

**ALASKA LEGISLATURE**

**HOUSE and SENATE FINANCE COMMITTEE FILES,**

**1993-1994**

**1180**

254

A M E N D M E N T 4

Offered in the House  
HCS CSSB 215 - T version

By Rep. MacLean

Page 3, line 22 :

After "barrels of oil"

Insert : "or 5,000 gallons of refined product"

Summary of changes CSSB 215(FIN) am (efd fld) to House Versions

5/4/94  
pm

CSSB 215(FIN) am (efd fld) Sec&Stat	HCS CSSB215(RES)	HCS CSSB215(STA)	Work draft 5/2/94
1. AS 26.23.020 (g)	Same as Senate	Same as Senate	Same as Senate
2. AS 29.60.500	Same as Senate	Same as Senate	Same as Senate
3. AS 29.60.510	Same as Senate	Requires C&RA to return grant money unused after one year	Same as State Affairs
4. AS 29.60.520	Same as Senate	Technical amendment adds "actual" before costs under (a)(2)(B).	Same as State Affairs
5. AS 29.60.530	Same as Senate	Same as Senate	Same as Senate
6. AS 29.60.540 (b)	Same as Senate	Same as Senate	Same as Senate
7. AS 29.60.560(a)	Same as Senate	Same as Senate	Same as Senate
8. AS 29.60.560(e)	Same as Senate	Same as Senate	Same as Senate
9. AS 29.60.599(4)	Same as Senate	Same as Senate	Same as Senate
10. AS 29.60.599(7)	Same as Senate	Same as Senate	Same as Senate
11. AS 29.60.599(9)	Same as Senate	Same as Senate	Same as Senate
12. AS 37.14.410	Same as Senate	Same as Senate	Same as Senate
13. AS 43.55.201	Same as Senate	Same as Senate	Same as Senate

<b>CSSB 215(FIN) am (efd fld)</b>	<b>HCS CSSB215(RES)</b>	<b>HCS CSSB215(STA)</b>	<b>Work draft 5/2/94</b>
14. AS 43.55.211	Same as Senate	Same as Senate	Same as Senate
15. AS 43.55.221	Same as Senate	Same as Senate	Same as Senate
16. AS 43.55.231	Same as Senate	Same as Senate	Same as Senate
17. AS 43.55.299	Same as Senate	Same as Senate	Same as Senate
18. AS 43.55.900	Same as Senate	Same as Senate	Same as Senate
19. AS 46.04.010	Adopted DEC am#1 which directs recoveries into response mitigation first.	Same as Resources	Same as Resources
20. AS 46.08.005	Same as Senate	Deletes response to "a threatened release" from uses of response fund. Also limits response uses of prevention account to smaller spills.	Same as State Affairs
21. AS 46.08.010(a)	Same as Senate	Same as Senate	Same as Senate
22. AS 46.08.010(b)	Same as Senate	Same as Senate	Same as Senate
23. AS 46.08.010(c)	Same as Senate	Same as Senate	Removes reference to Depots and Corps (same as SB 33)

<b>CSSB 215(FIN) am (efd fld)</b>	<b>HCS CSSB215(RES)</b>	<b>HCS CSSB215(STA)</b>	<b>Work draft 5/2/94</b>
24. AS 46.08.020	Directly deposits interest from the 4 accounts into the prevention account.  Adds a new Section 25	Goes back to Senate version	Same as resources  adds new section 25
25. AS 46.08.025	26. Same as Senate	Same as Senate	26. Same as Senate
26. AS 46.08.040(a)	27. Adds "restoration of the environment" as a use of the response fund. Also allows prevention account money for muni impact assistance grants.	Deletes language added by Resources. Also deletes response to a "threatened release" as a use of the response fund.	27. Similar to State Affairs section 26, SB 33 changes allowing funding for agreements under AS 46.08.090/040; Deletes reference to DES Depots and Corps; Add House Resources amendment regarding C&RA Municipal impact assistance grants
27. AS 46.08.040(a)(2)(D)	28. Same as Senate	Same as Senate	28. AS 46.08.040a2C, Same as Senate Bill 33
28. AS 46.08.040(c)	29. Same as Senate	Same as Senate	29. Same as Senate

CSSB 215(FIN) am (efd fld)	HCS CSSB215(RES)	HCS CSSB215(STA)	Work draft 5/2/94
29. AS 46.08.045	30. Same as Senate	Amends uses so that if the Governor DOES NOT declare a disaster, use of the response fund is limited to spills 2,500 bbls or larger. Also requires, if the governor DOES NOT declare a disaster, that the commissioner report to the governor, and LB&A within 72 hours of using response money, and that the governor approve the use of the money - in writing - not later than 72 hours after the commissioner is advised of the release.	30. same as Section 29 State Affairs  New Section 31 - use of prevention account - allows unobligated portion of prevention account to be used for releases < 2500 BBLs and threatened releases. (it is the intent, but needs amendment)
30. 46.08.050(b)	31. Same as Senate	Same as Senate	32. Same as Senate
31. 46.08.060(a)	32. Additional requirement for reporting of cost recoveries on prevention account.	Deletes language added in Resources. Also expands reporting requirements to include investigating and evaluating with prevention account monies.	33. Requires reporting for the entire fund ie- both accounts
32. AS 46.08.060(b)	33. Same as Senate	Same as Senate	34. Same as Senate
33. AS 46.08.060(c)	34. Same as Senate	Same as Senate	35. Same as Senate
34. AS 46.08.070	35. Same as Senate	Same as Senate	36. Same as Senate

<b>CSSB 215(FIN) am (efd fld)</b>	<b>HCS CSSB215(RES)</b>	<b>HCS CSSB215(STA)</b>	<b>Work draft 5/2/94</b>
35. AS 46.08.075(a)	36. Same as Senate	Same as Senate	37. Same as Senate
36. AS 46.08.075(e)	37. Same as Senate	Same as Senate	38. Same as Senate
37. AS 46.08.900(5)	38. Same as Senate	Same as Senate	39. Same as Senate
38. AS 46.08.900(9)	39. Same as Senate	Same as Senate	40. Same as Senate
39. AS 46.08.900(11)	40. Same as Senate	Same as Senate	41. Same as Senate
40. AS 46.08.900(13-)	41. Deletes the definition of "catastrophic oil discharge"	Same as Senate	42. Same as Senate
41. AS 46.09.900(8)	42. Same as Senate	Same as Senate	43. Same as Senate
42. Repealers	43. Same as Senate	Same as Senate	44. Same as Senate
43. Spill Reserve	44. Same as Senate	Same as Senate	45. Same as Senate
44. Surcharge	45. Same as Senate	Same as Senate	46. Same as Senate
45. Transitional	46. Same as Senate	Same as Senate	47. Same as Senate
46. SB 33	47. Same as Senate	Same as Senate	48. Same as Senate

Adopted

~~8-LS11074~~  
Chenoweth  
5/2/94

5/5/94

HOUSE CS FOR CS FOR SENATE BILL NO. 215( )  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
EIGHTEENTH LEGISLATURE - SECOND SESSION

BY

Offered:  
Referred:

Sponsor(s): SENATORS MILLER, Kelly

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to oil and hazardous substances; redesignating the oil and  
2 hazardous substance release response fund and relating to it; repealing the  
3 Citizens' Oversight Council on Oil and Other Hazardous Substances and the  
4 authority in law by which marine highway vessels may be designed and  
5 constructed to aid in oil and hazardous substance spill cleanup in state marine  
6 water using money in the oil and hazardous substance release response fund and  
7 repealing the authority of the Department of Environmental Conservation to levy  
8 and collect fees for review of certain submissions related to oil; altering  
9 requirements applicable to liens for recovery of state expenditures related to oil  
10 or hazardous substances; terminating the nickel-per-barrel oil conservation  
11 surcharge; levying and collecting two new oil surcharges; and providing for the  
12 suspension and reimposition of one of the new surcharges."

1 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

2 \* Section 1. AS 26.23.020(g) is amended to read:

3 (g) In addition to any other powers conferred upon the governor by law, the  
4 governor may, under AS 26.23.010 - 26.23.220,

5 (1) suspend the provisions of any regulatory statute prescribing  
6 procedures for the conduct of state business, or the orders or regulations of any state  
7 agency, if compliance with the provisions of the statute, order, or regulation would  
8 prevent, or substantially impede or delay, action necessary to cope with the disaster  
9 emergency;

10 (2) use all available resources of the state government and of each  
11 political subdivision of the state as reasonably necessary to cope with the disaster  
12 emergency;

13 (3) transfer personnel or alter the functions of state departments and  
14 agencies or units of them for the purpose of performing or facilitating the performance  
15 of disaster emergency services;

16 (4) subject to any applicable requirements for compensation under  
17 AS 26.23.160, commandeer or utilize any private property, except for all news media  
18 other than as specifically provided for in AS 26.23.010 - 26.23.220, if the governor  
19 considers this necessary to cope with the disaster emergency;

20 (5) direct and compel the relocation of all or part of the population  
21 from any stricken or threatened area in the state, if the governor considers relocation  
22 necessary for the preservation of life or for other disaster mitigation purpose;

23 (6) prescribe routes, modes of transportation, and destinations in  
24 connection with necessary relocation;

25 (7) control ingress to and egress from a disaster area, the movement of  
26 persons within the area, and the occupancy of premises in it;

27 (8) suspend or limit the sale, dispensing, or transportation of alcoholic  
28 beverages, firearms, explosives, and combustibles;

29 (9) make provisions for the availability and use of temporary  
30 emergency housing;

31 (10) allocate or redistribute food, water, fuel, or clothing; and

1 (11) use money from the oil and hazardous substance release  
2 response account in the oil and hazardous substance release prevention and response  
3 fund, established by AS 46.08.010, to respond to a declared disaster emergency related  
4 to an oil or hazardous substance discharge.

5 \* Sec. 2. AS 29.60.500 is amended to read:

6 Sec. 29.60.500. PURPOSE AND POLICY. (a) The legislature finds and  
7 declares that a major release of oil or hazardous substances into the environment  
8 presents a real and substantial threat to the economy and public welfare of the  
9 municipalities, [AND] villages, and school districts that are affected by the release  
10 and the resultant activities to contain and clean up the release.

11 (b) The legislature concludes that it is in the best interest of the state and its  
12 citizens to provide a readily available fund for the payment of the expenses incurred  
13 by municipalities, [AND] villages, and school districts to mitigate the social and  
14 economic effects that arise out of a major release of oil or hazardous substances and  
15 resultant cleanup activities.

16 (c) It is the intent of the legislature and declared to be the public policy of the  
17 state that money to defray the cost of social and economic effects on municipalities,  
18 [AND] villages, and school districts arising from a major release of oil or a hazardous  
19 substance and resultant cleanup activities and to pay for efforts to abate that release  
20 will be immediately available upon

21 [(1)] a determination [BY THE GOVERNOR] that the release was  
22 sudden and that it exceeds 2,500 barrels of oil, or exceeds an amount of a hazardous  
23 substance that when released into the environment presents a real and substantial threat  
24 to the economy and public welfare of the municipalities, [OR] villages, or school  
25 districts affected by it [;

26 (2) THE DECLARATION BY THE GOVERNOR OF A DISASTER  
27 EMERGENCY RELATING TO THE RELEASE; AND

28 (3) A FINDING BY THE GOVERNOR THAT

29 (A) THE RELEASE OF THE OIL OR HAZARDOUS  
30 SUBSTANCE INTO THE ENVIRONMENT PRESENTS A REAL AND  
31 SUBSTANTIAL THREAT TO THE ECONOMY AND PUBLIC WELFARE

1 OF THE MUNICIPALITIES AND VILLAGES THAT ARE AFFECTED BY  
2 THE RELEASE AND BY THE RESULTANT ACTIVITIES TO CONTAIN  
3 AND CLEAN UP THE RELEASE; AND

4 (B) IT IS IN THE BEST INTEREST OF THE STATE TO PAY  
5 THE EXPENSES INCURRED BY MUNICIPALITIES AND VILLAGES TO  
6 MITIGATE THE SOCIAL AND ECONOMIC EFFECTS THAT ARISE OUT  
7 OF THE RELEASE OF THE OIL OR THE HAZARDOUS SUBSTANCE  
8 AND THE RESULTANT CLEANUP ACTIVITIES].

9 \* Sec. 3. AS 29.60.510 is amended to read:

10 Sec. 29.60.510. MUNICIPAL IMPACT GRANTS AUTHORIZED. (a)  
11 Subject to (b) of this section, the [THE] commissioner may use money from the oil  
12 and hazardous substance release prevention and response fund to make grants to a  
13 municipality, [OR] village, or school district that is affected by the release or by the  
14 response to the release and that demonstrates that the release or response to the release  
15 involves extraordinary expenditures that are beyond the reasonable capability of the  
16 municipality, [OR] village, or school district to meet from the current revenue sources  
17 of the municipality, [OR] village, or school district if

18 [(1) THE GOVERNOR DETERMINES THAT] a release of oil [OR  
19 A HAZARDOUS SUBSTANCE] exceeds 2,500 barrels of oil, or if a release of a  
20 hazardous substance exceeds an amount of a hazardous substance that, when released  
21 into the environment, presents a threat to the economy and public welfare of the  
22 municipalities, [AND] villages, and school districts affected by it at least equivalent  
23 in effect to the effect of a release of oil in an amount defined by this subsection  
24 [PARAGRAPH;

25 (2) THE RELEASE HAS BEEN PROCLAIMED A DISASTER  
26 EMERGENCY BY THE GOVERNOR UNDER AS 26.23.020; AND

27 (3) THE GOVERNOR FINDS THAT

28 (A) THE RELEASE OF THE OIL OR HAZARDOUS  
29 SUBSTANCE INTO THE ENVIRONMENT PRESENTS A REAL AND  
30 SUBSTANTIAL THREAT TO THE ECONOMY AND PUBLIC WELFARE  
31 OF THE MUNICIPALITIES AND VILLAGES THAT ARE AFFECTED BY

1 THE RELEASE AND BY THE RESULTANT ACTIVITIES TO CONTAIN  
2 AND CLEAN UP THE RELEASE; AND

3 (B) IT IS IN THE BEST INTEREST OF THE STATE TO PAY  
4 THE EXPENSES INCURRED BY MUNICIPALITIES AND VILLAGES TO  
5 MITIGATE THE SOCIAL AND ECONOMIC EFFECTS THAT ARISE OUT  
6 OF THE RELEASE OF THE OIL OR THE HAZARDOUS SUBSTANCE  
7 AND THE RESULTANT CLEANUP ACTIVITIES].

