOR AN ACT ENTITLED

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8 State of Alaska received \$50,000,000 as "remedial and compensatory payments." The payments received
9 by the state "are to be used by the State of Alaska . . . exclusively for restoration projects, within the
10 State of Alaska, relating to the 'Exxon Valdez' oil spill. Restoration includes restoration, replacement
11 and enhancement of affected resources, acquisition of equivalent resources and services, and long term
12 environmental monitoring and research programs directed to the prevention, containment, cleanup and
13 amelioration of oil spills."

14 (2) The expeditious appropriation of remedial and compensatory payments for the

1 acquisition and protection of high value resources and services and action on appropriations for
2 additional restoration, replacement, and enhancement activities will provide interim protection needed
3 to allow the Exxon Valdez Trustee Council time to develop a systematic restoration plan. The
4 appropriations made by this Act complement the process being established by the Exxon Valdez Trustee
5 Council.

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7 States District Court accept the criminal plea agreement, "[t]his oil spill was a catastrophe, and it was
8 also an environmental crime. The criminal remedy should, likewise, in substantial part, be environmental
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12 activities on adjacent uplands. Economically important fish species, including herring and halibut, utilize
13 near-shore areas, and anadromous species, including five species of salmon, rely on continued access
14 to both clean streams and unpolluted estuaries for spawning and rearing.

15 (5) Sea otter pups are particularly dependent on pristine water quality, a productive near-
16 shore and shallow subtidal ecosystem, and a disturbance free environment.

17 (6) Populations of aquatic birds, including the tree-nesting marbled murrelet and bald
18 eagle and the fresh water nesting species such as harlequin ducks, were severely damaged by the Exxon
19 Valdez oil spill.

20 (7) Recreational, aesthetic, and subsistence services provided by the prespill environment
21 were severely damaged. Residents who relied upon these services desire to have these damaged services
22 replaced through the acquisition and retention of comparable threatened resources.

23 (8) The quality of fresh water entering the estuarine environment is critical to satisfactory
24 restoration and recovery of the physical and biotic environment in the region affected by the Exxon
25 Valdez oil spill.

26 (9) Recovery of the coastal estuaries affected by the Exxon Valdez oil spill is placed at
27 risk by further environmental stress resulting from timber harvesting and other industrial activities that
28 involve substantial environmental disturbance. In order to minimize the potential for further
29 environmental stress and to encourage and enhance the natural recovery and restoration of the affected
30 region, acquisition of coastal related uplands in the affected region, including Prince William Sound, the
31 Kenai Peninsula, the Kodiak Archipelago, and adjacent biologically related areas, is an important use

1 of "remedial and compensatory payments" received by the state under the criminal plea agreement.

2 (10) Continued citizen involvement and education of residents and nonresidents are
3 essential to the expeditious and effective restoration of the areas affected by the Exxon Valdez oil spill,
4 and to the prevention of future oil spills and the restoration of public confidence in the ability of the
5 state to protect the environment.

6 * Sec. 2. In order to achieve the purposes of the remedial and compensatory payments, the sum of
7 \$4,350,000 is appropriated from the remedial and compensatory payments to the Department of Natural
8 Resources for the acquisition of land, development rights in land, including timber rights, or moratoria
9 on timber harvesting from willing sellers in the areas of Eyak Lake, Nelson Bay, Simpson Bay, and
10 Sheep Bay in Township 15 South, Range 2 West; Township 15 South, Range 3 West; Township 14
11 South, Range 3 West; and Township 14 South, Range 4 West, Copper River Meridian.

12 * Sec. 3. In order to achieve the purposes of the remedial and compensatory payments, the sum of
13 \$2,175,000 is appropriated from the remedial and compensatory payments to the Department of Natural
14 Resources for the acquisition of land, development rights in land, including timber rights, or moratoria
15 on timber harvesting from willing sellers in the areas of Port Fidalgo and Bligh Island in Township 12
16 South, Range 6 West; Township 12 South, Range 7 West; and Township 12 South, Range 9 West,
17 Copper River Meridian.

18 * Sec. 4. In order to achieve the purposes of the remedial and compensatory payments, the sum of
19 \$2,175,000 is appropriated from the remedial and compensatory payments to the Department of Natural
20 Resources for the acquisition of land, development rights in land, including timber rights, or moratoria
21 on timber harvesting from willing sellers in the areas of Eshamy Bay, Paddy Bay, Ewan Bay, Jackpot
22 Bay, Chenega Island, Evans Island, and southern Knight Island in Township 1 South, Range 9 East;
23 Township 1 North, Range 9 East; Township 1 South, Range 8 East; Township 1 North, Range 8 East;
24 Township 1 North, Range 10 East; Township 2 North, Range 8 East; Township 3 North, Range 7 East;
25 Township 3 North, Range 8 East; Township 4 North, Range 7 East; Township 4 North, Range 8 East;
26 Township 4 North, Range 9 East; Seward Meridian.

27 * Sec. 5. (a) In order to achieve the purposes of the remedial and compensatory payments, the sum
28 of \$9,000,000 is appropriated from the remedial and compensatory payments to the endowment trust
29 fund established under AS 14.40.400 upon the completion of an agreement before January 1, 1993,
30 between the Department of Natural Resources and the Board of Regents of the University of Alaska for

31 (1) the transfer of timber rights on land between Seal River and Cape Suckling (as

1 conveyed under ADL 223456 and known as the Cape Suckling parcel) to the Department of Natural
2 Resources under the terms of ch. 143, SLA 1990; and

3 (2) a moratorium on the sale, harvesting, or other development by the University of
4 Alaska or its agents or contractors of the land described in (1) of this subsection that is subject to timber
5 rights held by the University of Alaska until December 31, 2002.

6 (b) It is the intent of the legislature that the agreement between the Department of Natural
7 Resources and the Board of Regents of the University of Alaska described in (a) of this section must
8 provide that

9 (1) the value of the timber rights on the Cape Suckling parcel is established as the fair
10 market value of those rights on July 1, 1992, under the process for appraisal and repurchase developed
11 under ch. 143, SLA 1990, provided that if the Department of Natural Resources and the Board of
12 Regents are unable to reach agreement as to the fair market value, the Department of Natural Resources
13 and the Board of Regents shall each submit a final offer that is between the two appraisals and a
14 mutually acceptable arbitrator shall determine the value of the timber rights by selecting the more
15 reasonable of the offers submitted by the Board of Regents or the Department of Natural Resources;

16 (2) if the fair market value of the timber rights exceeds \$9,000,000, the Department of
17 Natural Resources shall seek additional appropriations or provide additional assets necessary to complete
18 the acquisition of the timber rights; if the University of Alaska has received more than two-thirds of the
19 total value of the timber rights before December 31, 1997, then the moratorium described in (a)(2) of
20 this section shall be extended to December 31, 2007; interest shall accrue on the unpaid balance owing
21 the endowment trust fund at the rate prescribed by AS 09.30.070 and shall be included in the total
22 purchase price for the timber rights;

23 (3) if timber rights remain to be purchased at the conclusion of the moratorium, the
24 Department of Natural Resources and the Department of Fish and Game shall select timber rights for
25 those areas of the Cape Suckling parcel that are most valuable for fish and wildlife habitat and most
26 desirable for inclusion in the Yakataga State Game Refuge, up to the value of funds already paid to the
27 endowment trust fund plus an amount for imputed interest at the rate prescribed by AS 09.30.070 from
28 the date of payment; all timber rights selected by either department shall be valued at the fair market
29 value on July 1, 1992, plus an adjustment for interest at a rate prescribed in AS 09.30.070; in making
30 their selections, the departments shall assure that the University of Alaska retains reasonably accessible,
31 harvestable, and economically viable areas in which to harvest its remaining timber;

1 (4) in the event that the title of the University of Alaska to timber on the Cape Suckling
2 parcel is determined to be invalid before the end of the moratorium, the terms of this subsection shall
3 no longer apply and each party to the agreement shall retain the timber rights or funds it possesses on
4 the date of the determination.