8 (b) For each release or threatened release of oil or a hazardous substance

9 (1) for which the commissioner of environmental conservation may,  
10 under AS 46.08.045, expend money from the oil and hazardous substance release  
11 response account in the fund [DISASTER EMERGENCY DECLARED BY THE  
12 GOVERNOR UNDER AS 26.23.020], and subject to agreement with the commissioner  
13 of environmental conservation as to the amount of money in the fund that may be used  
14 by the department to make grants, the commissioner may expend not more than  
15 \$10,000,000 [OF THE BALANCE OF THE FUND THAT IS APPROPRIATED TO  
16 THE SPILL RESERVE OR] of the unrestricted balance of the oil and hazardous  
17 substance release response account in the fund for grants for purposes described  
18 in AS 29.60.520; if [AUTHORIZED UNDER THIS SECTION. IF] the commissioner  
19 and the commissioner of environmental conservation do not agree on the amount of  
20 money in the response account in the fund that may be used by the department to  
21 make grants under AS 29.60.500 - 29.60.599 for release or threatened release of oil  
22 or a hazardous substance, the governor shall make the determination;

23 (2) for which money may not be expended from the response  
24 account under (1) of this subsection, and subject to appropriation of money in the  
25 fund that may be used by the department to make grants, the commissioner may  
26 expend not more than the amount appropriated from the oil and hazardous  
27 substance release prevention account in the fund for grants for purposes  
28 described in AS 29.60.520.

29 (c) Notwithstanding the limitation of AS 37.07.080(e) against the transfer of  
30 money between appropriations, when the commissioner and the commissioner of  
31 environmental conservation have agreed to the amount of money in the oil and

1 hazardous substance release response account [FUND] that may be used by the  
2 department to make grants, or when that determination has been made by the governor,  
3 the commissioner of environmental conservation shall promptly transfer that amount  
4 to the department for use under AS 29.60.500 - 29.60.599.

5 (d) For money that has been transferred under (c) of this section, if within any  
6 one-year period thereafter the commissioner does not use the money to make a grant  
7 under AS 29.60.500 - 29.60.599, the commissioner shall [, AT THE DIRECTION OF  
8 THE GOVERNOR OR THE REQUEST OF THE COMMISSIONER OF  
9 ENVIRONMENTAL CONSERVATION,] return the unexpended amount transferred  
10 under (c) of this section to the oil and hazardous substance release response  
11 account of the fund.

12 \* Sec. 4. AS 29.60.520 is amended to read:

13 Sec. 29.60.520. PURPOSES OF MUNICIPAL IMPACT GRANTS. (a) A  
14 grant made under AS 29.60.510 may be made

15 (1) only for

16 (A) provision of subsistence resources on which the residents  
17 of the municipality, [OR] village, or school district rely for subsistence needs;

18 (B) the additional costs of a reasonable and appropriate function  
19 or service, including administrative expenses for the incremental costs of  
20 providing the function or service, limited to:

21 (i) public health and welfare functions and services,  
22 including hospital, clinic, and emergency medical services; alcohol,  
23 drug abuse, and mental health services; family support services; and the  
24 operation of waste disposal systems and water quality improvement  
25 systems;

26 (ii) public safety functions and services, including police  
27 protection, search and rescue, and fire protection;

28 (iii) public utility functions and services, including the  
29 operation of electric generating plants and distribution systems, water  
30 supply systems, telephone systems, and fuel distribution systems; and

31 (iv) housing functions and services, limited to leasing or

1 making other arrangements for temporary housing to be occupied by  
2 persons associated with containment or cleanup of the release;

3 (C) costs associated with leasing transportation facilities for use  
4 in activities associated with the containment or cleanup;

5 (D) costs of repair or replacement of equipment or a capital  
6 asset associated with a function or service set out in (B) of this paragraph the  
7 useful life of which has been substantially reduced by use associated with the  
8 containment or cleanup; and

9 (2) to compensate the municipality, [OR] village, or school district for

10 (A) the reduction of revenue attributable to the release of the  
11 oil or hazardous substance; and

12 (B) the actual costs of projects or activities that are delayed or  
13 lost because of the efforts of the municipality, [OR] village, or school district  
14 responding to the release or associated with the containment or cleanup of oil  
15 or the hazardous substance.

16 (b) If money received under this section is used for a capital expenditure, the  
17 commissioner may require the municipality, [OR] village, or school district that  
18 acquired the item as a capital expenditure to transfer it to the state at the end of the  
19 period during which the item is actually used for spill response if the commissioner  
20 finds that retention of the item would confer an inappropriate benefit on the  
21 municipality, [OR] village, or school district.

22 \* Sec. 5. AS 29.60.530 is amended to read:

23 Sec. 29.60.530. CRITERIA TO EVALUATE GRANT APPLICATIONS. (a)  
24 In determining whether an expenditure or proposed expenditure by a municipality,  
25 [OR] village, or school district is eligible for a grant under AS 29.60.510, the  
26 department shall consider

27 (1) the degree to which the effect on the municipality, [OR] village, or  
28 school district is directly caused by the oil or hazardous substance release or the  
29 response to the release;

30 (2) the availability of money to the recipient from other sources that  
31 can meet the costs of providing the functions or services; and

1 (3) the severity of the effect addressed in the grant application.

2 (t) The department may reject an application for a grant under AS 29.60.510  
3 or approve an application for a grant in an amount that is less than the amount  
4 requested by a municipality, [OR] village, or school district if the department  
5 determines that payment of the amount requested is not warranted under (a) of this  
6 section.

7 (c) The department shall adopt, by regulation, criteria by which to rank all or  
8 a portion of applications for the purpose of establishing the priority order of awarding  
9 grants if money requested by eligible municipalities, [AND] villages, and school  
10 districts under this section exceeds the amount available. The criteria must be based  
11 on the elements set out in (a) of this section. If the total amount of money requested  
12 by eligible municipalities, [AND] villages, and school districts under this section  
13 exceeds the amount available, the department shall rank applications for the purpose  
14 of establishing the priority order of awarding grants in accordance with the regulations.

15 \* Sec. 6. AS 29.60.540(b) is amended to read:

16 (b) Money received by a municipality, [OR] village, or school district under  
17 AS 29.60.500 - 29.60.599 may not be used for a capital improvement, as that term is  
18 defined in AS 46.08.900.

19 \* Sec. 7. AS 29.60.560(a) is amended to read:

20 (a) For each disaster emergency declared by the governor under AS 26.23.020  
21 based on a release of oil or a hazardous substance or for each other release of oil or  
22 a hazardous substance for which money may be expended under AS 46.08.040, the  
23 commissioner, after consulting with and securing the written approval of the attorney  
24 general and after consulting with other state agencies, shall

25 (1) make an assessment of the social and economic effects of the  
26 release of the oil or hazardous substance;

27 (2) develop a plan to

28 (A) recover the cost of release-related expenditures; and

29 (B) mitigate the social and economic effects of the release of  
30 the oil or hazardous substance on the municipalities, the villages, the school  
31 districts, and the region in which the discharge occurs.

1 \* Sec. 8. AS 29.60.560(e) is amended to read:

2 (e) Expenditures made under this section may be made only from the amount  
3 transferred to the commissioner under AS 29.60.510(c), unless

4 (1) the commissioner and the commissioner of environmental  
5 conservation mutually agree that payment may be made from money in the oil and  
6 hazardous substance release response account in the oil and hazardous substance  
7 release prevention and response fund not transferred under AS 29.60.510(c); or

8 (2) the commissioner pays them from another source.

9 \* Sec. 9. AS 29.60.599(4) is amended to read:

10 (4) "fund" means the oil and hazardous substance release prevention  
11 and response fund established by AS 46.08.010;

12 \* Sec. 10. AS 29.60.599(7) is amended to read:

13 (7) "service"

14 (A) means

15 (i) a function performed or service provided by a  
16 municipality under a duty or power authorized by this title or by  
17 another provision of law authorizing a municipality to perform functions  
18 or provide services;

19 (ii) [, OR] a comparable function performed or service  
20 provided by a village; or

21 (iii) a function performed or service provided by a  
22 school district;

23 (B) includes functions not previously performed and services  
24 not previously provided by the municipality or village;

25 \* Sec. 11. AS 29.60.599 is amended by adding a new paragraph to read:

26 (9) "school district" has the meaning given in AS 14.30.350.

27 \* Sec. 12. AS 37.14.410 is amended to read:

28 Sec. 37.14.410. REIMBURSED EXPENDITURES. (a) Amounts received by  
29 the state as reimbursement for expenses related to the Exxon Valdez oil spill incurred  
30 by the state on or before December 31, 1992, shall be deposited in the general fund  
31 and, except as required under (b) of this section may not be credited to the oil and

1 hazardous substance release mitigation account under AS 46.04.010 or to an account  
2 established in AS 46.08.020 or 46.08.025.

3 (b) A percentage of each payment deposited in the general fund under (a) of  
4 this section shall be credited to the prevention account established in [OIL AND  
5 HAZARDOUS SUBSTANCE RELEASE MITIGATION ACCOUNT UNDER  
6 AS 46.04.010 OR] AS 46.08.020. That percentage is determined by dividing

7 (1) the amount of the expenses for which the state may be reimbursed  
8 under (a) of this section that were paid from the oil and hazardous substance release  
9 response fund established under AS 46.08.010, by

10 (2) the total amount of expenses for which the state may be reimbursed  
11 under (a) of this section.

12 \* Sec. 13. AS 43.55 is amended by adding a new section to read:

13 Sec. 43.55.201. SURCHARGE LEVIED. (a) Every producer of oil shall pay  
14 a surcharge of \$.02 per barrel of oil produced from each lease or property in the state,  
15 less any oil the ownership or right to which is exempt from taxation.

16 (b) The surcharge imposed by (a) of this section is in addition to and shall be  
17 paid in the same manner as the tax imposed by AS 43.55.011 - 43.55.150; and is in  
18 addition to the surcharge imposed by AS 43.55.300 - 43.55.310.

19 (c) A producer of oil shall make reports of production in the same manner and  
20 under the same penalties as required under AS 43.55.011 - 43.55.150.

21 \* Sec. 14. AS 43.55 is amended by adding a new section to read:

22 Sec. 43.55.211. USE OF REVENUE DERIVED FROM SURCHARGE. The  
23 legislature may appropriate the annual estimated balance of the account maintained  
24 under AS 37.05.142 for deposits into the general fund of the proceeds of the surcharge  
25 levied under AS 43.55.201 to the response account in the oil and hazardous substance  
26 release prevention and response fund established by AS 46.08.010.

27 \* Sec. 15. AS 43.55 is amended by adding a new section to read:

28 Sec. 43.55.221. SUSPENSION AND REIMPOSITION OF THE  
29 SURCHARGE. (a) Not later than 30 days after the end of each calendar quarter, the  
30 commissioner of administration shall determine, as of the end of that quarter, the fiscal  
31 year's

1 (1) unreserved and unobligated balance in the response account of the  
2 oil and hazardous substance release prevention and response fund established in  
3 AS 46.08.010; for purposes of this paragraph, the "unreserved and unobligated balance  
4 in the response account" means the cash balance of the account less the sum of

5 (A) reserves for outstanding appropriations from the account;

6 (B) encumbrances of money in the account; and

7 (C) other liabilities of the account;

8 (2) balance of the account maintained under AS 37.05.142 that accounts  
9 for the proceeds of the surcharge that are deposited in the general fund;

10 (3) the balance of the response mitigation account established by  
11 AS 46.08.025(b) that originated from the sources described in AS 46.08.025(a)(3) and  
12 that is available for appropriation to the response account of the fund established in  
13 AS 46.08.010.

14 (b) Within 15 days after making the determinations required by (a) of this  
15 section, the commissioner of administration shall

16 (1) add the amounts determined under (a)(1) - (3) of this section; and

17 (2) report the sum calculated under (1) of this subsection to the  
18 commissioner of revenue.

19 (c) In making the determination required by (a) of this section, the  
20 commissioner of administration may not consider money described in (a) of this  
21 section that is subject to a dedication imposed by law that restricts the use of the  
22 money to a specific purpose for which the response account of the oil and hazardous  
23 substance release prevention and response fund established in AS 46.08.010 may not  
24 be lawfully expended.

25 (d) If the commissioner of administration reports that the sum reported under  
26 (b) of this section equals or exceeds \$50,000,000, the commissioner of revenue shall  
27 suspend imposition and collection of the surcharge levied and collected under  
28 AS 43.55.201. Suspension of the imposition and collection of the surcharge begins on  
29 the first day of the calendar quarter next following the commissioner's receipt of the  
30 commissioner of administration's report under (b) of this section. Before the first day  
31 of a suspension authorized by this subsection, the commissioner shall make a

1 reasonable effort to notify all persons who are known to the department to be paying  
2 the surcharge under AS 43.55.201 that the surcharge will be suspended.

3 (e) Except as provided in AS 43.55.231, if the commissioner of administration  
4 reports that the sum reported under (b) of this section is less than \$50,000,000, the  
5 commissioner of revenue shall require imposition and collection of the surcharge  
6 authorized under AS 43.55.201. If the surcharge is not in effect, reimposition of the  
7 surcharge begins on the first day of the calendar quarter next following the  
8 commissioner's receipt of the commissioner of administration's report under (b) of this  
9 section. Before the first day of reimposition of the surcharge authorized by this  
10 subsection, the commissioner shall make a reasonable effort to notify all persons who  
11 are known to the department to be required to pay the surcharge under AS 43.55.201  
12 that the surcharge will be reimposed.

13 \* Sec. 16. AS 43.55 is amended by adding a new section to read:

14 Sec. 43.55.231. SURCHARGE NOT IMPOSED. (a) The surcharge authorized  
15 by AS 43.55.201 is not levied during any fiscal year for which

16 (1) the legislature does not, during the regular or a special legislative  
17 session preceding the first day of the fiscal year, appropriate at least an amount equal  
18 to the amount determined under (b) of this section from the general fund to the  
19 response account in the oil and hazardous substance release prevention and response  
20 fund; or

21 (2) the legislature, during the regular or a special legislative session  
22 preceding the first day of the fiscal year, appropriates at least the amount of money  
23 equal to the amount determined under (b) of this section from the general fund to the  
24 response account in the oil and hazardous substance release prevention and response  
25 fund and that appropriation is vetoed or reduced by the governor.

26 (b) The amount of money required to be appropriated from the general fund  
27 to the response account in the oil and hazardous substance release prevention and  
28 response fund by (a) of this section is the amount, determined for the last day of the  
29 preceding fiscal year, that is the sum of the actual or estimated balance of

30 (1) the account maintained under AS 37.05.142 to account for all  
31 proceeds of the surcharge that are deposited into the general fund; and

1 (2) the portion of the balance of the response mitigation account  
2 established by AS 46.08.025(b) that originated from the recovery of money described  
3 in AS 46.08.025(a)(3).

4 \* Sec. 17. AS 43.55 is amended by adding new sections to read:

5 Sec. 43.55.299. DEFINITIONS. In AS 43.55.201 - 43.55.299,

6 (1) "response account" means the oil and hazardous substance release  
7 response account established in AS 46.08.010(a)(2);

8 (2) "response mitigation account" means the oil and hazardous  
9 substance release response mitigation account established in AS 46.08.025(b).

10 ARTICLE 2A. ADDITIONAL CONSERVATION SURCHARGE ON OIL.

11 Sec. 43.55.300. SURCHARGE LEVIED. (a) Every producer of oil shall pay  
12 a surcharge of \$.03 per barrel of oil produced from each lease or property in the state,  
13 less any oil the ownership or right to which is exempt from taxation.

14 (b) The surcharge imposed by (a) of this section is in addition to and shall be  
15 paid in the same manner as the tax imposed by AS 43.55.011 - 43.55.150; and is in  
16 addition to the surcharge imposed by AS 43.55.201 - 43.55.231.

17 (c) A producer of oil shall make reports of production in the same manner and  
18 under the same penalties as required under AS 43.55.011 - 43.55.150.

19 Sec. 43.55.310. USE OF REVENUE DERIVED FROM SURCHARGE. The  
20 legislature may appropriate the annual estimated balance of the amount maintained  
21 under AS 37.05.142 for deposits into the general fund of the proceeds of the surcharge  
22 levied under AS 43.55.300 to the oil and hazardous substance release prevention  
23 account in the oil and hazardous substance release prevention and response fund  
24 established by AS 46.08.010.

25 \* Sec. 18. AS 43.55.900(15) is amended to read:

26 (15) "surcharge" means

27 (A) when used in AS 43.55.201 - 43.55.299, the surcharge  
28 levied by AS 43.55.201 [AS 43.55.200];

29 (B) when used in AS 43.55.300 - 43.55.310, the surcharge  
30 levied by AS 43.55.300;

31 \* Sec. 19. AS 46.04.010 is amended to read:

1           Sec. 46.04.010. REIMBURSEMENT FOR CLEANUP EXPENSES. The  
2 department shall promptly seek reimbursement under AS 46.03.760(e), AS 46.08.070,  
3 or from an applicable federal fund, for the expenses it incurs in cleaning up or  
4 containing a discharge of oil. If the department obtains reimbursement for a portion  
5 of its expenses from a federal fund, the remainder of the expenses incurred may be  
6 recovered under AS 46.03.760(e) or AS 46.08.070. Money received by the department  
7 under this section shall be deposited in the general fund and credited to

8                   (1) the oil and hazardous substance release response mitigation  
9 account established under AS 46.08.025(h); the amount required to be deposited  
10 under this paragraph shall represent the proportion of the expenses recovered  
11 that were originally paid for from the oil and hazardous substance release account  
12 established under AS 46.08.010(a)(2); or

13                   (2) [A SPECIAL ACCOUNT CALLED] the ["] oil and hazardous  
14 substance release prevention mitigation account established under AS 46.08.020(b);  
15 the amount required to be deposited under this paragraph is the amount of  
16 money recovered that exceeds the amount payable to the response mitigation  
17 account under (1) of this section ["].

18 \* Sec. 20. AS 46.08.005 is amended to read:

19           Sec. 46.08.005. PURPOSE. The legislature finds and declares that the release  
20 of oil or hazardous substances into the environment presents a real and substantial  
21 threat to the public health and welfare, to the environment, and to the economy of the  
22 state. The legislature therefore concludes that it is in the best interest of the state and  
23 its citizens to provide a [READILY AVAILABLE] fund containing two accounts.

24 Within the fund,

25                   (1) one account consists of money readily available to the  
26 commissioner for the payment of the expenses incurred by the Department of  
27 Environmental Conservation during a response to a [AND THE DEPARTMENT OF  
28 TRANSPORTATION AND PUBLIC FACILITIES IN THE PROTECTION OF THE  
29 ENVIRONMENT OF THE STATE FROM THE] release of oil or hazardous  
30 substances when authorized by AS 46.08.045 and for related purposes intended  
31 to address those releases;

1                    (2) the other account consists of money that the state may use  
 2                    during a response to a release of oil or a hazardous substance, other than one  
 3                    described in (1) of this subsection, and to a threatened release of oil or a  
 4                    hazardous substance, to pay the expenses of making preparations for the  
 5                    possibility of a release or threatened release of oil or hazardous substances, to  
 6                    reduce the amount, degree, or intensity of a release or threatened release, and for  
 7                    other related purposes identified in law [OR HAZARDOUS SUBSTANCES].

8 \* Sec. 21. AS 46.08.010(a) is amended to read:

9                    (a) There is established in the state general fund the oil and hazardous  
 10                    substance release prevention and response fund. The fund shall be administered by  
 11                    the commissioner. The fund is composed of two accounts,

12                    (1) the oil and hazardous substance release prevention account;

13                    (2) the oil and hazardous substance release response account.

14 \* Sec. 22. AS 46.08.010(b) is amended to read:

15                    (b) Money from an appropriation made to an account in the fund remaining  
 16                    in that account [THE FUND] at the end of a fiscal year does not lapse and remains  
 17                    available for expenditure in successive fiscal years.

18 \* Sec. 23. AS 46.08.010(c) is amended to read:

19                    (c) The fund shall be used for actual expenses incurred under AS 46.08.040.  
 20                    Except as provided in AS 46.08.040(a)(2)(D) for the acquisition, repair, or  
 21                    improvement of assets as preparedness measures [AS 46.08.040(d)(2)], the fund  
 22                    may not be used for capital improvements.

23 \* Sec. 24. AS 46.08.020 is amended to read:

24                    Sec. 46.08.020. FINANCING OF THE OIL AND HAZARDOUS  
 25                    SUBSTANCE RELEASE PREVENTION ACCOUNT [FUND]. (a) The legislature  
 26                    may appropriate from the following sources to the prevention account in the fund:

27                    (1) the annual estimated balance of the account maintained under  
 28                    AS 37.05.142 for deposits into the general fund of the proceeds of the oil  
 29                    conservation surcharge levied by AS 43.55.300;

30                    (2) money received from other state sources, from federal [, STATE,]  
 31                    or other sources, or from a private donor;

1                    (3) [(2)] money recovered or otherwise received from parties  
 2 responsible for the containment and cleanup of oil or a hazardous substance at a  
 3 specific site, but excluding money

4                    (A) [FUNDS] from performance bonds and other forms of  
 5 financial responsibility held in escrow pending satisfactory performance of a  
 6 privately financed response action; and

7                    (B) described in AS 46.08.025(a)(3);

8                    (4) [(3)] fines, penalties, or damages recovered under AS 46.08.005 -  
 9 46.08.080 or other law for costs incurred by the state as a result of the release or  
 10 threatened release of oil or a hazardous substance; and

11                    (5) the interest earned on the balance of the accounts maintained  
 12 under AS 37.05.142 for deposits into the general fund from the proceeds of the  
 13 surcharges levied under AS 43.55.201 and 43.55.300.

14                    (b) Money received by the state under (a)(2) - (5) [(a)(2) AND (a)(3)] of this  
 15 section shall be deposited in the general fund and credited to a special account called  
 16 the "oil and hazardous substance release prevention mitigation account." The  
 17 legislature may annually appropriate to the prevention account in the fund from the  
 18 prevention mitigation [THIS] account a sum equal to the amount received under  
 19 (a)(2) - (5) [(a)(2) AND (a)(3)] of this section during the calendar year preceding the  
 20 legislative session in which the appropriations are to be made.

21 \* Sec. 25. AS 46.08.020 is amended by adding a new subsection to read:

22                    (c) The interest earned on the balances of each of the following accounts shall  
 23 be deposited into the general fund and credited to the prevention account in the fund:

- 24                    (1) the prevention account;  
 25                    (2) the prevention mitigation account;  
 26                    (3) the response account; and  
 27                    (4) the response mitigation account..

28 \* Sec. 26. AS 46.08 is amended by adding a new section to read:

29                    Sec. 46.08.025. FINANCING OF THE OIL AND HAZARDOUS  
 30 SUBSTANCE RELEASE RESPONSE ACCOUNT. (a) The legislature may  
 31 appropriate from the following sources to the oil and hazardous substance release

1 response account in the fund:

2 (1) the annual estimated balance of the account maintained under  
3 AS 37.05.142 for deposit into the general fund of the proceeds of the oil conservation  
4 surcharge levied by AS 43.55.201;

5 (2) money received from other state sources, from federal or other  
6 sources, or from a private donor; and

7 (3) money recovered or otherwise received from parties responsible for  
8 the containment and cleanup of oil or a hazardous substance at a specific site for  
9 which the state expended money from the former oil and hazardous substance release  
10 response fund before the effective date of this section or for which the state expended  
11 money from the response account, but excluding

12 (A) money from performance bonds and other forms of  
13 financial responsibility held in escrow pending satisfactory performance of a  
14 privately financed response action;

15 (B) fines, penalties, and damages described in  
16 AS 46.08.020(a)(4).

17 (b) Money received by the state under (a)(2) and (3) of this section shall be  
18 deposited in the general fund and credited to a special account called the "oil and  
19 hazardous substance release response mitigation account." The legislature may  
20 annually appropriate to the response account in the fund from the response mitigation  
21 account a sum equal to the amount received under (a)(2) and (3) of this section during  
22 the calendar year preceding the legislative session in which the appropriations are to  
23 be made.

24 \* Sec. 27. AS 46.08.040(a) is amended to read:

25 (a) In addition to money in the response account of the fund that is  
26 transferred to the commissioner of community and regional affairs to make grants  
27 under AS 29.60.510 and to pay for impact assessments under AS 29.60.560, the  
28 commissioner of environmental conservation may use money

29 (1) from the response account in the fund

30 (A) when authorized by AS 46.08.045, [(1)] to investigate and  
31 evaluate the release [OR THREATENED RELEASE] of oil or a hazardous

1 substance, and contain, clean up, and take other necessary action, such as  
2 monitoring and assessing, to address a release [OR THREATENED RELEASE]  
3 of oil or a hazardous substance that poses an imminent and substantial threat  
4 to the public health or welfare, or to the environment;

5 **(B) to [(2) PAY ALL COSTS INCURRED TO**

6 **(A) ESTABLISH AND MAINTAIN THE OIL AND**  
7 **HAZARDOUS SUBSTANCE RESPONSE OFFICE;**

8 **(B) REVIEW OIL DISCHARGE PREVENTION AND**  
9 **CONTINGENCY PLANS SUBMITTED UNDER AS 46.04.030;**

10 **(C) CONDUCT TRAINING, RESPONSE EXERCISES,**  
11 **INSPECTIONS, AND TESTS, IN ORDER TO VERIFY EQUIPMENT**  
12 **INVENTORIES AND ABILITY TO PREVENT AND RESPOND TO OIL**  
13 **AND HAZARDOUS SUBSTANCE RELEASE EMERGENCIES, AND TO**  
14 **UNDERTAKE OTHER ACTIVITIES INTENDED TO VERIFY OR**  
15 **ESTABLISH THE PREPAREDNESS OF THE STATE, A MUNICIPALITY,**  
16 **OR A PARTY REQUIRED BY AS 46.04.030 TO HAVE AN APPROVED**  
17 **CONTINGENCY PLAN TO ACT IN ACCORDANCE WITH THAT PLAN;**  
18 **AND**

19 **(D) VERIFY OR ESTABLISH PROOF OF FINANCIAL**  
20 **RESPONSIBILITY REQUIRED BY AS 46.04.040;**

21 **(3) PAY THE EXPENSES INCURRED BY THE ALASKA DIVISION**  
22 **OF EMERGENCY SERVICES FOR THE OIL AND HAZARDOUS SUBSTANCE**  
23 **RESPONSE CORPS AND THE OIL AND HAZARDOUS SUBSTANCE RESPONSE**  
24 **DEPOTS WHEN PRESENTED WITH APPROPRIATE DOCUMENTATION BY**  
25 **THE DIVISION;**

26 **(4)] provide matching funds in the event of a release of oil or a**  
27 **hazardous substance for which use of the response account is authorized by**  
28 **AS 46.08.045 for participation**

29 **(i) in federal oil discharge cleanup activities; and**

30 **(ii) under 42 U.S.C. 9601 - 9657 (Comprehensive**  
31 **Environmental Response, Compensation, and Liability Act of 1980);**

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and

(C) to [(5)] recover the costs to the state, a municipality, [OR] a village, or a school district of a containment and cleanup resulting from the release [OR THE THREATENED] release of oil or a hazardous substance for which money was expended from the response account:

(2) from the prevention account in the fund,

(A) to investigate and evaluate

(i) any threatened release of oil or a hazardous substance; and

(ii) when authorized by AS 46.08.047, the release of oil or a hazardous substance, except a release described in AS 46.08.045, and to contain, clean up, and take other necessary action, such as monitoring and assessing, to address a release of oil or a hazardous substance that poses an imminent and substantial threat to the public health or welfare, or to the environment, except a release described in AS 46.08.045;

(B) to pay all costs incurred

(i) to establish and maintain the oil and hazardous substance response office;

(ii) under agreements entered into under AS 46.04.090 or AS 46.09.040;

(iii) to review oil discharge prevention and contingency plans submitted under AS 46.04.030;

(iv) to conduct training, response exercises, inspections, and tests, in order to verify equipment inventories and ability to prevent and respond to oil and hazardous substance release emergencies, and to undertake other activities intended to verify or establish the preparedness of the state, a municipality, or a party required by AS 46.04.030 to have an approved contingency plan to act in accordance with that plan; and

(v) to verify or establish proof of financial

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responsibility required by AS 46.04.040;

(C) to pay, when presented with appropriate documentation by the Alaska State Emergency Response Commission, expenses incurred by the commission for

(i) its activities, including staff support, when the activities and staff support relate to oil or hazardous substances; and

(ii) the costs of being prepared for and responding to a request by the department for support in activities that relate to response to and restoration of the effects of an oil or hazardous substance release;

(D) to pay all costs incurred to acquire, repair, or improve an asset having an anticipated life of more than one year and that is acquired, repaired, or improved as a preparedness measure by which the state may respond to, recover from, reduce, or eliminate the effects of a release or threatened release of oil or a hazardous substance;

(E) to pay the costs, if approved by the commissioner, that were incurred by local emergency planning committees to carry out the duties assigned them by AS 46.13.080;

(F) to provide matching funds in the event of the release of oil or a hazardous substance, except a release of oil for the containment and cleanup of which use of the response account is authorized by AS 46.08.045, for participation

(i) in federal oil discharge cleanup activities; and

(ii) under 42 U.S.C. 9601 - 9657 (Comprehensive Environmental Response, Compensation, and Liability Act of 1980);

(G) to pay or reimburse the storage tank assistance fund established in AS 46.03.410 for expenditures from that fund authorized by AS 46.03.410(b);

(H) to transfer to the Department of Community and Regional Affairs for payment by the commissioner of community and

**regional affairs of****(i) municipal impact grants when authorized under****AS 29.60.510(b)(2); and****(ii) assessments of the social and economic effects of****the release of oil or hazardous substances as required by****AS 29.60.560 when, in the judgment of the commissioner, the****release of oil or a hazardous substance is not one that is described****in AS 46.08.045:****(I) to recover the costs to the state, a municipality, a village,****or a school district of a containment and cleanup resulting from the release****or threatened release of oil or a hazardous substance for which money was****expended from the prevention account;****(J) to [; (6)] prepare, review, and revise****(i) [(A)] the state's master oil and hazardous substance****discharge prevention and contingency plan required by AS 46.04.200;****and****(ii) [(B)] a regional master oil and hazardous substance****discharge prevention and contingency plan required by AS 46.04.210;****and****(K) to [(7)] restore the environment by addressing the effects****of an oil or hazardous substance release.****\* Sec. 28. AS 46.08.040(a)(2)(C) is repealed and reenacted to read:****(C) pay, when presented with appropriate documentation by the****Department of Military and Veterans' Affairs, the expenses incurred by the****Department of Military and Veterans' Affairs for Alaska State Emergency****Response Commission activities, including staff support, when the activities****and staff support relate to oil or hazardous substances, and for the costs of****being prepared for responding to a request by the department for support in****response and restoration, but not including the costs of maintaining the****response corps and the emergency response depots under AS 26.23.045;****\* Sec. 29. AS 46.08.040(c) is amended to read:**

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(c) Notwithstanding other provisions of this section, money from the fund may not be used for a purpose specified in (a)(1)(B) or (C) or (a)(2)(B) - (K) [(a)(2) - (7) AND (d)(2)] of this section unless money is available from an appropriation made specifically for that purpose. The legislature may use not more than three percent of the estimated annual balance of the prevention account to make appropriations for the purposes described in (a)(2)(E) of this section.