5 * Sec. 6. In order to achieve the purposes of the remedial and compensatory payments, the sum of
6 \$11,000,000 is appropriated from the remedial and compensatory payments to the Department of Natural
7 Resources for the purchase of the inholdings of the Seldovia Native Association and of the Timber
8 Trading Company, within the Kachemak Bay State Park as identified in the Preliminary Exchange
9 Agreement dated June 30, 1989, as amended as of the effective date of this Act, between the state, the
10 Seldovia Native Association, and the Timber Trading Company; and for the purchase of the inholdings
11 of the Cook Inlet Region, Inc., within Kachemak Bay State Park.

12 * Sec. 7. In order to achieve the purposes of the remedial and compensatory payments, the sum of
13 \$2,800,000 is appropriated from the remedial and compensatory payments to the Department of Natural
14 Resources for the acquisition of development rights or conservation easements in aquatic, wetland, and
15 riparian areas important to the maintenance of important commercial and sport fish populations within
16 the Kenai River watershed.

17 * Sec. 8. In order to achieve the purposes of the remedial and compensatory payments, the sum of
18 \$2,750,000 is appropriated from the remedial and compensatory payments to the Department of Natural
19 Resources for the acquisition of land or development rights in land from willing sellers in the Rocky
20 River watershed on the outer coast of the Kenai Peninsula.

21 * Sec. 9. In order to achieve the purposes of the remedial and compensatory payments, the sum of
22 \$75,000 is appropriated from the remedial and compensatory payments to the Department of Natural
23 Resources for payment as a grant under AS 37.05.316 to the Cook Inlet Aquaculture Association for
24 acquisition of 33 acres of land (Kenai Peninsula Borough tax number 125-010-32; North 1/2 of the
25 Northeast 1/4 of Section 13, Township 1 North, Range 1 West, Seward Meridian) adjacent to the Cook
26 Inlet Aquaculture Association Bear Creek weir site.

27 * Sec. 10. (a) In order to achieve the purposes of the remedial and compensatory payments, the sum
28 of \$7,000,000 is appropriated from the remedial and compensatory payments to the Department of
29 Natural Resources for the acquisition from willing sellers of land surrounding Pauls Lake and Malina
30 Lake on Afognak Island. One-half of this appropriation shall be used to acquire land in Township 20
31 South, Range 18 West, Seward Meridian, Sections 30 and 31; Township 20 South, Range 19 West,

1 Seward Meridian, Sections 24, 25, 26, and 36; and Township 21 South, Range 19 West, Seward
2 Meridian, Sections 1, 2, 3, 10, 11, and 12; the balance of this appropriation shall be used to acquire land
3 on Afognak Island in watersheds draining into Muskomee Bay and into Malka Bay and land westward
4 of the watersheds draining into Muskomee Bay and into Malka Bay in Township 23 South, Range 23
5 West; Township 23 South, Range 24 West; Township 24 South, Range 23 West; and Township 24
6 South, Range 24 West, Seward Meridian.

7 (b) It is the intent of the legislature that the land acquired under this section be comprised of not
8 more than two reasonably compact parcels.

9 * Sec. 11. In order to achieve the purposes of the remedial and compensatory payments, the sum of
10 \$1,300,000 is appropriated from the remedial and compensatory payments to the Department of Natural
11 Resources for the acquisition of land or development rights from willing sellers on eastern Afognak
12 Island in Township 21 South, Range 18 West, Seward Meridian.

13 * Sec. 12. In order to achieve the purposes of the remedial and compensatory payments, the sum of
14 \$350,000 is appropriated from the remedial and compensatory payments to the Department of Fish and
15 Game for the acquisition from willing sellers of land, leases, or development rights in land at weir sites
16 important to anadromous fisheries in the Kodiak Archipelago.

17 * Sec. 13. In order to achieve the purposes of the remedial and compensatory payments, the sum of
18 \$175,000 is appropriated from the remedial and compensatory payments to the Department of Fish and
19 Game for a herring spawn deposition program in Prince William Sound.

20 * Sec. 14. In order to achieve the purposes of the remedial and compensatory payments, the sum of
21 \$560,000 is appropriated from the remedial and compensatory payments to the Department of Fish and
22 Game for a four-fold increase in test fishing at the boundary of the Cook Inlet Central District to
23 improve estimates of sockeye salmon run timing in the district.

24 * Sec. 15. In order to achieve the purposes of the remedial and compensatory payments, the sum of
25 \$100,000 is appropriated from the remedial and compensatory payments to the Department of Fish and
26 Game to provide "in season" estimates of the contributions of Kenai River, Susima River, and Kasilof
27 River sockeye salmon stocks to the total sockeye salmon run at the boundary of the Cook Inlet Central
28 District by using stock identification techniques.

29 * Sec. 16. In order to achieve the purposes of the remedial and compensatory payments, the sum of
30 \$30,000 is appropriated from the remedial and compensatory payments to the Department of Fish and
31 Game for a study to verify the forecast for 1993 and 1994 five year old Kenai River sockeye salmon

1 through analysis of the 1992 and 1993 returns of four year old sockeye salmon.

2 * Sec. 17. In order to achieve the purposes of the remedial and compensatory payments, the sum of
3 \$300,000 is appropriated from the remedial and compensatory payments to the Department of Fish and
4 Game for a study to provide a total return estimate of the Kenai River sockeye salmon runs in 1993 and
5 1994 by considering genetic stock identification estimates for the East Side set net fishery.

6 * Sec. 18. In order to achieve the purposes of the remedial and compensatory payments, the sum of
7 \$250,000 is appropriated from the remedial and compensatory payments to the Department of Fish and
8 Game for an accelerated growth sockeye salmon smolt program in Thumb Cove in Resurrection Bay.

9 * Sec. 19. In order to achieve the purposes of the remedial and compensatory payments, the sum of
10 \$10,000 is appropriated from the remedial and compensatory payments to the Department of
11 Administration, Alaska Public Broadcasting Commission, for payment as a grant under AS 37.05.316
12 to KCHU Radio for the acquisition of a satellite receiver for the village of Chenega Bay.

13 * Sec. 20. In order to achieve the purposes of the remedial and compensatory payments, the sum of
14 \$60,000 is appropriated from the remedial and compensatory payments to the Department of Fish and
15 Game for a contract to continue long-term research and monitoring of killer whales in Prince William
16 Sound.

17 * Sec. 21. In order to restore, replace, and enhance subsistence resources and services in southwestern
18 Prince William Sound, particularly areas in or around Chenega Bay including Eshamy Bay, Granite Bay,
19 Chenega Island, Evans Island, Elrington Island, Bainbridge Island, Latouche Island, and Knight Island,
20 the sum of \$200,000 is appropriated from the remedial and compensatory payments to the Department
21 of Environmental Conservation for payment as a grant under AS 37.05.316 to the Chenega Bay Local
22 Response Program for restoration of subsistence resources and services, including removal of oiled
23 sediment, oil, and oil debris and revegetation of beach rye grass.