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\* Sec. 30. AS 46.08 is amended by adding a new section to read:

Sec. 46.08.045. USE OF THE RESPONSE ACCOUNT. (a) The commissioner may use money from the response account in the fund to respond to a release when the governor declares a disaster related to an oil or hazardous substance discharge emergency under AS 26.23.020(c). During the effective period of the disaster emergency, the commissioner may use money from the response account to respond to the disaster emergency.

(b) Notwithstanding (a) of this section, money from the response account may be used for the purposes described in AS 46.08.040(a)(1)(A) without a declaration under AS 26.23.020(c) when the release would exceed 2,500 barrels of oil, or would exceed an amount of a hazardous substance released into the environment that presents a threat to the economy and public welfare at least equivalent in effect to the effect of a release of more than 2,500 barrels of oil if

(1) within 72 hours of being advised of the release, the commissioner prepares and provides to the governor and the members of the Legislative Budget and Audit Committee a written report relating to the release, summarizing the release, the state's actions, both taken and anticipated, the costs of the state's actions, both taken and anticipated, and other information considered appropriate by the commissioner; and

(2) not later than 72 hours after the commissioner is advised of the release, the governor, in writing, approves the commissioner's use of the money in the account; the governor shall approve or modify and approve the state's response to the release as set out in the commissioner's report and may, at any time during the period of the state's response to the release, approve, disapprove, or modify action taken or expected to be taken by the department in its use of money in the response account to

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responsibility to the release.

\* Sec. 31. AS 46.08 is amended by adding a new section to read:

Sec. 46.08.047. USE OF THE PREVENTION ACCOUNT. Money from the prevention account may be used for the purposes described in AS 46.08.040(a)(2)(A)(ii) when the release would not exceed 2,500 barrels of oil, or would not exceed an amount of a hazardous substance released into the environment that presents a threat to the economy and public welfare at least equivalent in effect to the effect of a release of not more than 2,500 barrels of oil if

(1) within 72 hours of being advised of the release, the commissioner prepares and provides to the governor and the members of the Legislative Budget and Audit Committee a written report relating to the release, summarizing the release, the state's actions, both taken and anticipated, the costs of the state's actions, both taken and anticipated, and other information considered appropriate by the commissioner; and

(2) not later than 72 hours after the commissioner is advised of the release, the governor, in writing, approves the commissioner's use of the money in the account; the governor shall approve or modify and approve the state's response to the release as set out in the commissioner's report and may, at any time during the period of the state's response to the release, approve, disapprove, or modify action taken or expected to be taken by the department in its use of money in the response account to respond to the release.

\* Sec. 32. AS 46.08.050(b) is amended to read:

(b) A [THE] department that is appropriated or allocated money from the fund, either directly or through a reimbursable service agreement with the Department of Environmental Conservation, shall develop procedures governing the expenditure of, and accounting for, money it expends [EXPENDED] from the fund. The Department of Environmental Conservation may not reimburse or pay money to another state agency for the agency's activities under AS 46.08.040 unless the state agency provides to the department the information necessary to complete the report required by AS 46.08.060 [ AND MAY NOT DELAY IMPLEMENTATION OF THIS CHAPTER PENDING THE EFFECTIVE DATE OF THE PROCEDURES].

1 \* **Sec. 33.** AS 46.08.060(a) is amended to read:

2 (a) The commissioner shall submit a report to the legislature not later than the  
3 10th day following the convening of each regular session of the legislature. The report  
4 may include information considered significant by the commissioner but must include:

5 (1) the amount of money expended by the department under  
6 AS 46.08.040(a) during the preceding fiscal year;

7 (2) the amount and source of money received and money recovered by  
8 or on behalf of the department during the preceding fiscal year under

9 (A) AS 46.08.020; and

10 (B) AS 46.08.025 [AS SPECIFIED IN AS 46.08.020];

11 (3) a summary of municipal participation in the department's responses  
12 that were paid for [FUNDED] by the fund;

13 (4) a detailed summary of department activities in responses paid for  
14 [FUNDED] by the fund during the preceding fiscal year, including response  
15 descriptions and statements outlining the nature of the threat; in this paragraph,  
16 "detailed" includes information describing each personal services position and total  
17 compensation for that position, each contract in excess of \$10,000 [\$20,000], and each  
18 purchase in excess of \$10,000; and

19 (5) the projected cost to the department for the next fiscal year of  
20 monitoring, operating, and maintaining sites where response has been completed or is  
21 expected to be continued during the fiscal year.

22 \* **Sec. 34.** AS 46.08.060(b) is amended to read:

23 (b) As part of the department's on-going identification efforts associated with  
24 oil spill or hazardous substance release or waste sites, the commissioner shall include  
25 in the report under this section

26 (1) the number [A SUMMARY] of [THE] sites that are included in  
27 the department's contaminated sites data base, whether the site is active or closed;  
28 and [IDENTIFIED BY THE DEPARTMENT;]

29 (2) a prioritized listing of those sites, both statewide and by  
30 community, based on the immediate and long-term threats to the public health or  
31 welfare or to the environment [POSED BY THESE SITES; AND

1 (3) THE APPROPRIATE ACTIONS NEEDED TO ABATE THESE  
2 THREATS, AND THEIR ESTIMATED COST].

3 \* Sec. 35. AS 46.08.060(c) is amended to read:

4 (c) In addition to the department's report required under (a) of this section, the  
5 governor shall submit a report about use of the fund during the previous fiscal year to  
6 the legislature not later than the 10th day following the convening of each regular  
7 session of the legislature. In the report, the governor shall describe in detail the  
8 governor's use of money from the fund, with separate explanations, by agency, of the  
9 activities that were paid for [FUNDED] under the authority of AS 46.08.045  
10 [AS 46.08.040(b)].

11 \* Sec. 36. AS 46.08.070 is amended by adding a new subsection to read:

12 (d) The department shall adopt regulations to implement the cost recovery  
13 requirements of (a) and (b) of this section, but may not delay cost recovery actions  
14 pending the effective date of the adoption of the regulations.

15 \* Sec. 37. AS 46.08.075(a) is amended to read:

16 (a) The state has a lien for expenditures by the state from the [OIL AND  
17 HAZARDOUS SUBSTANCE RELEASE RESPONSE] fund, or from any other state  
18 fund, for the costs of response, containment, removal, or remedial action resulting from  
19 an oil or hazardous substance release [SPILL], or, with respect to response costs, for  
20 the costs of response to a threatened [THE SUBSTANTIAL THREAT OF A] release  
21 of oil or a hazardous substance, against all property owned by a person who is  
22 determined by the commissioner to be liable for the expenditures under this chapter,  
23 AS 46.03, AS 46.04, 42 U.S.C. 9607, or other state or federal law. The lien includes  
24 interest, at the maximum rate allowable under AS 45.45.010(a), from the date of the  
25 expenditures. The state may file an action in a court of competent jurisdiction in order  
26 to foreclose on the lien.

27 \* Sec. 38. AS 46.08.075(e) is amended to read:

28 (e) A person with an ownership interest in property against which a lien is  
29 recorded may bring an action in a court of competent jurisdiction to require that the  
30 lien be released. The lien may be released to the extent of that person's ownership  
31 interest if the court finds that the person is not liable for the expenses incurred by the

1 state in connection with the costs of response, containment, removal, or remedial  
 2 action resulting from the [OIL OR HAZARDOUS SUBSTANCE] release or from the  
 3 threatened [THREAT OF] release, of oil or a hazardous substance.

4 \* Sec. 39. AS 46.08.900(5) is amended to read:

5 (5) "fund" means the oil and hazardous substance release prevention  
 6 and response fund;

7 \* Sec. 40. AS 46.08.900(9) is amended to read:

8 (9) "release"

9 (A) means any spilling, leaking, pumping, pouring, emitting,  
 10 emptying, discharging, injecting, escaping, leaching, dumping, or disposing into  
 11 the environment;

12 (B) [, EXCEPT THAT "RELEASE"] does not include

13 (i) a permitted release; or

14 (ii) an act of nature;

15 \* Sec. 41. AS 46.08.900(11) is amended to read:

16 (11) "threatened release" means [AN IMMINENT DANGER] that a  
 17 release is imminent; a release is imminent if

18 (A) it is impending, or on the point of happening; or

19 (B) though not impending, in the judgment of the  
 20 commissioner

21 (i) the incident or occurrence may reasonably be

22 expected to culminate in an actual release; and

23 (ii) that actual release may reasonably be expected to

24 cause personal injury, other injury to life, or loss of or damage to  
 25 property, including the environment [WILL OCCUR];

26 \* Sec. 42. AS 46.08.900 is amended by adding new paragraphs to read:

27 (13) "catastrophic oil discharge" and "catastrophic oil release" have the  
 28 meaning given the term "catastrophic oil discharge" in AS 46.04.900;

29 (14) "prevention account" means the oil and hazardous substance  
 30 release prevention account established in AS 46.08.010(a)(1);

31 (15) "prevention mitigation account" means the oil and hazardous

1 substance release prevention mitigation account established in AS 46.08.020(b);

2 (16) "response account" means the oil and hazardous substance release  
3 response account established in AS 46.08.010(a)(2);

4 (17) "response mitigation account" means the oil and hazardous  
5 substance release response mitigation account established in AS 46.08.025(b).

6 \* Sec. 43. AS 46.09.900(8) is amended to read:

7 (8) "threatened release" means [AN IMMINENT DANGER] that a  
8 release is imminent; a release is imminent if

9 (A) it is impending, or on the point of happening; or

10 (B) though not impending, in the judgment of the

11 commissioner

12 (i) the incident or occurrence may reasonably be  
13 expected to culminate in an actual release; and

14 (ii) that actual release may reasonably be expected to  
15 cause personal injury, other injury to life, or loss of or damage to  
16 property, including the environment [WILL OCCUR].

17 \* Sec. 44. AS 19.65.025; AS 24.20.600, 24.20.610, 24.20.620, 24.20.630; AS 43.55.200,  
18 43.55.210, 43.55.220, 43.55.230, 43.55.240; AS 44.46.025(a)(4) and (5); AS 46.08.040(b),  
19 46.08.040(d); and sec. 3, ch. 112, SLA 1989 are repealed.

20 \* Sec. 45. TREATMENT OF APPROPRIATION TO FORMER SPILL RESERVE FOR  
21 PURPOSES OF AS 43.55.230. For the purpose of former AS 43.55.230(a)(2), repealed by  
22 sec. 42 of this Act, an appropriation to the former spill reserve referred to in AS 29.60.510(b),  
23 the reference to which is deleted by sec. 3 of this Act, is not an expenditure.

24 \* Sec. 46. SURCHARGE IMPOSED BY AS 43.55.201 - 43.55.231 SUSPENDED AND  
25 REIMPOSED. In addition to the circumstances set out in AS 43.55.231, the surcharge  
26 authorized by AS 43.55.201 is not levied on and after the effective date of this section and  
27 until June 30, 1995, if

28 (1) the Eighteenth Alaska State Legislature does not, during the Second  
29 Regular Session or during any special session held before the effective date of this section,  
30 appropriate at least an amount equal to the estimated amount, as of the day before the  
31 effective date of this section, of the unexpended and unobligated balance of the former oil and

1 hazardous substance release response fund to the response account in the oil and hazardous  
2 substance release prevention and response fund; or

3 (2) the governor vetoes or reduces the amount appropriated under (1) of this  
4 section.

5 \* **Sec. 47. TRANSITIONAL PROVISIONS APPLICABLE TO CONSERVATION**  
6 **SURCHARGE ON OIL IMPOSED BY AS 43.55.200 AFTER JUNE 30, 1994, AND**  
7 **BEFORE THE EFFECTIVE DATE OF THIS SECTION.** After June 30, 1994, and before the  
8 effective date of this section, every producer of oil who is required by AS 43.55.200 -  
9 43.55.240, repealed by this Act, to pay the oil conservation surcharge of \$.05 per barrel of oil  
10 shall pay that levy. The provisions of AS 43.55.210 - 43.55.240, repealed by this Act, apply  
11 to the amounts received by the state under AS 43.55.200 - 43.55.240, but as to the amounts  
12 received after June 30, 1994, and before the effective date of this section, if so appropriated  
13 by the legislature and notwithstanding any other provision of law relating to the deposit of and  
14 accounting for those receipts,

15 (1) on the effective date of this section, the commissioner of revenue shall  
16 allocate

17 (A) 40 percent of the amount received to the response account  
18 established by AS 46.08.010(a)(2), as amended by sec. 21 of this Act; and

19 (B) 60 percent of the amount received to the prevention account  
20 established by AS 46.08.010(a)(1), as amended by sec. 21 of this Act; and

21 (2) the allocations made under (1) of this section are credited to the respective  
22 accounts for purposes of determination of the suspension and reimposition of the surcharge  
23 under AS 43.55.221 and 43.55.231, added by secs. 15 and 16 of this Act.

24 \* **Sec. 48.** Section 28 of this Act takes effect only if a version of Senate Bill 33  
25 transferring the Alaska State Emergency Response Commission from the Department of  
26 Environmental Conservation to the Department of Military and Veterans' Affairs is enacted  
27 by the Eighteenth Alaska State Legislature and becomes law.

Therault

Adopted

**AMENDMENT 1**  
**HCS CSSB215( ); T-draft, 5 /2/94**

**Sec. 30, Page 22:**

**Line 19 After "oil" Delete remainder of the section**

*(this will eliminate the 72 hour notice and approval requirement)*

**Sec 31, Page 23:**

**Line 5 delete "(ii)"**

*(clarifies that the balance of the prevention account may be used for investigation and evaluation of both threatened releases and releases that are less than 2500 BBLS)*

**Line 8, After "oil" Delete remainder of the section**

*(this will eliminate the 72 hour notice and approval requirement)*

*Adopted*

8-LS1107T.1  
Chenoweth  
5/3/94

AMENDMENT 2

OFFERED IN THE HOUSE

TO: Draft HCS CSSB 215( ) "T" Version

Page 17, line 31:

Delete "[OR THREATENED RELEASE]"

Insert "or threatened release"

Page 18, line 2:

Delete "[OR THREATENED RELEASE]"

Insert "or threatened release"

Page 19, line 4:

Delete "[OR THE THREATENED]"

Insert "or the threatened"

#4

5-5-94

(L) [(7)] restore the environment by addressing the effects of an oil or hazardous substance release.

\* Sec. 28. AS 46.08.040(a)(2)(D) is repealed and reenacted to read:

(D) pay, when presented with appropriate documentation by the Department of Military and Veterans' Affairs, expenses incurred by the Department of Military and Veterans' Affairs for

(i) Alaska State Emergency Response Commission activities, including staff support, when the activities and staff support relate to oil or hazardous substances; and

(ii) the costs to the Department of Military and Veterans' Affairs of being prepared for and responding to a request by the department for support in activities that relate to response to and restoration of the effects of an oil or hazardous substance release;

\* Sec. 29. AS 46.08.040(c) is amended to read:

(c) Notwithstanding other provisions of this section, money from the fund may not be used for a purpose specified in (a)(1)(B) or (C) or (a)(2) [(a)(2) - (7) AND (d)(2)] of this section unless money is available from an appropriation made specifically for that purpose. The legislature may use not more than three percent of the estimated annual balance of the prevention account to make appropriations for the purposes described in (a)(2)(F) of this section.

\* Sec. 30. AS 46.08 is amended by adding a new section to read:

Sec. 46.08.045. USE OF THE RESPONSE ACCOUNT. (a) The commissioner may use money from the response account in the fund to respond to a release or threatened release when the governor declares a disaster related to an oil or hazardous substance discharge emergency under AS 26.23.020(c). During the effective period of the disaster emergency, the commissioner may use money from the response account to respond to the disaster emergency.

(b) Notwithstanding (a) of this section, money from the response account may be used for the purpose in AS 46.08.040(a)(1)(A) without a declaration under AS 26.23.020(c). However, when exercising authority under this subsection, the commissioner shall, within 120 hours of using money in the response account when

50 hrs?

1 authorized by this subsection, provide a written report to the governor and to the  
2 Legislative Budget and Audit Committee summarizing the release, the state's actions,  
3 both taken and anticipated, the costs of the state's actions, both taken and anticipated,  
4 and other information considered appropriate by the commissioner or the governor.  
5 The governor may, at any time during the state's response, approve, disapprove, or  
6 amend the action.

7 \* Sec. 31. AS 46.08.050(b) is amended to read:

8 (b) A [THE] department that is appropriated or allocated money from the  
9 fund, either directly or through a reimbursable service agreement with the  
10 Department of Environmental Conservation, shall develop procedures governing the  
11 expenditure of, and accounting for, money it expends [EXPENDED] from the fund.  
12 The Department of Environmental Conservation may not reimburse or pay money  
13 to another state agency for the agency's activities under AS 46.08.040 unless the  
14 state agency provides to the department the information necessary to complete the  
15 report required by AS 46.08.060 [, AND MAY NOT DELAY IMPLEMENTATION  
16 OF THIS CHAPTER PENDING THE EFFECTIVE DATE OF THE PROCEDURES].

17 \* Sec. 32. AS 46.08.060(a) is amended to read:

18 (a) The commissioner shall submit a report to the legislature not later than the  
19 10th day following the convening of each regular session of the legislature. The report  
20 may include information considered significant by the commissioner but must include:

21 (1) the amount of money expended by the department under  
22 AS 46.08.040(a)(1)(A) [AS 46.08.040(a)] during the preceding fiscal year;

23 (2) the amount and source of money received and money recovered by  
24 or on behalf of the department during the preceding fiscal year under

25 (A) AS 46.04.010 (reimbursement of cleanup expenses):

26 (B) AS 46.08.020(a)(4) (recovery of fines, penalties, and  
27 damages): and

28 (C) AS 46.08.020(a)(3) and 46.08.025(a)(3) (cost recoveries)  
29 [AS SPECIFIED IN AS 46.08.020];

30 (3) a summary of municipal participation in the department's responses  
31 that were paid for [FUNDED] by the response account [FUND];

A M E N D M E N T

IIII

#5

passed  
9-1

Offered in the House  
HSC CSSB 215 - T version

By Rep. MacLean

Page 21, line 3 :

Delete : "and"

Page 21, line 8, after "AS 46.08.045;"

Insert : "and"

Page 21, after line 8 :

Insert : "(iii) grants to repair, improve or replace fuel storage facilities under the bulk fuel system emergency repair and upgrade program;"

AMENDMENT

#6

with change

OFFERED IN THE HOUSE

BY REPRESENTATIVE BROWN

TO: HCS CSSB 215( ) "T" Draft 5/2/94

Page 9, line 31 - Page 10, line 1:

Delete "the oil and hazardous substance release"

Insert "a [THE OIL AND HAZARDOUS SUBSTANCE RELEASE]"

Page 10, line 4:

After "prevention"

Insert "mitigation"

After "in"

Insert "AS 46.08.020(b)"

Page 10, line 6:

Delete "OR] AS 46.08.020"

Insert "OR AS 46.08.020]"

Page 20, lines 27 - 29:

Delete all material.

Page 20, line 30:

Delete "(H)"

Insert "(G)"

Page 21, line 9 :

Delete "(I)"

Insert "(H)"

Page 21, line 13:

Delete "J"

Insert "I"

Page 21, line 20:

Delete "K"

Insert "J"

AMENDMENT

#7

passed  
NO  
OBJ

OFFERED IN THE HOUSE

BY REPRESENTATIVE BROWN

TO: HCS CSSB 215( ) 5/2/94 work draft

Page 14, line 27, after "response to a":

Insert "release or threatered"

AMENDMENT

#8 failed

OFFERED IN THE HOUSE

BY REPRESENTATIVE BROWN

TO: HCS CSSB 215( ) 5/2/94 work draft

Page 19, after line 5, insert a new subsection to read:

“(D) restore the environment by addressing the effects of an oil or hazardous substance release or threatened release.”

Page 21, line 20 through line 21:

Delete all material.

AMENDMENT 9

OFFERED IN THE HOUSE

BY REPRESENTATIVE BROWN

TO: HCS CSSB 215( ) 5/2/94 work draft

Page 22, line 16, after "AS 26.23.020(c)" through page 23, line 1:

Delete all material.

Page 22, line 16, after "AS 26.23.020(c)":

Insert ". However, when exercising authority under this subsection, the commissioner shall, within 120 hours of using money in the response account when authorized by this subsection, provide a written report to the governor and to the Legislative Budget and Audit Committee summarizing the release, the state's actions, both taken and anticipated, and other information considered appropriate by the commissioner or the governor. The governor may, at any time during the state's response, approve, disapprove, or amend the action."

AMENDMENT

10 Adort

OFFERED IN THE HOUSE

BY REPRESENTATIVE BROWN

TO: HCS CSSB 215( ) 5/2/94 work draft

page 26, line 27 through line 28:

Delete all material.

Failed

AMENDMENT II

OFFERED IN THE HOUSE

BY REPRESENTATIVE BROWN

TO: HCS CSSB 215( ) "T" Draft 5/2/94

Page 27, lines 24 Through Page 28, line 4:

Delete all material and insert:

\*\* Sec. 46. CONDITIONAL SUSPENSION OF SURCHARGE IMPOSED BY AS 43.55.201 - 43.55.231. In addition to the circumstances set out in AS 43.55.231, the surcharge authorized by AS 43.55.201 is not levied on and after the effective date of this section and until June 30, 1995, if

(1) the Eighteenth Alaska State Legislature does not, during the Second Regular Session or during any special session held before the effective date of this section,

(A) appropriate to the oil and hazardous substance release prevention and response fund established by AS 46.08.010(a), as amended by sec. 21 of this Act, the balance, as of July 1, 1994, of the account established under former AS 43.55.210 to receive the proceeds of the conservation surcharge; the appropriation required by this subparagraph must be allocated as follows:

(i) 40 percent of that balance to the response account established by AS 46.08.010(a)(2), as amended by sec. 21 of this Act; and

(ii) 60 percent of that balance to the prevention account established by AS 46.08.010(a)(1), as amended by sec. 21 of this Act; and

(B) appropriate at least an amount equal to the estimated amount, as of the day before the effective date of this section, of the unexpended and unobligated balance of the former oil and hazardous substance release response fund, exclusive of the amount appropriated under (A) of this paragraph, to the oil and hazardous substance release prevention and response fund; the appropriation required by this subparagraph must be allocated as follows:

(i) 40 percent of that balance to the response account established by AS 46.08.010(a)(2), as amended by sec. 21 of this Act; and

(ii) 60 percent of that balance to the prevention account established by AS 46.08.010(a)(1), as amended by sec. 21 of this Act, to be appropriated for purposes described in AS 46.08.040(a)(2)(C)(i) and (ii), added by sec. 27 of this Act, and for purposes described in AS 46.04.090 or AS 46.08.100 - 46.08.190; or

(2) the governor vetoes or reduces any of the amounts appropriated or allocated under (1) of this section."

Page 23, lines 5 - 7 :

Delete "APPLICABLE TO CONSERVATION SURCHARGE ON OIL IMPOSED BY AS 43.55.200 AFTER JUNE 30, 1994, AND BEFORE THE EFFECTIVE DATE OF THIS SECTION."

Insert ". (a)"

Page 28, line 21:

Delete "section"

Insert "subsection"

Page 28, following line 23:

Insert a new subsection to read:

"(b) On the effective date of this section, if so appropriated by the legislature, the commissioner of administration shall transfer to the oil and hazardous substance release prevention and response fund established by AS 46.08.010(a), as amended by sec. 21 of this Act, an amount equal to the estimated amount, as of the day before the effective date of this section, of the unexpended and unobligated balance of the former oil and hazardous substance release response fund; the appropriation required by this subparagraph must be allocated as follows:

(1) 40 percent of that balance to the response account established by AS 46.08.010(a)(2), as amended by sec. 21 of this Act; and

(2) 60 percent of that balance to the prevention account established by AS 46.08.010(a)(1), as amended by sec. 21 of this Act."



Regional Citizens' Advisory Council / 750 W. 2nd Ave., Suite 100 / Anchorage, Alaska 99501-2168 / (907) 277-7222 / FAX (907) 277-4523

*"Citizens promoting environmentally safe operation of the Alyeska terminal and associated tankers."*

## **Overview of the House CS for CSSB 215 (RES) and Comparison with House State Affairs Committee Substitute**

This is a brief overview of the principal changes in Senate Bill (SB) 215 as passed by the senate and amended by the House Resources Committee. In general, CSSB 215 (FIN) am (efd fld) was an improvement over the Senate Resources Committee substitute. The House Resources Committee made a small number of relatively minor amendments, most of which were technical. The first set of bullets highlights features the bill of the bill as it passed the Senate and the House Resources Committee; this is followed by bullets indicating aspects of the bill that were still problematic when the left the House Resources Committee. The final section provides information on the significant problems created in the House State Affairs committee substitute. After the first sets of bullets, the HCS for CSSB 215 (RES) section is indicated to facilitate cross reference. The final section refers to HCS CSSB 215 (STA) bill sections for cross reference.

### **Senate Bill 215 as passed by Senate and House Resources Committee:**

- The prevention account conservation surcharge is 3 cents per barrel. This surcharge level should provide sufficient revenues to fund the Alaska Department of Environmental Conservation (DEC) current spill prevention programs at FY 94 levels through the year 2000 [section 17].
- The response account conservation surcharge is 2 cents per barrel [section 13]. The \$50 million cap is maintained with clearer surcharge suspension and reimposition language [sections 15 and 16]. This new language still reduces the amount of surcharge required to be paid to reach the \$50 million cap by approximately \$48.7 million (see Alaska Department of Revenue fiscal note, April 25, 1994). The new suspension and imposition language also places cost-recovery funds that originated from the response account and deposited into the response mitigation account under the annual "blackmail or incentive clause." This means that any mitigation funds must be appropriated back into the response account or the two-cent response surcharge is suspended [section 16]. Under current statute, mitigation account funds are not included under the blackmail clause.
- The response account is accessible for response actions. Money in the response account can be used to respond to a release or threatened release of oil or a hazardous substance when 1) the governor declares a disaster emergency or 2) if within 120 hours of initiating the response action, the commissioner of DEC reports to the governor on the release, the state's action, and the anticipated cost of the response action. The governor may, at any time during the state's response, approve, disapprove, or amend the action [section 30].

## Prince William Sound Regional Citizens' Advisory Council

- Response action is not limited to initial first response [language removed from section 20].
- The response account inflation proofing provision that would have resulted in a substitution of general fund deposits for surcharge collections was deleted.
- The threshold for municipal impact grants remains releases of 2,500 barrels or more (as in current statute). Grants would be made from the response account. School districts are eligible for grants [sections 1, 2 and 3].
- Language in previously proposed Senate Finance Committee substitutes authorizing use of the prevention account for response depot equipment and for the acquisition of assets for preparedness measures is clarified to help ensure that expenditures relate to oil and hazardous substances [sections 23 and 27].
- In the House Resources Committee Substitute, restoration is explicitly identified as part of spill response and clean up and thus, made a purpose of the response account (DEC amendment number three, section 27).
- In the House Resources Committee Substitute, interest on the response fund accounts is credited to the prevention account rather than available for appropriation into the account.