24 * Sec. 22. (a) In order to achieve the purposes of the remedial and compensatory payments, the sum
25 of \$800,000 is appropriated from the remedial and compensatory payments to the Department of Natural
26 Resources for contracts to assess, inventory, and map the archeological resources of the area affected
27 by the Exxon Valdez oil spill.

28 (b) It is the intent of the legislature that contractors employed under (a) of this section agree to
29 comply with federal and state laws, including the Archeological Resources Protection Act of 1979 (16
30 U.S.C. 470aa - 470ll) and AS 41.35.010 - 41.35.240, and the terms and conditions of the consent decree
31 entered by the United States District Court in Native Village of Chenega Bay v. United States and State

1 of Alaska, United States District Court, District of Alaska, case No. A91-454 Civ.

2 * Sec. 23. In order to achieve the purposes of the remedial and compensatory payments, the sum of
3 \$3,000,000 is appropriated from the remedial and compensatory payments to the Alaska Science and
4 Technology Foundation as an endowment to fund grants for educational, public affairs, and tourism
5 purposes related to the Exxon Valdez oil spill, for environmental monitoring, and for related marine
6 pollution and coastal habitat education. The appropriation made by this section is contingent upon the
7 passage by the Seventeenth Alaska State Legislature and enactment into law of a bill creating an
8 endowment in the Alaska Science and Technology Foundation to fund grants for educational, public
9 affairs, and tourism purposes related to the Exxon Valdez oil spill, for environmental monitoring, and
10 for related marine pollution and coastal habitat education.

11 * Sec. 24. In order to achieve the purposes of the remedial and compensatory payments, the sum of
12 \$100,000 is appropriated from the remedial and compensatory payments to the University of Alaska,
13 Fairbanks, Fishery Industrial Technology Center for design and planning of a fishery technology and
14 research facility.

15 * Sec. 25. In order to achieve the purposes of the remedial and compensatory payments, the sum of
16 \$900,000 is appropriated from the remedial and compensatory payments to the Department of Fish and
17 Game for a salmon coded-wire tag recovery project in Prince William Sound.

18 * Sec. 26. In order to achieve the purposes of the remedial and compensatory payments, the sum of
19 \$65,000 is appropriated from the remedial and compensatory payments to the Department of Fish and
20 Game for restoration of the Coghill Lake sockeye salmon run.

21 * Sec. 27. In order to achieve the purposes of the remedial and compensatory payments, the sum of
22 \$30,000 is appropriated from the remedial and compensatory payments to the Department of Fish and
23 Game to monitor the early marine growth of juvenile salmon in Prince William Sound.

24 * Sec. 28. In order to achieve the purposes of the remedial and compensatory payments, the sum of
25 \$240,000 is appropriated from the remedial and compensatory payments to the Department of Fish and
26 Game to study the effects of the Exxon Valdez oil spill on wild stocks of pink salmon in Prince William
27 Sound.

28 * Sec. 29. In this Act, "remedial and compensatory payments" means the remedial and compensatory
29 payments received by the state under the criminal plea agreement between the United States and Exxon
30 Shipping Company and Exxon Corporation in United States of America v. Exxon Corporation and Exxon
31 Shipping Company, United States District Court, District of Alaska, case No. A90-015 CR.

- 1 * Sec. 30. The appropriations made by secs. 2 - 12 and 21 of this Act replace resources and services
2 injured by the Exxon Valdez oil spill with equivalent resources and services.
- 3 * Sec. 31. The appropriations made by secs. 2 - 4, 6 - 12, 22, and 24 of this Act are for capital
4 projects and lapse under AS 37.25.020.
- 5 * Sec. 32. The appropriations made by secs. 18, 25, and 28 of this Act lapse into the fund from
6 which they were appropriated June 30, 1995.
- 7 * Sec. 33. The unexpended and unobligated balances of the appropriations made by secs. 14 - 17,
8 20, 21, 26, and 27 of this Act lapse into the fund from which they were appropriated December 31,
9 1994.
- 10 * Sec. 34. The unexpended and unobligated balances of the appropriations made by secs. 5, 13, and
11 19 of this Act lapse into the fund from which they were appropriated June 30, 1993.
- 12 * Sec. 35. The appropriation made by sec. 23 of this Act is for the capitalization of an endowment
13 fund and does not lapse.
- 14 * Sec. 36. This Act takes effect immediately under AS 01.10.070(c).

A M E N D M E N T

OFFERED IN THE HOUSE

TO: CSHB 411 (FINANCE)(Draft 7-LS1718\G, dated 4/23/92)

Page 3, line 13:

Delete "\$2,175,000"

Insert "\$2,000,000"

Page 3, line 28:

Delete "\$9,000,000"

Insert "\$6,000,000"

Page 4, line 16:

Delete "\$9,000,000"

Insert "\$6,000,000"

Page 5, line 13:

Delete "\$2,800,000"

Insert "\$2,715,000"

Page 5, line 18:

Delete "\$2,750,000"

Insert "\$2,400,000"

Page 8, following line 27:

Insert new bill sections to read:

"* Sec. 29. In order to achieve the purposes of the remedial and compensatory payments, the sum of \$2,000,000 is appropriated from the remedial and compensatory payments to the Department of Administration for payment as a grant under AS 37.05.315 to the City of Valdez for the establishment

and operation of the Alaska Oil and Hazardous Substances Training Center.

* Sec. 30. In order to achieve the purposes of the remedial and compensatory payments, the sum of \$585,000 is appropriated from the remedial and compensatory payments to the Department of Environmental Conservation for removal and cleanup of the Chenega saltery.

* Sec. 31. In order to achieve the purposes of the remedial and compensatory payments, the sum of \$800,000 is appropriated from the remedial and compensatory payments to the Department of Community and Regional Affairs for payment as a grant under AS 37.05.316 to the North Pacific Rim Corporation for establishment and operation of an aquatic farm shellfish hatchery.

* Sec. 32. In order to achieve the purposes of the remedial and compensatory payments, the sum of \$440,000 is appropriated from the remedial and compensatory payments to the Department of Administration for payment as a grant under AS 37.05.315 to the City of Seward for the establishment and operation of the Alaska Sealife Center to conduct research on endangered species of the Prince William Sound region."

Re-number the following bill sections accordingly.

Page 9, line 5:

Delete "secs. 18, 25, and 28"

Insert "secs. 18, 25, and 28 - 32"

Adjust the funding information accordingly.

Attachment # 5
4/28/92 P
HB411
BY LARSON

AMENDMENT

CS for HB411 (Finance)
Work Draft 7-LS1718/G

Page 5
Line 18 reduce Sec. 8 by 800.0

Page 8, following line 27

Insert new bill section to read:

"* **Sec. 29.** In order to achieve the purposes of the remedial and compensatory payments, the sum of \$800,000 is appropriated from the remedial and compensatory payments to the Department of Administration for payment as a grant under AS 37.05.315 to the City of Cordova for renovations, facility construction, and program operations at the Prince William Sound Science Center."

Renumber the following bill sections accordingly.

PRINCE WILLIAM SOUND SCIENCE CENTER

HB411 REQUEST

Estimated Budget

	<u>HB411</u>	<u>Matching</u>	<u>Total</u>
Task 1			
Facility Development	\$ 250,000	\$ 450,000+ ¹	\$ 700,000+
Task 2			
Aquatic Monitoring			
Program Development	\$ 150,000	\$ 500,000+ ²	\$ 650,000+
Task 3			
Environmental			
Database Development	\$ 300,000	\$ 300,000+ ³	\$ 600,000+
Task 4			
Long-term Strategic			
Planning	\$ 75,000	\$ 300,000+ ⁴	\$ 375,000+
Task 5			
Natural Resource			
Workshops	\$ 25,000	\$ 120,000+ ⁵	\$ 145,000+
Total	\$ 800,000	\$1,620,000+	\$2,420,000+

1 - past loans, donations, and appropriations from the City of Cordova and the State Legislature.

2 - pending research and monitoring proposals

3 - a challenge grant from Conservation International and Eco-trust to provide the computer hardware, software, and data base that has a combined value of at least \$300,000. These items will be donated to the Center if we raise the funds to continue the environmental database development.

4 - grants and donations to support Science Center program development that require some matching funds over the next three years (from private foundations)

5 - a two year grant from a private foundation and donations from numerous Alaskan organizations to support two natural resource workshops in Cordova

Initially, this request was also accompanied by a proposal for a \$17 million research facility and a \$7 million trust to provide a permanent operational budget for the facility. In addition, the City of Cordova requested a \$1.6 million project to provide the Science Center with additional space in the harbor for building new facilities.

HB411: Information regarding the request for support from the Prince William Sound Science Center. April 28, 1992 (GLT).

Background

After the EXXON VALDEZ oil spill the Prince William Sound Science Center (Science Center):

(1) supported the Prince William Sound volunteer effort to monitor wildlife after the spill,

(2) held a major scientific meeting in Cordova in March 1990 that was attended by over 200 concerned scientists and citizens who were interested in planning long-range research in the Sound,

(3) published and distributed the proceedings from this meeting,

(4) supported researchers from the Universities of Alaska, New York, South Alabama, Mississippi State, Minnesota, Washington, and Yale with logistics to conduct research in the region after the spill,

(5) developed and published an oil spill curriculum that has received nationwide acceptance in public schools because of its ability to educate students on the everyday use of energy in terms of barrels of oil, for example what part of a barrel of oil is used when you leave the refrigerator door open for an hour,

(6) has developed a "Science-of-the-Sound" and an "Adopt-a-scientist" program with the public schools,

(7) has supported the U.S. government's damage assessment projects on bald eagles and sea otters,

(8) has worked to make the Oil Spill Recovery Institute (section 5001 of the Oil Pollution Act of 1990) become a reality, which is a critical but missing aspect of the Act because it integrates citizens, natives, and regional educators into the restoration decision-making process,

(9) has held an international workshop (with the University of Alaska Fairbanks) on the enhancement of salmon which will be an ongoing event throughout the Restoration Phase,

(10) has published a interim report with the University of Alaska on the salmon enhancement workshop that has been distributed for public comment,

(11) has been asked by a major international scientific

journal (Fisheries Research) to serve as guest editor in the peer review of papers presented at this workshop in order to publish them as a dedicated issue of the journal,

(12) has cooperatively developed a geographic information system with Conservation International and Eco-trust Inc. that is dedicated to serving as a repository for baseline data on natural resource information in the region (with data transfer agreements from several state and federal agencies),

(13) has published and distributed a peer reviewed overview of the Greater Prince William Sound ecosystems and advocating an ecosystem approach in the future (cooperatively with the Copper River Delta Institute and Conservation International),

(14) is serving as guest editor to Fisheries Research to publish a dedicated issue on the American Fisheries Society workshop on Fisheries Acoustics (cooperatively with the University of Washington and USFWS Cooperative Fishery Research Unit Program), and

(15) is organizing a natural resource workshop on timber, fish & wildlife issues in the region to foster a better understanding of the economic and ecological values of the regional forests to assist Restoration plans.

In recognition of these accomplishments and the Center's mission to develop a better understanding of the ecosystem through research, monitoring and education, the Murdock Charitable Trust recently awarded the Science Center a three-year \$300,000 competitive grant to support operations. This year Congress appropriated \$500,000 to establish the Oil Spill Recovery Institute, a project the Science Center has undertaken with authorization from NOAA. Certainly the Science Center with the Oil Spill Recovery Institute will continue to grow as a resource center for restoration, replacement and enhancement efforts in the region.

Request

The Science Center has requested a \$800,000 grant from the Legislature (HB 411) to come from the criminal settlement monies and to match the \$800,000 in outside funds (above). These funds will be used on specific projects as follows:

(1) \$250,000 to finish renovation and furnish its current facilities to accommodate the Science Center and the Oil Spill Recovery Institute,

(2) \$150,000 in funding to startup an independent

underwater monitoring program which will be critical for conducting long-term damage assessment and aquatic ecosystem monitoring through the Science Center and the Oil Spill Recovery Institute. The Science Center has over \$500,000 in pending proposals that will provide matching funds for this effort so this grant would provide additional leverage for these projects by allowing the Center to use the best technology available,

(3) \$300,000 to support building of an ecosystem database using a geographic information system that will be donated to the Center as a challenge grant of about \$300,000 from Conservation International and Ecotrust Inc. This grant will not only allow the Science Center to create an independent data base of environmental information that will remain open to the public in case of future oil spills, but will facilitate all levels of research in the region by providing large scale information to individual researchers. Also, by receiving this support from the state, and having GIS capability, it will help leverage full support for funding of the Oil Spill Recovery Institute from the Federal Trustees,

(4) \$75,000 in funds to conduct long-term strategic planning which is matched by over \$300,000 in funding from private foundations outside the state, and finally

(5) \$25,000 to match a \$120,000 challenge grant from the Pew Charitable Trust to hold the timber-fish & wildlife workshop this fall.

Although the request from the Legislature for these projects by the Science Center is \$800,000, the total cost of these projects including the projected matching funds exceeds \$1,600,000 (see budget below). This request for support from state criminal settlement funds is small by comparison to its potential value and contribution to restoration, replacement and enhancement of Prince William Sound. If granted, this request will provide critical facilities and support for the Oil Spill Recovery Institute which is the only institution that is authorized by Congress to conduct oil spill related research and long-term environmental monitoring for restoration purposes.

The federal Trustees have authorization to obligate funds from the \$50 million federal criminal settlement to support the Oil Spill Recovery Institute for a 10 year period. However, the Oil Pollution Act of 1990 specifies that the federal appropriation cannot be used to build facilities. Legislative appropriation of a portion of the state criminal settlement funds to the Science Center for the development of the listed facilities and programs above will support the Oil Spill Recovery Institute and help to leverage full-funding of the Institute from the federal Trustees. The Oil Pollution Act of 1990 authorizes a 10-year budget of \$23 million to support research, long-term monitoring, and education programs in the region.

CITY OF CORDOVA



April 17, 1992

Mr. John Bittney
* Rep. Ron Larson
Alaska State Legislature
P.O. Box V (MS 3100)
Juneau, Alaska 99811

Dear Mr. Bittney *JTB*

While in Juneau last, you asked for suggestions of requests related to restoration, replacement, and enhancement of Prince William Sound (PWS).

Cordova hosts the only Institute to assist scientists and researchers in the development of baseline knowledge of the Sound. The Prince William Sound Science Center (Science Center) is a non-profit corporation whose purpose is to provide services to those studying the PWS and Copper River Delta ecosystems. It started with a long-term lease of the old Harbormaster's building by the City and has grown to accommodate the needs of many research projects.