### Continued problems:

- The Senate Finance Committee substitute and subsequent version of the bill authorizes use of the prevention account for underground storage tank grants [section 27, AS 46.08.040(a)(2)(H)]. **This is a new use of the response fund. The current backlog of grants requests totals \$65 million and the application period, which was to sunset this fiscal year, is likely to be extended. Approximately \$5 million has been spent annually on this program; the source of funding for the past two years was primarily mitigation account proceeds. The problem with this new use of the prevention account is that 1) the 3-cent surcharge is insufficient to fund the underground storage tank grant program and maintain current programs, 2) other sources of funds are available to underground storage tank owners, and 3) this action is inconsistent with the original stated intent of the proponents of response fund legislation---to provide greater equity in surcharge payments between crude and non crude operators and beneficiaries of the state response and prevention programs.**
- **The entire estimated balance of the spill reserve is appropriated to the response account [section 45]. This fails to recognize that the fund has always served two purposes---spill prevention and response. Given that future nickels are divided three cents for prevention and two cents for response, it makes sense that previous nickels should be divided similarly. In addition, approximately 42 percent of the balance originating from state general funds and not surcharge payments.**

## Prince William Sound Regional Citizens' Advisory Council

- The 2-cent response surcharge is suspended until June 30, 1995 if the legislature fails to appropriate the entire balance of the spill reserve to the response account [section 45]. This is an improvement over the previous Senate Resources Committee version.
- Authorization for oil and hazardous substance response depot equipment purchases specifies the Alaska Department of Military and Veteran Affairs (DMVA), Division of Emergency Services. The DEC also has authority for establishing response depots and is the more appropriate lead agency for oil and hazardous substance depots or the oil and hazardous substances component of all-hazards depots. The DMVA would be the lead agency on all-hazards depots [section 27, AS 46.08.040(a)(2)(C)(ii)].
- **Restoration costs can be paid from the prevention account despite restoration being part of responding to a spill.** Restoration is part of a continuum of clean up activities. If restoration can be paid from the prevention account, there will always be pressure to identify clean up actions as restoration and shift these costs to the prevention account.
- The Citizens' Oversight Council on Oil and Other Hazardous Substances (COC) was established after the *Exxon Valdez* oil spill as one of the principal recommendations of the Oil Spill Commission. The Oil Spill Commission identified state and federal government and public complacency as one of the principal causes of the *Exxon Valdez* oil spill. The COC was established by the legislature in response to this recommendation. Similarly, Congress created the regional citizens' advisory councils of Cook Inlet and Prince William Sound in the Oil Pollution Act of 1990 (OPA 90) to oversee and advise on issues related to the transAlaska pipeline and marine transportation of crude oil. Both the COC and use of the response fund to pay for its operations were deleted.

### **Comparison with the HCS for CSSB 215 (STA)**

The two major bill components changed in the House State Affairs Committee Substitute pertain to uses of the response account for spill response and community impact grants.

#### **Spill Response**

The most serious changes in the House State Affairs Committee substitute is the restricted access to the response account for spill response. A number of critical changes were made as follows:

The response account can not be used to respond to a threatened release. Language is deleted in sections 20, 26, and 29.

Response to threatened releases is shifted to the prevention account [section 20]. However, there is no mechanism for accessing the prevention account for spill

## Prince William Sound Regional Citizens' Advisory Council

response because all uses of the prevention account are subject to legislative appropriation.

Uses of the response account for response to actual releases is restricted---1) when the governor declares a disaster emergency (same as Senate and House Resources) and 2) if the release exceeds 2,500 barrels (105,000 gallons) of oil, "or would exceed an amount of a hazardous substance released into the environment that presents a threat to the economy and public welfare at least equivalent in effect tot he effect of a release of more than 2,500 barrels of oil." An extremely unclear threshold. [section 20]

Initially, both SB 215 and HB 238 contained a disaster emergency and gallon threshold for spill response access to the response account. In both bills, this language was deleted in favor of language contained in the House CS for CSSB 215 (RES) because the restrictions were unworkable and unwarranted. Some of the reasons include,

- Spill size is not an adequate indicator of potential impact. Spill location and timing are at least equally important.
- Relying on a declaration of disaster emergency for "smaller" spills is especially burdensome for the tourism and fishing industry whose products throughout the state lose value when national attention is focused on an oil spill which declaration of disaster emergencies would do.
- At least 98 percent of Alaska's spills are below the 2,500 barrel threshold. Thus, the response account would be made either inefficient or inaccessible for spill response.
- There is no history of abuse of uses of the response fund. The Alaska Department of Environmental Conservation has spent approximately \$1.5 million from the response fund in the last five years for spill response. This is verified by a recent Division of Legislative Budget and Audit report on the response fund.

The Senate and House Resources versions of SB 215 contain a provision for reporting response activities to the governor and the ability of the governor to approve, amend or disapprove the state response at any time during the response action [HCS for CSSB 215 (RES) section 30]. This provision is made excessive and unreasonable in the House State Affairs Committee Substitute [section 29]. In the House State Affairs CS, the commissioner's written report must be delivered within 72 hours of being notified of a release (rather than 120 hours after initiating response); the written report must be provided to all members of the Legislative Budget and Audit Committee (rather than to the committee); and 3) within the same 72 hours, the governor must, in writing, approve the use of the response account. The result of this change is that at the time a release is being evaluated and a response planned, the DEC commissioner, governor and their staff are distracted preparing reports. The actual business of response is made secondary.

### **Community Impact Grants**

Under current statute, money transferred for municipal impact grants to the commissioner of the Alaska Department of Community and Regional Affairs is returned to the response fund after one year "at the direction of the governor or the request of the commissioner of Environmental Conservation." Under the State Affairs CS, return would be automatic. While this change is assumed to be done to reduce payments from the response account, it could have the opposite effect of pressuring disbursement of grants to avoid the one-year deadline [section 3, p. 6, lines 7-9].

The undefined term "actual" is inserted pertaining to the cost of project delays or lost because of municipal, village or school district spill response activities. Under current statute, this type of damage must be documented and is difficult to prove. With the addition of the undefined term "actual," it may become impossible. This is especially true for smaller communities and school districts.

**SECTIONAL ANALYSIS**  
**CSSB 215(FIN) am(efd fld)**

SECTION 1: This section amends existing law to give the Governor authority to spend money from the response account for declared disaster emergencies.

SECTION 2: Adds school districts to existing law authorizing municipal and village assistance for spill related expenses; eliminates certain references to reflect changes in Section 3; limits applicability to "sudden" releases.

SECTION 3: Adds school district reference; retains existing 2,500 barrel (or hazardous substance equivalent) threshold for grant eligibility but eliminates related requirement for a declaration of a disaster emergency and certain findings by the Governor; grant money could come from either account depending on type of spill (see Section 29); also makes technical, conforming changes.

SECTION 4: Conforming amendment - adds reference to "school districts" to section on purposes of municipal impact grants.

SECTION 5: Conforming amendment - adds "school districts" to section containing grant application evaluation criteria.

SECTION 6: Conforming amendment - adds "school district" to section prohibiting use of local grants for capital improvements.

SECTION 7: Conforming amendment - adds "school districts" to section regarding impact assessments and development of cost recovery and mitigation plans for each disaster emergency declared by the Governor; makes section apply to disaster emergencies and releases under 46.08.045(b) (see also section 29 discussion).

SECTION 8: Technical, conforming amendment to revise reference from the "Fund" to the "Response" account.

SECTION 9: Revises definition of "fund" to reflect new name: oil and hazardous substance release prevention and response fund.

SECTION 10: Revises definition of "service" in 29.60 to include services provided by "school districts".

SECTION 11: Adds a definition of "school district" to 29.60.

SECTION 12: Conforming amendment - changes terminology and statutory references in current law dealing with Exxon

Valdez reimbursed expenditures to reflect establishment of the prevention and response accounts.

SECTION 13: Creates a new section that levies a 2 cent per barrel surcharge.

SECTION 14: Provides that the Legislature may appropriate this 2 cent per barrel surcharge into the response account.

SECTION 15: New section which sets up the accounting mechanics of the response and related accounts and provides that once the combined totals of the response account, portions of the response mitigation account relating to cost recovery and the general fund surcharge account equals or exceeds \$50,000,000, the levy is suspended beginning on the first day of the next calendar quarter following receipt of this information from the commissioner. The commissioner is required to make a reasonable effort to notify those who are paying the surcharge of the suspension. The surcharge is reimposed beginning on the first day of the next calendar quarter following receipt of the report discussed above if the balance falls below the \$50,000,000 mark. Affected parties also must be notified that the surcharge will be reimposed.

SECTION 16: The surcharge is not levied during any fiscal year for which the Legislature fails to appropriate the required amounts (surcharge; cost recovery monies) to the response account or the appropriation is vetoed or reduced by the Governor.

SECTION 17: Adds Title 43 definitions for "response account" and "response mitigation account" to reflect new provisions of this bill.

ARTICLE 2A: Authorizes a second surcharge of 3 cents per barrel that can be appropriated into the prevention account.

SECTION 18: Technical conforming amendments which refer to the new accounts and related statutory references.

SECTION 19: Amends 46.04.010 which deals with reimbursement for certain oil cleanup expenses. Expenses recovered under this law paid out of the former fund and the new response account are deposited into the general fund and credited to the response mitigation account. Expenses recovered that originated from the prevention account are credited to the prevention mitigation account.

SECTION 20: Amends "Purpose" section to recognize creation of the two accounts within the fund and describes the general purposes for these accounts.

SECTION 21: Revises section of existing law that creates the oil and hazardous substance release response fund to reflect new fund name (now the oil and hazardous substance release prevention and response fund) and to create the oil and hazardous substance release prevention account and the oil and hazardous substance release response account.

SECTION 22: Technical amendment to reflect establishment of accounts and to clarify that appropriations to an account do not lapse and remain available for expenditure in future years.

SECTION 23: Deletes reference to provision that allows the commissioner to transfer fund money to DOT for purposes of constructing or refurbishing ferries that can respond to spills but adds the following exceptions to the general rule that the fund can't be used for capital improvements: response depot equipment and the acquisition, repair or improvement of assets to be used as preparedness measures for oil and hazardous substance releases.

SECTION 24: This section provides for the financing of the prevention account. The Legislature is authorized to appropriate money from the following sources into the prevention account: Applicable surcharge proceeds; money from other state, federal and private sources; money recovered for reimbursement of expenditures made out of the prevention account; and all fines, penalties, damages and interest earned on the various accounts (prevention, prevention mitigation, response, response mitigation, surcharge). Except for the surcharge which has its own separate account in the general fund, these monies are first deposited into the general fund and credited to the prevention mitigation account and then may be appropriated from the mitigation account to the prevention account.

SECTION 25: This section provides for the financing of the response account. The account includes surcharge proceeds; money from other state, federal and private sources; and money recovered from parties that was initially paid out of the current fund or the new response account (not including fines, penalties and damages). Except for the surcharge, these monies go to the general fund response mitigation account and then can be appropriated to the response account.

SECTION 26: This section rewrites existing law to establish the allowed uses for money in the response and prevention accounts.

Response account uses include: to investigate, evaluate, contain and cleanup and take other necessary action to address a release or threatened release of oil and hazardous substances described in Section 29; to provide certain

matching funds in connection with a Section 29 release; and to pay for the costs to the state, municipality, village or school district for cost recovery efforts relating to money that was expended from the response account.

The prevention account can be used to: investigate, evaluate, contain and cleanup and take other necessary action regarding releases not described in Section 29; pay all costs to establish and maintain the response office, response corps (DMVA) and response depots (DMVA); pay all costs to review contingency plans, conduct training, inspections, tests and take other action to verify or establish preparedness for oil and hazardous substance releases, and to establish proof of financial responsibility; pay documented expenses incurred by the Alaska State Emergency Response Commission for staff and response and restoration support activities; pay all costs incurred to acquire, repair or improve an asset to be used as an emergency preparedness measure relating to releases of oil or a hazardous substance; pay the costs, approved by the commissioner, incurred by the local emergency planning committees; provide certain matching funds; provide money to the storage tank assistance fund; pay for cost recovery efforts relating to money expended from the prevention account; prepare, revise and review the master and regional prevention and contingency plans; and to pay for restoration efforts.

SECTION 27: This section, which is contingent on the passage of SB 33, authorizes the department to pay the Department of Military Affairs for Alaska Emergency Response Commission activities and general costs to the DMVA for being prepared for and responding to a request to support response and restoration activities relating to oil and hazardous substance releases.

SECTION 28: The legislature may not use more than 3% of the estimated balance of the prevention account to pay the costs incurred by local emergency planning committees.

SECTION 29: Provides that money from the response account can be used for disaster emergencies relating to oil and hazardous substance releases and other oil and hazardous releases. In the latter case, the Commissioner has to report the situation to the Governor and the Legislative Budget and Audit Committee within 120 hours. The Governor may at any time approve, disapprove or modify. If no action is taken by the Governor, the commissioner may continue to use the account.

SECTIONS 30, 31, 32, 33 and 34: These sections implement the legislative auditor's recommendations regarding development and expansion of accounting procedures and reporting requirements.

SECTIONS 35, 36, 37 and 38: Technical, conforming amendments.

SECTION 39: This section clarifies the definition of "threatened release" in 46.08.

SECTION 40: New definitions to reflect new terminology.

SECTION 41: This section clarifies the definition of "threatened release" in 46.09.

SECTION 42: Conforming repealers; repeals existing surcharge; repeals departments user fee authority for contingency plan and financial responsibility reviews; repeals provisions relating to construction of ferries; repeals all provisions regarding Citizens Oversight Council on Oil and Other Hazardous Substances.

SECTION 43: Technical, conforming provision.

SECTION 44: The response account surcharge is suspended for the next fiscal year if the unexpended and unobligated balance of the former oil and hazardous substance release response fund as of June 30, 1994 is not appropriated to the newly created response account this session or the appropriation is vetoed or reduced by the Governor.

SECTION 45: 5 cent per barrel surcharges received after June 30 and before the effective date of this bill are split 60 (prevention)/40 (response) and credited to each account for purposes of determining the suspension and reimposition of the surcharge under Sections 15 and 16.

SECTION 46: Ties section 27 to passage of SB 33.



Regional Citizens' Advisory Council 150 A. 2nd Ave. Suite 100 Anchorage, Alaska 99501-2168 . 907/277-7222 . FAX 907/277-4523

*"Citizens promoting environmentally safe operation of the Alveksa terminal and associated tankers."*

## Overview of CSSB 215 (FIN) am (efd fld) and Comparison with Proposed House Resources Committee Substitute for House Bill 238 ("Z" draft)

This is a brief overview of the principal changes in Senate Bill (SB) 215 as passed by the senate and previously proposed versions of SB 215. In general, CSSB 215 (FIN) am (efd fld) is improved from the Senate Resources Committee substitute. The first set of bullets highlight improvements to the bill; this is followed by bullets indicating aspects of the bill that are still problematic. After each bullet, the CSSB 215 (FIN) am (efd fld) section is indicated to facilitate cross reference. The final section compares SB 215 and the HB 238 "Z" draft.

### Principal changes to SB 215:

- The prevention account conservation surcharge is increased from 2.5 cents to 3 cents per barrel. This surcharge level should provide sufficient revenues to fund the Alaska Department of Environmental Conservation (DEC) current spill prevention programs at FY 94 levels through the year 2000 [section 17].
- The response account conservation surcharge is changed from 2.5 cents to 2 cents per barrel [section 13]. The \$50 million cap is maintained with clearer surcharge suspension and reimposition language [sections 15 and 16]. This new language still reduces the amount of surcharge required to be paid to reach the \$50 million cap by approximately \$52 million. The new suspension and impositor language also places cost-recovery funds that originated from the response account and deposited into the response mitigation account under the annual "blackmail or incentive clause." This means that any mitigation funds must be appropriated back into the response account or the two-cent response surcharge is suspended [section 16]. Under current statute, mitigation account funds are not included under the blackmail clause.
- The response account is more readily accessible for all response actions. Money in the response account can be used to respond to a release or threatened release of oil or a hazardous substance when 1) the governor declares a disaster emergency or 2) if within 120 hours of initiating the response action, the commissioner of DEC reports to the governor on the release, the state's action, and the anticipated cost of the response action. The governor may, at any time during the state's response, approve, disapprove, or amend the action [section 29].
- Response action is no longer limited to initial first response [language removed from section 20].
- The response account inflation proofing provision that would have resulted in a substitution of general fund deposits for surcharge collections was deleted.