As you know, the Science Center has been authorized by NOAA to establish the PWS Oil Spill Recovery Institute (OSRI) in accordance with Section 5001 of the Oil Pollution Act of 1990. It is the only institution authorized by Congress to conduct oil spill related research and conduct long-term environmental monitoring for restoration purposes. This means that the federal Trustees have the authorization (and authority) to obligate funds from the \$50 million in federal criminal settlement to support OSRI for a 10 year period. However, as OPA90 specifies, the federal appropriation cannot be used to build facilities. Thus, if the State Legislature appropriates criminal settlement funds to the Science Center for facilities to support OSRI operations, we believe that this action would leverage full funding of the Institute by the Trustees (\$23 million as authorized by OPA90).

Much of the Center's and all of the OSRI's work is waterborne, and there is a need to provide dock front and staging area for activities and development. To provide this space, the City proposes to sheet pile and fill the section of the harbor that currently is unusable and surrounds the Science Center building. This construction will also require a short extension of the existing breakwater. A preliminary estimate of this project is \$1.6 million. By providing the funds to this project, the City is

Mr. John Bittney
April 17, 1992
Page 2

prepared to consider donating this space and existing structures to the Science Center for facilities development. This project would greatly enhance the only private non-profit institution within the communities affected by the oil spill that is directly servicing restoration as defined in the settlement by Attorney General Cole and by Congress in OPA90.

The Science Center has supported damage assessment projects on bald eagles and sea otters, developed an Oil Spill curriculum for public schools, cooperatively developed a GIS data base on the Greater Prince William Sound, and held two internationally attended meetings on priority issues concerning research of natural resources in the region. In 1991, the Murdock Charitable Trust awarded the Science Center with a 3-year \$300,000 competitive grant to support its operations and Congress appropriated \$500,000 to startup the OSRI, a project that the Science Center has undertaken with authorization from NOAA. Certainly the Science Center will continue to be a major resource to all restoration, replacement and enhancement activities in the region.

From discussions with staff at the Center, another need is that the Science Center has requested an \$800,000 grant from the Legislature (HB 411) to come from the criminal settlement monies and will match funds the Center has already received commitments for from sources outside the State. These funds will be used on specific projects to finish renovation, furnishings and equipping the Harbormaster building, establishing a GIS data base system in Cordova, and conducting the strategic planning needed to develop the Science Center program and facilitate the operations of the OSRI.

The Science Center currently has: (1) a request to the State Legislature of \$250,000 for improvement of its facilities to accommodate the OSRI; (2) a need to develop \$450,000 in funding to meet a challenge grant from Conservation International (Washington D.C.) and Ecotrust Inc. (Portland) to transfer the ownership of a cooperatively developed GIS system and continue to supply expert consulting support (a contribution of about \$300,000) to the Center providing the Center finds support for the staff to continue the development of the GIS data base; (3) a need to develop \$75,000 in matching funds to receive years 2 and 3 operational funding from the Murdock Charitable Trust which will be used for long-term strategic planning; and (4) a need to develop \$25,000 in funds to complete the match of a \$120,000 challenge grant from the Pew Charitable Trust to hold a series of natural resource workshops on critical issues in the region, such as the 1991 hatchery-wild fish workshop and the scheduled 1992 timber-fish and wildlife workshop.

Mr. John Bittney
April 17, 1992
Page 3

If the property enhancement (\$1.6 million) and the matching funds (\$800,000) requested are both appropriated, a clear signal would be sent to the Trustees endorsing Cordova's support for full-funding of the OSRI, as demonstrated in Resolutions 89-34, 89-42 and 91-66 of the Cordova City Council.

These requests for support from criminal settlement funds to State Legislature are small in comparison to their total value, and vital contribution to restoration, replacement and enhancement of Prince William Sound.

John, it appears from what I've learned that the Science Center is the seed for a major world-class scientific research institution. Their Director, Gary Thomas, at 424-5820, will be happy to answer any questions you may have.

Sincerely,



Gary A. Lewis
City Manager

cc: PWS Science Center

Enclosures: Cordova City Council
Resolutions 89-34, 89-42, 91-66

RESOLUTION 89-34

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF CORDOVA,
ALASKA, URGING THE ESTABLISHMENT OF A MARINE SCIENCES
RESEARCH CENTER IN CORDOVA, ALASKA

WHEREAS, as a result of the March 24, 1989 Exxon Oil Spill disaster and its long term effect on Prince William Sound, there is a need for detailed, long term, and extensive Marine Sciences research, analysis and management; and

WHEREAS, the State of Alaska and the Federal Government have responsibilities to carry out such research analysis and planning; and

WHEREAS, the Exxon companies bear the responsibility for the results of the oil spill disaster, and its long term effect; and

WHEREAS, the efforts of the State and Federal Agencies should be coordinated in a centrally managed and strategically located facility; and

WHEREAS, Cordova, Alaska is already the location of the U.S. Forest Service Copper River Delta Research Institute; and

WHEREAS, Cordova Alaska is already the location of major State of Alaska Department of Fish and Game research efforts; and

WHEREAS, the City of Cordova has been directly affected by the Exxon oil spill because the very existence of the City of Cordova is totally dependent upon the Marine resources of Prince William Sound; and

WHEREAS, the City of Cordova has land and/or buildings available for a marine sciences research center; and

WHEREAS, the City of Cordova has marine services facilities to provide support for vessels necessary to a major marine sciences research effort; and

WHEREAS, the City of Cordova needs the infusion of economic support from location of such a center because of the March 24, 1989 Exxon Oil Spill; and

WHEREAS, the City of Cordova has a modern air terminal suitable for light or heavy aircraft, including jet traffic that is the least subject to weather closure of any airport in the Prince William Sound; and


WHEREAS, the need for restoration of Prince William Sound Coordination of State and Federal Research efforts, and the value of such research can best be served by a Marine Sciences Research Center located in Cordova, Alaska,

NOW THEREFORE, BE IT RESOLVED, by the Mayor and City Council that:

1. There be established in Cordova Alaska, a Marine Sciences Research center to serve State, Federal, and private research;

2. That the Exxon Companies recognize their responsibilities to the environment, the State, the Nation, the City of Cordova, and the people of Prince William Sound, by making substantial contributions to funding the establishment and continuing operation of the center.

PASSED AND APPROVED THIS 10 DAY OF April, 1989.



Mayor Erling Johansen

D J C AD

RESOLUTION 89-42

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA, FOR THE PURPOSE OF ESTABLISHING AND OPERATING AN INTEGRATED SCIENTIFIC RESEARCH FACILITY IN CORDOVA

WHEREAS, the Prince William Sound Science and Technology Institute is established as a Domestic Non-Profit Corporation for the purpose of establishing and operating an integrated scientific research facility in Cordova Alaska; and


WHEREAS, the City of Cordova will benefit from the establishment of such a facility as an addition to the City's economic base; and

WHEREAS, the Non-profit Corporation will require funding to present the planning and development program to various groups and agencies,


NOW THEREFORE BE IT RESOLVED, by the Mayor and City Council that establishment of the Prince William Sound Science and Technology Institute in Cordova Alaska is for a public purpose and in the public interest of the people of Cordova, and

BE IT FURTHER RESOLVED THAT THE City Manager is authorized to negotiate a loan not to exceed \$50,000 from the Public Works Fund to the Prince William Sound Science and technology Corporation for the purpose of providing funds for planning and development programs.

PASSED AND APPROVED THIS 3 DAY OF May, 1989.



 Mayor Erling Johansen



 D. Lynda Plant, City Clerk

CITY OF CORDOVA
CORDOVA, ALASKA

RESOLUTION 91-66
A RESOLUTION FORGIVING TWO LOANS
TO THE PRINCE WILLIAM SOUND SCIENCE CENTER

WHEREAS, the City of Cordova was anxious to have a scientific research center established in Cordova as an economic development activity to benefit the community, and

WHEREAS, the Exxon Valdez Oil Spill made apparent the fact that little was known about the effect of crude oil on the ecosystem of Prince William Sound, and

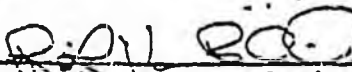
WHEREAS, the City of Cordova made two loans, of \$50,000 each, as "seed money" to the Prince William Sound Science Center, and

WHEREAS, the City of Cordova required that the Prince William Sound Science Center perform \$150,000 of improvement to the building and dock it sits on in order for the loans to be forgiven, and

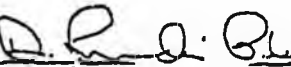
WHEREAS, the Price William Sound Science Center has submitted documentation of \$247,135.93 in improvements to the building and dock to the City of Cordova.

NOW, THEREFORE, BE IT RESOLVED by the Cordova City Council that it hereby forgives the tow loans it made to the Prince William Sound Science Center.

PASSED AND APPROVED THIS 21st DAY OF AUGUST, 1991.



Robert Van Brocklin
Mayor



D. Lynda Plant
City Clerk

Alaska State Legislature



Representative Eugene Kubina

During Session:
State Capitol
P.O. Box V
Juneau, Alaska 99811
(907) 465-4859

During Interim:
P.O. Box 2463
Valdez, Alaska 99686
(907) 835-2111

Chairman
State Affairs
Committee

Legislative Council

Transportation
Committee

Memo

To: Representative Mike Navarre, Chairman
House Finance Committee

From: Representative Gene Kubina

Date: 23 April 1992

Re.: Amendment to CS for House Bill 411

2-SIDED
COPIES

Enclosed is a packet of material outlining five projects that I believe should be included within HB 411. Based upon my discussions with members of the Attorney General's legal staff, I believe that each of these projects has valid justification for being funded via the Exxon Valdez Oil Spill penalty monies.

I think that the specific funds to pay for this comprehensive \$5,985,000 package could be realized in the following manner:

- A. Fund Cape Suckling land purchases from University of Alaska at \$6,000,000. My discussions with members of the University lead me to believe this is reasonable.
- B. Trim \$2,985,000 from the approximately \$18,000,000 destined for projects in District Five.

I believe this approach would leave adequate revenues to fund all projects currently listed in HB 411 while providing the \$5,985,000 funds needed for these projects. I appreciate your assistance in this matter.

— DISTRICT SIX —

• Chenega Bay • Chitina • Cooper Landing • Cordova • Hope • Moose Pass • Seward • Tatitlek • Valdez • Whittier •

Alaska State Legislature



Representative Eugene Kubina

Chairman
State Affairs
Committee

Legislative Council

Transportation
Committee

During Session:
State Capitol
P.O. Box V
Juneau, Alaska 99801
(907) 465-4859

During Interim:
P.O. Box 2463
Valdez, Alaska 99686
(907) 835-2111

Date: 27 March 1992

Capital project list for amendment to CS for HB 411

1. Alaska Oil and Hazardous Training Center	(Vdz.)	\$3,500,000
2. Prince William Sound Science Center	(Cdv.)	\$ 500,000
3. Chenega Bay Saltery Removal & Cleanup	(ChB)	\$ 585,000
4. Shellfish Hatchery	(Sew)	\$ 800,000
5. Alaska Sealife Center	(Sew)	\$ 600,000

Total: \$5,985,000

Brief descriptions of each project:

Alaska Oil and Hazardous Training Center (AOHTC).

AOHTC would be composed of two programs:

1. The Cold Weather Oil Spill School
2. The Oil Spill Cooperative Training Center

The Cold Weather Oil Spill School would be established to study and research the state-of-the-art techniques for response and prevention of oil spills in Alaska. Texas A&M University has an oil spill school but it deals predominantly with warm weather clean-up techniques--air and water temperature differences being significant factors.

The U.S. Coast Guard directed Oil Pollution Act of 1990 (OPA-90) recommends that tanker crews should have oil spill response training.

— DISTRICT SIX —

• Chenega Bay • Chitina • Cooper Landing • Cordova • Hope • Moose Pass • Seward • Tatitlek • Valdez • Whittier •

The Cold Weather Oil Spill School located in Prince William Sound could fulfill this educational need.

The Oil Spill Cooperative Training Center would incorporate training in a wider scope than the Cold Weather School, including reforestation efforts, and animal and fish projects. The Training Center would provide both training and certification via classes set up to meet the requirements of the public and private sectors.

The Alaska Oil and Hazardous Substances Training Center (AOHSTC) would work in concert with other state wide resources, utilizing the University of Alaska, its resources and faculty, the Sitka security training (State Police-VSPO) site, the Anchorage fire fighting training facility, and other such related facilities around the state.

Prince William Sound Science Center

This Center, located in Cordova, was established in 1989 for the purposes of doing biological research related to oil spills in the marine environment and provide a central repository for scientific information. The work performed by the Center since its creation has included the "Ecosystem Overview of the Prince William Sound/Copper River/Gulf of Alaska," a comprehensive database that will provide information and focus for future research, monitoring, and educational programs.

Chenega Bay Saltery Removal

The village of Chenega is the site of a dilapidated herring saltery. Located next to the village's dock, the site contains oil and other contaminants, as well as being a structural danger. Removal will include destruction of the old facility, and evacuation of buried fuel tanks that have leaked into the surrounding area.

DNR, DEC, and DOT have included \$30,000 in their joint Contaminated Sites FY 93 Clean-up CIP to prepare a cost estimate for removal of hazardous substances and soil sampling.

Shellfish Hatchery

In January of this year, a Department of Fish and Game report on aquatic farming activities in Alaska noted that "a major component

lacking in Alaska is a hatchery industry to provide a dependable supply of [shellfish] seed to aquatic farms."¹

A shellfish hatchery, built under the direction of the Chugach Regional Resources Commission (CRRC), would be a significant step forward in assisting such villages as Tatitlek and Chenega to continue to develop their mariculture activities. Approximately 700,000 oysters will be harvested this summer, one year ahead of schedule.

The CRRC is currently looking for matching funds for this project.

Alaska Sealife Center

This center will have as its primary mission research on the endangered species in the region and develop solutions to halt their alleged decline. No similar facility that includes research, education, and rehabilitation exists or is planned in the world.

Research projects are anticipated to draw \$10 to \$12 million of research funds and employ 60 to 70 scientists year round. Basic seasonal employment at the facility will be 200 to 400 new jobs. It is estimated 400,000 tourists will visit the facility annually.

¹Report on Aquatic Farming Activities in 1991. Alaska Department of Fish and Game, Division of Fisheries, Enhancement and Development. Prepared by James O. Cochran, Mariculture Coordinator.

**ALASKA OIL AND HAZARDOUS
TRAINING CENTER**

\$3,500,000

THE ALASKA COLD WEATHER OIL AND HAZARDOUS
SUBSTANCES TRAINING CENTER.

Located near the site of the largest spill ever in North America, the Alaska Cold Weather and Hazardous Substances Training Center (AOHSTC) is to be headquartered in Valdez, Alaska. The Center will be designed to coordinate with existing facilities all around the State and will provide basic and advanced training and certification for all standard and many advanced training courses involving handling and disposal of crude oil and other hazardous wastes.