## Prince William Sound Regional Citizens' Advisory Council

- Restoration costs are paid from the prevention account despite restoration being part of responding to a spill. Restoration is part of a continuum of clean up activities. If restoration can be paid from the prevention account, there will always be pressure to identify clean up actions as restoration and shift these costs to the prevention account.
- The Citizens' Oversight Council on Oil and Other Hazardous Substances (COC) was established after the *Exxon Valdez* oil spill as one of the principal recommendations of the Oil Spill Commission. The Oil Spill Commission identified state and federal government and public complacency as one of the principal causes of the *Exxon Valdez* oil spill. The COC was established by the legislature in response to this recommendation. Similarly, Congress created the regional citizens' advisory councils of Cook Inlet and Prince William Sound in the Oil Pollution Act of 1990 (OPA 90) to oversee and advise on issues related to the trans-Alaska pipeline and marine transportation of crude oil. Both the COC and use of the response fund to pay for its operations were deleted.

### Comparison with the Proposed CSHB 238 (RES) "Z" draft

#### Similarities:

- The nickel is split the same with a 3-cent-per-barrel conservation surcharge directed to the prevention account and a 2-cent-per-barrel conservation surcharge directed to the response account.
- The provisions for capping the response account at \$50 million, calculating the cap, and suspending and reimposing the 2-cent surcharge are similar. Under both proposals, approximately \$52 million less than required under current statutes in surcharge proceeds would be paid to reach the \$50 million cap; mitigation account receipts that are cost recovery of funds expended from the response account would be counted toward the balance calculation to suspend the surcharge; and fines, penalties and damage payments would not be credited against the cap.
- Provisions for accessing the response account are similar with a report from the DEC commissioner to the governor within 120 hours and the provision for the governor to approve, disapprove or amend the response action at any time.
- Similar to SB 215, response action in HB 238 is not limited to initial, first response.
- Provisions for municipal impact grants are similar with the exception that school districts are not added as eligible entities in HB 238. The response account is the source of funds in both bills.
- The house bill makes no changes to current statutes with regards to response depots equipment acquisition. However, the proposed HB 238 direct DEC to

April 13, 1994

The Honorable Bill Williams, Chairman  
House Resources Committee  
Alaska House of Representatives  
Juneau, Alaska,

Dear Chairman Williams and members of the house resources committee.

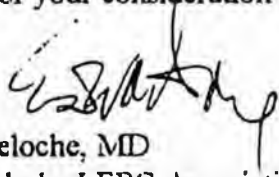
In your considerations of current legislation dealing with Alaska's oil response fund utilization please insure that you provide for maintaining the funding for "corps and depots." The nickel a barrel tax was designated to create a response capability for the state of Alaska to parallel that of industry to insure that we had resources in place to respond to oil and hazardous materials spills within our state. It included pre-positioning of equipment throughout the state, equipment which was capable of responding to the oil and hazardous materials risks determined present by the local communities hazards analysis. It was also intended to provide for training local people to assist in the immediate response to an oil spill or hazardous materials incident.

We all want to support the many industries which are present in our state which provide the economic benefits which allow us to survive in this great land. In order to do so with integrity we must maintain the corps and depots concept as we manipulate the funds we insisted be set aside for this purpose. If we do less, we are abandoning our responsibility to prepare for the inevitable spills and problems which happen in the transport and utilization of those materials which are required to make our fishing, timber and oil industries viable in the world market.

I am the chairman of the Alaska Local Emergency Committee Association, as well as the chairman of the Greater Ketchikan Area Local Emergency Planning Committee. There are now 20 such local planning agencies in this state. Each LEPC, like the one in Ketchikan, consists of 13 leaders within the community who dedicate their valued time to planning for disasters which might occur in their community. Local planning, especially when meshed well with the state plans and federal plans, provides for the best protection to our state for disasters. When all the local leaders involved in disaster planning throughout the state agree on a disaster related topic it might be wise to listen to us. I urge you as the chairman of the Alaska LEPC Association to maintain the Corps and Depots funding as you modify the distribution and management of the response fund this year.

Thank you for your consideration of this matter.

Sincerely,



Ernest B. Meloche, MD  
Chairman, Alaska LEPC Association  
PO Box 6058, Ketchikan, Alaska, 99901 (228-6610)

Recommendation 41  
State takeover of oil  
spills

*The state should empower itself to take over direction of the response to any spill in Alaska waters.*

There is no indication the federal government is inherently better suited than the State of Alaska to respond effectively to an oil spill in Alaska waters. Indeed, the state often will have more response resources than the federal government as well as a greater knowledge base concerning local circumstances. The state's resources and expertise generally will be more readily available in the crucial early hours of a spill.

The state has a constitutional obligation to protect its own resources and the primary responsibility to assist its own citizens. Considering the limited capabilities of federal agencies to respond to a variety of contingencies and the industry's conflict of interest, the state can never rely completely on the United States government or on industry to protect the resources of the state, whether on federal or state lands.

The state's authority should include the power to command the spill cleanup, to apportion scarce public and private resources, and to set in motion an emergency procurement process that will bypass the red tape that was a conspicuous element in the response to the *Exxon Valdez* wreck.

Recommendation 42  
State role under  
federal authority

*Even when the federal government maintains authority over a spill, the scheme for direction and command should permit full cooperation with state authorities.*

Though primary responsibility for the salvage of vessels and the safety of crews should remain with the Coast Guard, pollution abatement may be left to the direction of state authorities indicating a willingness and capacity to do so with the support of federal resources. In particular, the state on-scene commander should be empowered to give binding directions to a spiller concerning particular response strategies. Community impact functions should be left to the standard emergency response command system.

Recommendation 43  
State response  
depots

*The state should establish community-based response depots under the management of the state Department of Military and Veterans Affairs.*

A major oil spill is in many respects analogous to emergencies such as floods, forest fires and earthquakes. Persons trained in emergency systems to mobilize a large workforce quickly and with the required urgency tend to be better equipped to respond to a major spill. Those specially trained in environmental protection perform better in advice on establishing goals and objectives and in evaluating the impact of the operation.

A state response committee made up of representatives of the appropriate state and federal agencies should be created to review state response plans and participate in periodic drills.

*Local volunteer and part-time spill response units should be established, trained and equipped under the direction of the state Department of Military and Veterans Affairs.*

Recommendation 44  
Immediate local response

Trained volunteer and part-time spill response units, properly trained, supervised and mobilized, should be prepared to protect critical habitat by keeping oil from reaching the shore or protected areas. The work of the Cordova fishing community mobilizing a small armada to protect fish hatcheries after the *Exxon Valdez* wreck is an instructive example. The local experience, knowledge and equipment of a trained volunteer corps should be put to work to help protect local resources.

*The state should develop regional response plans reviewed by appropriate regional advisory committees. Private contingency plans should be developed that presume and mesh with regional plans.*

Recommendation 45  
Regional response plans

Regional committees should be made up of local community members, state and federal agencies and industry. They will prepare the regional response plans and participate in drills to insure readiness. When a spill occurs this committee makes decisions regarding the region and reports to the on-scene commander. During the aftermath of the *Exxon Valdez* wreck the best example of a coordinated response was the response in Seward. The incident command system was fully employed and was able to carry out a well-managed, organized response.

These committees need to be predesignated before spills so they can participate in the planning process and be even more effective in responding to spills when they occur.

*The regional response capability should be able to respond to a major spill with the speed of a fire department to protect habitat and contain, transform, recover or destroy a major spill before it reaches shore.*

Recommendation 46  
Regional response capability

Time is the critical factor in all attempts to limit the environmental damage in a major spill by keeping oil off the shore. Regional response organizations must perform swiftly and with clear command and control to maintain the hope of keeping oil off the beach.

## IMPLEMENTING THE RESPONSE

Eventually, another major oil spill will occur in Alaska. Just as inevitably, there will be surprise and chaos. But unpredicted circumstances and the disarray of managers caught off guard can be sharply reduced if a plan is in place that sets out in a coordinated fashion what people should do in emergency circumstances.

The failure of response to the *Exxon Valdez* disaster was made more poignant by the location of the accident. Bligh Reef is in protected waters, only 20 miles from one of the world's major oil terminals. Most of the cleanup equipment in the state was stored at the terminal, and the weather for the first three days after the spill was extraordinarily good.

Command and contingency plan changes contributed to the chaos. When it became obvious that Alyeska's contingency plan was inadequate, the local response commanders—the Coast Guard captain of the port, the Valdez field office chief for the Alaska Department of Environmental Conservation, and the manager of the Alyeska marine terminal—were replaced, even though they were the most familiar with the spill area and the existing contingency plan. Within 48 hours, the spill was being managed by a Coast Guard admiral, the head of Exxon Shipping Company and the commissioner of the Alaska Department of Environmental Conservation, none of whom had particular knowledge of the area or its response planning. Eventually the Exxon worldwide contingency plan took priority, even though it had no specific relationship to Prince William Sound.

Response to the *Exxon Valdez* wreck revealed confusion and unpreparedness on a massive scale. But because plans do not work perfectly does not mean that they don't work at all. There is no reason why the chaos of the *Exxon Valdez* response should be repeated.

- Containment and recovery of the spill on water.
- Treatment of beaches and recovery of oil from the intertidal zone.
- Management of onshore impacts, primarily a responsibility of emergency response authorities.

The local on-scene commander can be predesignated under this system. The function of higher officials such as a federal "czar" should be to see that resources are mobilized and provided, not to replace the on-scene commander. Pre-incident agreements and the Incident Command System should guide the allocation of labor and equipment to communities.

A confusion of command and responsibility handicapped response in Prince William Sound, despite the good faith efforts of all parties. Similarly, a confusion of mission resulted in a division between the very successful focus on the safety of the crew and salvage of the vessel and its cargo and the much less effective effort to contain and recover the oil. Shore operations were often marked by chaos, misallocations of resources and neglect of the interests and wishes of residents.

In almost every command structure surrounding the *Exxon Valdez* spill, the individual most knowledgeable about the circumstances of the spill and theoretically charged with response was quickly replaced by a person who may never have read the local contingency plans. The Coast Guard appears to have rotated personnel through Prince William Sound for the experience.

*A substantive role should be given to the affected communities in any response system.*

Communities near to the spill and in the shadow of the oil were not given a proportionate role in the response system after the *Exxon Valdez* accident. Frequently they were ignored. Often they devised their own strategies for response, for instance acquiring or manufacturing boom by themselves. Yet local interests, local knowledge and experience with the ocean often made the community-based work force the most efficient available.

*LEPC's bring order to this local response.*

Recommendation 49  
Enlarged  
community role

April 19, 1994

Representative Bill Hudson  
State Capitol  
Juneau, AK 99801-1182

Dear Representative Hudson:

I am writing in regards to SB 215, which proposes to separate the oil and hazardous substance release response fund into two accounts. Although I am against this bill, I understand the bill will likely pass. Therefore, I would like to make the following suggestion.

Rather than depositing the entire 470 fund into the response account, I would like to see 60-75% of the current balance put into the prevention account. This will ensure that money and resources will be available to provide an adequate preventive program.

I believe all Alaskans will be better served if we are capable of preventing a spill rather than being more fit to clean one up. It is easier to prevent mishaps from happening than to deal with them later. Please remember the example set by the Exxon Valdez--it was preventable.

I encourage you to provide adequate funding for the preventive account. Thank you for considering my thoughts.

Sincerely,



Michelle Bugni  
3718 El Camino  
Juneau, AK 99801

**Petition for Protecting the Oil and Hazardous Substance  
Release Response Fund (470 Fund)**

We the undersigned oppose any legislation that reduces funding for oil and hazardous substance spill prevention and response programs funded by the 470 Fund.

<u>Name</u>	<u>Signature</u>	<u>Address</u>	<u>Phone</u>
KAREN BLITEN		2706 W 30th ANCH, AK 99517	
<del>Mel Mei Evans</del>	<del>Mel Mei Evans</del>	P.O. Box 243074 A/A 99524	276-7269
JILL DELATTI		POB 101153 ANCH AK 99510	
Laurie Daniel		3605 Arctic #2789 Anch AK 99503	277-1541
GLADYS THOMPSON		2216 hakeley ky ANCHORAGE, AK 99507	349-1454
Jana Sudkamp		3237 Wiles Post Ln Anch, AK 99517	
Ann E. Benson		PO Box 102783 Anchorage, AK 99510	
Nancy E. Michaelson	Nancy E. Michaelson	H201 Box 6910 Palmer AK 99645	
Carolya L. Ramey		403 W 22nd Ave #212 99503	
Christopher Farmer		1509 Cindy Lee Ln Anchorage AK 99507	562-4762
Anna Young	Anna Young	Box 2905 Cordova AK 99574	
Mark Kansteiner		Box 1636 Seward, AK 99664	
Ken Leghorn	Ken Leghorn	516 E. 3rd St. Juneau AK 99801	585-1972
Colleen Burch		12821 Mt. Place Anchorage AK 99516	345-5391
James Stratton		12821 Mt. Place " " " "	
ROBERT A. GIGGS		REPUBLICAN FOR GOVERNOR - 94	
		7447 OBRIEN ST ANCH AK 99507	344-5467
JAMES R. CARTER		3505 WOODLAND PARK DR ANCHORAGE AK 99517	243-6744
CARY BOLLING	Cary Bolling	468 N. BAILEY PALMER AK 99645	746-2200
JEAN CAMERON	Jean Cameron	2141 NE 14th Portland, OR 97212	
Cheryl Richardson		1747 Lawrence Ct. Anchorage AK 99501	
Robin L. Cole		6155 Alameda St Anch, Alaska 99524	
Kurt Byers	Kurt Byers	P.O. 81156 Fairbanks, AK 99708	457-2230
GEORGE E. LUKENS II		758 OCEANVIEW DR ANCH AK 99515	349-2749
GEORGE E. LUKENS JR		758 OCEANVIEW DR ANCH AK 99515	345-2749
PAUL LARSEN BENSON JR		625 W 9TH ST ANCH AK 99501	345-5541
TOM LAKSON	Tom Lakson	PO Box 1006 Anch AK 99510	5381606
Ken Elwood Jr		PO Box 460 Cordova, Alaska 99574	4074245740

**Petition for Protecting the Oil and Hazardous Substance  
Release Response Fund (470 Fund)**

We the undersigned oppose any legislation that reduces funding for oil and hazardous substance spill prevention and response programs funded by the 470 Fund.

Name                      Signature                      Address                      Phone

*Bob Todd*      *Bob Todd*      572 Bishop Dr.      215-300-2000

*Melinda Hood*      *Melinda Hood*      3413 Lord Burawf      249-7514  
*Richard*      *Richard*      RECEIVED TOWNSEND      17 N YOUNG DR.