The AOHSTC staff will work out of existing facilities in Valdez including use of Prince William Sound Community College campus. A dedicated facility is in the planning stages. The AOHSTC could provide cold weather and cold water training for the handling of all types of oil and hazardous substances with special emphasis on emergency incident responses. The initial emphasis targets Alaskan needs in both the private and public sectors.

The AOHSTC will result from a rare kind of cooperation among public, private and non-profit entities. Government officials, oil company and oil tanker executives, citizen groups, college and university officials, private foundations and small businesses are working together to make the AOHSTC a reality. Valdez Mayor John Harris has asked Alaska Governor Walter J. Hickel to help lead the development of a truly world class facility.

CITY OF VALDEZ, ALASKA

RESOLUTION NO. 92-33

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA; ENCOURAGING THE LOCATION OF ANY OIL SPILL RESPONSE/CLEAN UP COOPERATIVE THAT MAY BE CREATED BE LOCATED WITHIN PRINCE WILLIAM SOUND AT VALDEZ, ALASKA.

WHEREAS, approximately 1.5 to 2.0 million barrels of oil per day arrive within the city limits of Valdez; and

WHEREAS, approximately 800 oil tankers per year enter the City limits of the City of Valdez; and

WHEREAS, since the Exxon Valdez Oil Spill of 1989, substantial steps have been taken by Alyeska Pipeline Service Company (Alyeska) and its owner companies toward the better preparedness in response to an oil spill; and

WHEREAS, the Ship Escort and Response Vessel Service (SERVS) created by Alyeska may be the largest and best equipped oil spill response organization at this time in the United States; and

WHEREAS, Alyeska is to be commended for taking these steps and having had built a specific oil spill response clean up vessel, the Valdez Star; and

WHEREAS, in the past year and a half, there have been oil spill drills performed by several of the owner companies, with those drills taking place in Valdez; and

WHEREAS, each drill consists of owner company personnel and other personnel coming to Valdez at the time of the drill to enact their response to a major oil spill; and

WHEREAS, while the City of Valdez strongly endorses and commends this type of preparedness, there may still be a need for a separate oil spill response cooperative in Valdez; and

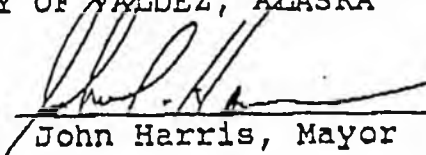
WHEREAS, the risk assessment report by Technica, Inc., designates the Valdez Arm as the most vulnerable area for future spills from tankers in transit;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, that:

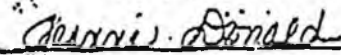
Section 1: Any oil spill cooperative which would provide additional safeguards to the areas of greatest risk should be located in Valdez, Alaska.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, THIS 2nd day of March, 1992.

CITY OF VALDEZ, ALASKA

By: 
John Harris, Mayor

ATTEST:


Jeanne Donald, CMC, City Clerk

1452:XKAH
2-27-92



OFFICE OF THE MAYOR
March 31, 1992

Original Mailed
Copy Sent by Facsimile

The Honorable Walter J. Hickel
Governor of the State of Alaska
P. O. Box 110001
Juneau, Alaska 99811-0001

Dear Governor Hickel:

Since the Exxon Valdez incident three years ago, all of us in Alaska have learned that a considerable amount of training is necessary to maintain our readiness for another such accident.

The recent gas leak in Soldotna, the Chevron spill drill held here in Valdez in early March, and the Shaker III exercise which you led further confirmed that need.

The City of Valdez is very interested in working with private industry, the State of Alaska, our University system, and citizen groups to form a training center for oil and hazardous substance spill response.

We believe the cost of doing this would be relatively small if we can secure the cooperation of affected places, build on the extensive equipment and facilities in place, and use Prince William Sound Community College to provide training that could support this program in its initial stages. We further believe the amount of equipment found here would make a training center in Valdez attractive not only to Alaskans but also to others throughout the world. Presently, Alaskans travel either to Texas or to Alberta for formal oil spill training; we could be bringing many of those people here.

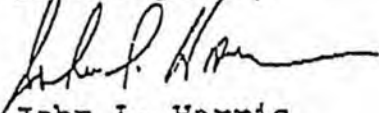
At this time, we are not asking the State for money. We are asking that the State of Alaska help us as convener.

I respectfully request that you encourage the State Emergency Response Committee (which includes several members of your cabinet) and the Prince William Sound Tanker Association to work together on this opportunity and report back to both of us as soon as possible.

Governor Walter J. Hickel
March 31, 1992
page 2

Enclosed is a resolution supporting the concept from the Valdez City Council as well as a one-page description of our concept.

Best regards,



John L. Harris
Mayor

Enclosures

cc: Valdez City Council
John Sandor, SERC Chairman
General Hugh Cox, SERC Co-Chairman
James Hermiller, President, Alyeska Pipeline Company
Admiral D.E. Ciancaglini, U.S.C.G.
Senator Jay Kerttula
Senator Curt Menard
Representative Gene Kubina
Dr. James Bemis, Acting President, Prince William Sound
Community College
Captain Morris A. Croce, President, Prince William Sound
Tanker Association

COLD WEATHER OIL SPILL SCHOOL

During the attempted clean up operations at the T/V Glacier Bay spill, in 1987, it became painfully evident that the clean up of North Slope crude in Alaskan waters is substantially different than the clean up of the oil spilled in a warmer climate and in warmer waters. This difference was only exaggerated during the clean up efforts of the Exxon Valdez. While the oil spill school which is incorporated as part of Texas A & M University, deals predominantly with warm weather clean-up techniques, a similar facility should be located in Valdez as a major step towards the advancement of our knowledge of cold weather oil spill response techniques.

Literally, everything is different from the cold weather to the warm weather climate in oil spill response. Disbursants react differently, oil spill booms and pumps respond differently. The high sulfur content of North Slope crude must be studied and taken into consideration and should be done at a location at or near the potential source of the spills.

The Coast Guard advanced rule making regarding Oil Pollution Act of 1990 (OPA-90) recommends that crew members

on tankers should have a certain amount of training in oil spill response since they are in fact the first to the scene of the spill. That training could take place at an oil spill school located in Valdez. The turn around time of a tanker at the Alyeska terminal is approximately 24 hours. This could provide an opportunity for the crew members who are not essential to the loading operations to attend such classes.

The Prince William Sound Community College who's main campus is in Valdez, also has branches in other communities throughout Prince William Sound. It would certainly appear a logical connection to incorporate such a spill school through that existing community college which has already in place administration, classrooms, laboratories and housing. Hands-on training opportunities for those attending such schools to view the terminal and tankers in the TAPS trade at the time of the training would be invaluable. Additionally, while thousands of people each year tour the Alyeska terminal facility, it would be equally important that they also be able to tour the cold-weather oil spill school, also in Valdez, established to study and research the state-of-the-art techniques for response and prevention of oil spills in Alaska.

3

The City and the citizens of Valdez, Alaska, urge incorporation of an Alaska Oil and Hazardous Substances Training Center (AOHSTC) in H.B. 411. Such a Training Center (TC) will offer training and certification of the type required by State and Federal statutes for the handling of oil and hazardous substances. There are two main components of the proposal: 1) the Cold Weather Oil Spill School, and 2) the Oil Spill Cooperative Training Center. These two elements together comprise the main thrust of the AOHSTC plan.

The AOHSTC will utilize existing facilities at Prince William Sound Community College campus (PWSCC) and other of the PWSCC facilities in the Prince William Sound region as well as other facilities such as the Sitka security training (State Police-VPSO) site, the Anchorage fire fighting training facility and other such related facilities around the State. Students will be drawn from the public and private sectors in Alaska initially. The various types of training and certification required will be offered and classes set up to meet the requirements of the public and private sectors. A dedicated facility with management/administration space as well as course specific space is in the early planning stages. As the facility develops, the AOHSTC will offer the training to a world wide student body. Given the reserves known in Russia alone, there will be a need for many decades and perhaps more than a century for

this facility.

In addition to the training components of the plan, research and development, testing and evaluation, and monitoring coordination and development are contemplated for the facility: truly an international center in the making.

World-wide attention to Valdez during the Exxon Valdez spill makes the addition of public education through exhibits and museum-type displays a natural attraction. Some of the work being done at the center or related facilities will be organized to make looking at them worthwhile for the general public (e.g., growing plants for refoiliation efforts, animal and fish projects). Tourist dollars as well as student and research dollars will help make this a self-sufficient project over time.

The funds provided by the Exxon settlement monies will be adequate to initiate and develop the facility through its early days. Some monies should be set aside, perhaps in an operating trust, to provide operational monies for a set term of years.

The question arises whether a project of this nature fits within the parameters of the Exxon Settlement. The Plea Agreement in United States of America v. Exxon Corporation (USDCAK, No. A90-015 CR.) states in Section IV.A. the following, namely:

All monies paid by EXXON SHIPPING and EXXON under this paragraph IVA are remedial and compensatory payments. Such monies are to be used by the State of Alaska and the United States exclusively for restoration projects, with the State of Alaska, relating to the "EXXON VALDEZ" oil spill. Restoration includes restoration, replacement and enhancement of affected resources, acquisition of equivalent resources and services, and long-term environmental monitoring and research programs directed to the prevention, containment, cleanup and amelioration of oil spills. Id., p.9. [Emphasis in the original]

It should be noted that the Exxon Trust does not contain this type of language. The Plea Agreement offers a unique solution to certain of the ills created by or left behind by the spill. Emphasis is given to this approach in IV.D. as follows, namely:

D. The parties agree that all payments made under paragraph IVA are exclusively remedial Id.

The remainder of the language of the section identifies with great clarity that such "payments" are to be considered "separate and distinct from the fines described in paragraph IIIC [supra] and from any other criminal, civil, or administrative penalties that could have been imposed" Id.

The intent of the Court in accepting this Plea Agreement could not be more clear when it approved such language. The question then becomes one of interpretation. Does an Alaska Oil and Hazardous Substances Training Center fall within the clear meaning of the language of the Plea Agreement.

It is a long honored and accepted rule of law that the plain meaning of the court's language is to be preferred over any other. Is then the AOHSTC a "restoration project?" Clearly the answer is yes. The AOHSTC will go directly to the "long-term environmental monitoring and research programs directed to the prevention, containment, cleanup and amelioration of oil spills." Among the goals of the AOHSTC are exactly those items specified by the Plea Agreement. One question remains, specifically: is "training" permitted under the terms of this language?

The prevention, containment, cleanup and amelioration of oil spills language does not contain the word "training." Is the idea then of

training inherent in the concepts sought to be conveyed by the language of the Plea Agreement. Clearly the answer is again yes. All four words here from prevention to amelioration contemplate eliminating spills in the future and, if despite such efforts, a spill occurs, to minimize its effects. Training developed under the research and monitoring language of the Plea Agreement is clearly within the ambit or scope of contemplated activities when viewed in terms of the goals of such activities.

**PRINCE WILLIAM SOUND
SCIENCE CENTER**

\$500,000



P.O. Box 705
Cordova, AK 99574
(907) 424-5800 FAX: (907) 424-5820

The Prince William Sound Science Center is a non-profit research organization established in Cordova shortly after the 1989 Exxon Valdez oil spill (EVOS). Prior to EVOS citizens and researchers recognized the need for establishing the Center to conduct impartial scientific studies related to natural resource and ecological processes in Prince William Sound, and studies relating how these resources and processes might be influenced by natural and human-induced perturbations. For nearly two decades, researchers working in Prince William Sound have advocated development of a centralized research facility to generate an interdisciplinary analysis of the diverse ecosystems in the region. The 1989 oil spill reiterated the need for basic and applied ecological research on the effects of oil spills in subarctic regions. EVOS also emphasized how limited the ecological database available was to assess the spill's damage.

The Science Center is the only private, non-profit scientific facility within Prince William Sound. The Center has adopted the "monitored ecosystem" approach to develop the long-term data necessary for a better understanding of its critical ecosystems.

Organizational Mission and Values

The mission of the Prince William Sound Science Center is to contribute effectively to the comprehensive description, sustained monitoring, and more complete ecological understanding of Prince William Sound and its wetlands, river systems, and drainage basins, and thereby to serve as an information resource for decision-makers responsible for the development and conservation of this diverse and complex ecosystem.

The Science Center's bylaws demand that it be objective, productive, professional, and completely open in communicating information from monitoring and research programs to the public. The Science Center will be steadfast in upholding the ethics of research: truth, due credit, tolerance, collaboration, and self-criticism.

Research and Education Programs

- * Organized the March 1990 conference titled "Research for the 1990's in Prince William Sound and the Copper River Delta", attended by 115 participants including scientists from both the private and public sectors, resource managers, several legislators, and the general public. The meeting's purpose was to identify research topics important to the long-term health and biodiversity of the region, with particular attention to long-term impacts from the Exxon Valdez oil spill.

Page Two - PWS Science Center

- * Published the Prince William Sound/Copper River/North Gulf Ecosystem document, presenting an initial overview of the primary components of the region and demonstrating the importance of a better understanding of ecosystem interdependence in order to maintain ecological features critical to the production of renewable resources.
- * Continues development of a geographic information system to improve and promote the quality and quantities of regional ecological research.
- * Hosted a workshop held in November 1991 on the "Biological interactions of natural and enhanced stocks of salmon in Alaska." An Interim Group Report from this meeting will be available in mid-April, 1992 and individual papers will be published in a scientific journal later this year.
- * Contracted the services of marine mammal researchers to conduct field studies to determine the effects of the Exxon Valdez oil spill on sea otters in Alaska (a cooperative project with the U.S. Fish & Wildlife Service).
- * Provided logistical support and office services for several other oil spill related studies, particularly the U.S. Fish & Wildlife Service bald eagle research project and a socio-economic impact study conducted by the University of South Alabama, Mississippi State University and the University of Pennsylvania.
- * Produced the Alaska Oil Spill Curriculum, a teaching guide for grades pre-school through 12, and distributed it to school systems throughout Alaska and the nation.
- * Developed a community science education program in cooperation with the Cordova Public Schools, the U.S. Forest Service, and the Prince William Sound Community College. Program elements include an after-school Science Club for elementary school children, field trips and lectures for all ages and an Adopt-a-Scientist program for the schools.

Sources of support funding (Over \$1 million to date)

City of Cordova
Alaska State Legislature
Pew Charitable Trust
Murdock Charitable Trust
Conservation International
Alyeska Pipeline Service Co.
BP Exploration, Inc.
Ecotrust

Skaggs Foundation
ARCO Marine, Inc.
Davis Super Foods, Cordova
Prince William Sound Aquaculture Corporation
Cordova District Fishermen United
Prince William Sound Community College