*Jim M. Lottman*      *Jim M. Lottman*      P O Box 2774      Anchorage, AK 99508

*Charles Mount*      *Charles Mount*      P.O. Box 3107      Hoonah, AK 99801

*DAVID GRIMES*      *David Grimes*      Box 1636      CORDOVA

*Kathy Tuelo*      *Kathy Tuelo*      Box 5305      FHR 99708 - 955-4286

*Penelope Wells*      *Penelope Wells*      P.O. Box 34052      Anch. AK 99502-0052

*William Wilton*      *William Wilton*      3401 Cordova      Anch. AK 99503

*Lorraine Eckstein*      *Lorraine Eckstein*      926 W. 26<sup>th</sup>      Anch. 99503

*Tim Briggs*      *Tim Briggs*      1315 Cordova      Anch. 99501

*Dan Lawson*      *Dan Lawson*      P.O. Box 189      Anch. AK 99501

*Jan Lorange*      *Jan Lorange*      7030 Mila Cir.      Anch. 99507      344-6282

*Frederick L. Ott*      *Frederick L. Ott*      6537 Reserve Ave      Wauwata, WI

*Stan Stephens*      *Stan Stephens*      Box 1297      Valdez, AK 99686

*Elizabeth Hallon*      *Elizabeth Hallon*      HC 52 Box 8900      Indian 99540      653-7849

*John Oly*      *John Oly*      1119 G St      Anchorage, AK 99501

*James R. Bawanger*      *James R. Bawanger*      HC 85 Box 2334      EAGLE RIVER, AK 99577      696-8136

*Noel C. Nelson*      *Noel C. Nelson*      2515 Cottonwood St.      Anch. AK 99508      272-5830

*Steve Nelson*      *Steve Nelson*      2515 Cottonwood St.      Anch. AK 99508      786-7436

*Arthur Newman*      *Arthur Newman*      3336 BRYANT RIDGE RD      ANCH AK 99504

*Virginia W Moore*      *Virginia W Moore*      14530 Echo St      Anchorage AK      345-1355

*Stephen Bodnar*      *Stephen Bodnar*      box 2262      Cordova AK 99574      424 5427

*Theodore F. Moore*      *Theodore F. Moore*      14530 Echo St.      Anch, AK 99576      345-1353

*Philip S. King*      *Philip S. King*      7611 Mentra St.      Anch, AK 99518      349-1344

*EVA CERDA*      *EVA CERDA*      7021 Tanik      Anch. AK 99504      333-0747

Please send to Senator Pearce, Co-chair Senate Finance Committee, State Capitol, Juneau, AK 99801-1182

**Petition for Protecting the Oil and Hazardous Substance  
Release Response Fund (470 Fund)**

We the undersigned oppose any legislation that reduces funding for oil and hazardous substance spill prevention and response programs funded by the 470 Fund.

<u>Name</u>	<u>Signature</u>	<u>Address</u>	<u>Phone</u>
Leslie Pearson	Leslie A Pearson	HC52 Box 8820 Indian 99540	653-1993
<del>...</del>	<del>...</del>	<del>...</del>	<del>...</del>
<del>...</del>	<del>...</del>	<del>...</del>	<del>...</del>
Don Strickland	Don Strickland	Box 9304-D Palmer AK 99645	745-1260
<del>...</del>	<del>...</del>	<del>...</del>	<del>...</del>
<del>...</del>	<del>...</del>	<del>...</del>	<del>...</del>
R. P. Finckel	R. P. Finckel	PO Box 46 Fair AK 99705	474-...
Mrs. E. Emerald	Mrs. E. Emerald	4232 Box 2234 SR 99527	678-830
Peter G. ...	Peter G. ...	2000 ...	...
Frank ...	Frank ...	3371 ...	99508
<del>...</del>	<del>...</del>	<del>...</del>	<del>...</del>
Ivan L. Wisdom	IVAN L. WIDOM	BOX 154 SELDOVIA AK 99663	
Hope Wing ND	Hope Wing ND	1660 Village Scenic Pkwy Anch AK 99516	345-4265
Richard McKinnon	Richard McKinnon	105 E. 11th Ave Anch AK 99501	
Matt Carr	M. Carr	9981 FLATTOP AVE ANCH AK 99576	
<del>...</del>	<del>...</del>	<del>...</del>	<del>...</del>
Marilyn Herman	Marilyn Herman	1401 Virginia Ct Anch 99501	272-3034
<del>...</del>	<del>...</del>	<del>...</del>	<del>...</del>
William ...	William ...	130 C. ...	...
William ...	William ...	3605 Arctic #1211	99503
Gene Stern	Gene Stern	1126 L St 99501	272-2470
Debra Stamp	Debra L. Stamp	2420 DENNIS WAY 99515	345-2425
<del>...</del>	<del>...</del>	<del>...</del>	<del>...</del>
Holly Kane	Holly Kane	4100 Maines Anchorage 99508	563-4470
Pamela Fredie	Pamela Boake	P.O. Box 104082 Anchorage 99510	248-9388
JAMES M. YOUNG	James M. Young	1742 W. 12th Ave A ANCH AK 99501	276-6445
<del>...</del>	<del>...</del>	<del>...</del>	<del>...</del>
EUGENE LEVINE	Eugene Levine	7343 LINDEN DR ANCH AK 99502	248-0742

Please Send to Senator Pearce Co-Chair Senate Finance  
State Capitol, Juneau, AK 99801-1182

**Petition for Protecting the Oil and Hazardous Substance  
Release Response Fund (470 Fund)**

We the undersigned oppose any legislation that reduces funding for oil and hazardous substance spill prevention and response programs funded by the 470 Fund.

<u>Name</u>	<u>Signature</u>	<u>Address</u>	<u>Phone</u>
JIM BRENNAN	<i>Jim Brennan</i>	1006 G. St.	274-7515
LANI BRENNAN	<i>Lani Brennan</i>	"	"
TINA ALSTATT	<i>Tina Alstatt</i>	PO Box 243513	248-9877
MICHAEL A. ARMSTRONG	<i>Michael A. Armstrong</i>	15072 SNOWSHOE LN.	345-2878
Susan R. Post	<i>Susan R. Post</i>	7343 Linden Dr	248-0742
Lynn Fitch	<i>Lynn Fitch</i>	3231 Amber Bay	344-6915
Harvey Mills	<i>Harvey Mills</i>	2420 Dennis Way	345 2425
Margaret B. Johnston	<i>Margaret B. Johnston</i>	4720 Cambridge Way	361-0530
Martha Siebe	<i>Martha Siebe</i>	3705 E. 1st St.	248-7337
Earl Farahart	<i>Earl Farahart</i>	1543 W. 7th St.	99517 547-1160
Catherine Portlock	<i>Catherine Portlock</i>	10501 Lindermill Ave	99576
Hugh Fleischer	<i>Hugh Fleischer</i>	1401 W. 11th Ave	99501
Lanie Fleischer	<i>Lanie Fleischer</i>	1401 W. 11th Ave	99501
Bret Bongard	<i>Bret Bongard</i>	16401 Birch Ave. Anchorage	99516 345-4032
Carin Smith	<i>Carin Smith</i>	16741 Birch Ave. Anchorage	99516 345-4032
Robert D. Plummer	<i>Robert D. Plummer</i>	1722 E. 1st St. Anchorage	99502 345-3151
Colleen Kraja	<i>Colleen Kraja</i>	2429 Steadman	99517
Cliff Eames	<i>Cliff Eames</i>	2613 W. 3rd St. Anch	99517 274-3621
Leslie H. Hovvold	<i>Leslie H. Hovvold</i>	PO Box 25770 Homer AK	99603 no phone
JOE ALORSTA	<i>Joe Alorsta</i>	PO Box 208968 Anchorage	99520 258-4111
KEVIN HARMON	<i>Kevin Harmon</i>	570 N St Anchorage	AK 99501 274-362
MICHAEL V. COUMBE	<i>Michael V. Coumbe</i>	P.O. Box 240743	99524 277-2444
HELEN COUMBE	<i>Helen Coumbe</i>	1430 A St	99501 272-8286
Patricia Gleason	<i>Patricia Gleason</i>	4211 Bridle Cir	99517 248-2442
Leila Wise	<i>Leila Wise</i>	PO Box 244034	99524 277-1330
Harriet Drummond	<i>Harriet Drummond</i>	2139 Hillcrest Pl.	99503 274-7722
RICHARD J. HELMS	<i>Richard J. Helms</i>	PO Box 100916, ANC. AK	99510 338-RICK

Please send to Senator Pearce, Co-chair Senate Finance Committee, State Capitol, Juneau, AK 99801-1182

**Petition for Protecting the Oil and Hazardous Substance  
Release Response Fund (470 Fund)**

We the undersigned oppose any legislation that reduces funding for oil and hazardous substance spill prevention and response programs funded by the 470 Fund.

<u>Name</u>	<u>Signature</u>	<u>Address</u>	<u>Phone</u>
Blair Chambers	<i>Blair Chambers</i>	2101 W. Cimo. #9 2nd. Anchorage	2-8-5075
CHRISTAL	<i>Christal</i>	4720 Eagle St #1 Anchorage	99503 561-0515
Dorothy L. Greenberg	<i>Dorothy L. Greenberg</i>	1322 Virginia Ct Anchorage	99501 272-3763
Karl Ollis	<i>Karl Ollis</i>	3403 W. Cimo Dr. Anchorage	99501 561-1171
<i>Blair</i>	<i>Ernest Piper</i>	2504 Louisa Dr. Anchorage	99501 242-1942
<i>Rita</i>	<i>Rita</i>	<i>125 W. Cimo Dr. Anchorage</i>	<i>561-1171</i>
<i>Wally Bink</i>	<i>Molly Plumb</i>	1928 Sitomaga Cir Anchorage	99575 379-4165
G. WEAVERLING	<i>G. Weaverling</i>	Box 895 Corbova AK	99579 928-5305
Joe Banta	<i>Joe Banta</i>	12304 Hilltop Dr. Anchorage	99515 522-3808
THOMAS L. LOHMAN	<i>Thomas L. Lohman</i>	P.O. Box 642, Barrow AK	99723 853-0350
Domen S. Lillian-Garcia	<i>Domen S. Lillian-Garcia</i>	7220 Holman Anchorage	99516 345-7961
Roy A. WARRON	<i>Roy A. Warron</i>	PO 22362 Juneau AK	99902 781-2782
KENIN M. O'SHEA	<i>Kenin M. O'Shea</i>	1865 E. Tutor Rd #102D Anchorage	99507 563-4996
<i>Chris</i>	<i>Chris</i>	5647 E. Upt. Anchorage	99504 338-2000
<i>Mark Johnson</i>	<i>Mark Johnson</i>	10726 Horizon Dr. Juneau	463-5807 49821
<i>Sherrin L. Landa</i>	<i>Sherrin L. Landa</i>	5340 F. T. Love Juneau	
Suzie Kendrick	<i>Suzie Kendrick</i>	P.O. Box 4502 Soldotna AK	212-3749
JEFF GINALAS	<i>Jeff Ginalas</i>	5018 E 43 Ave Anchorage	AK 387-2165
PRICE E. ERICKSON	<i>Price E. Erickson</i>	1715 ORCA Dr Anchorage	AK 274-2751
Nancy R. LETHBRIDGE	<i>Nancy R. Lethbridge</i>	P.O. Box 1353 Valdez AK	99686 330-4500
GAIL K. EVANOFF	<i>Gail K. Evanoff</i>	P.O. Box 5060 Plover Bay AK	99574-5060

Please send to Senator Pearce, Co-chair Senate Finance Committee, State Capitol, Juneau, AK 99801-1182





## Cordova District Fishermen United

P.O. Box 939  
Cordova, Alaska 99574  
(907) 424-3447 FAX (907) 424-3430

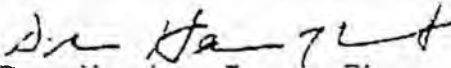
April 15, 1994

Chairman Bill Williams  
House Resources Committee  
Alaska State Legislature  
State Capitol  
Juneau, AK 99811-1182

Dear Chairman Williams:

Enclosed are five pages of signatures from people in Cordova who oppose any legislation that reduces funding for oil and hazardous substance spill prevention and response programs funded by the 470 Fund. If you have any questions or require additional information, please call me any time. Thank you for your consideration.

Sincerely,  
CORDOVA DISTRICT FISHERMEN UNITED

  
Dorne Hawxhurst, Executive Director

cc: House Resources Committee  
Senator Georgianna Lincoln

Petition for Protecting the Oil and Hazardous Substance  
Release Response Fund (470 Fund)

We the undersigned oppose any legislation that reduces funding for oil and hazardous substance spill prevention and response programs funded by the 470 Fund.

Name	Signature	Address	Phone
Mark Hedbrink	Mark Hedbrink	P.O. Box 2084	
Peter D. Ochs	Peter D. Ochs	Box 447	424-3191
Jeff P. Howley	Jeff P. Howley	Box 2318	424-7681
Carla Church	Carla Church	Box 406	424-3389
Ken Hill	Janet A Hill	Box 1290	424-3498
Kenneth Varto	Kenneth Varto	Box 852 Cordova	424-7729
Charles Trombridge	Charles Trombridge	P. 1744 Cordova	424-3758
Thomas P. Donovan	Thomas P. Donovan	Box 119 Cordova	424 3951
Tim M. Donovan	Tim M. Donovan	Box 164 Cordova	424-3951
Jim Pahl	James R. Pahl	Box 179 CDV	424-3479
Georgi Knechtling	Georgi Knechtling	Box 533 Cordova	424-5108
Matt G. Miller	Matt G. Miller	20141485 Anch	99514
Evelyn Brown	Evelyn Brown	P.O. Box 306 Cordova	99574
John Long	Sylvia Long	Box 135 Cordova	55574
Dorothy Janka	Dorothy Janka	Box 1231 Cordova	99574
SELINA KEETON	Selina Keeton	P.O. Box 1841 Pt. Townsend WA	98368
Brian L. King	Brian L. King	Box 865 Cordova AK	99574
Lawrence Kairamak	Lawrence Kairamak	Box 2222211, Anch. AK	99522 2211
Cheryl M. Howell	Cheryl M. Howell	Box 246 Cordova, Ak.	99574-2506
James Kairamak	James Kairamak	Box 2272 Cordova	4247603
KARL BECKER	Karl Becker	Box 11815 Cordova	424-7466
MARK STEEN	Mark Steen	Box 1310 CORDOVA AK	424-5455
JAMES FULTON	James Fulton	P.O. Box 1435 Antioch CA	94509
J.F. OSBORN	J.F. Osborn	P.O. Box 1986 Cordova AK	99574
JUDY LIETZAU	Judy Lietzau	P.O. Box 2145 Cordova AK	99574
Jennifer Pollak	Jennifer Pollak	105 W. Dickson #1 Sea WA	98119

Please send to Senator Pearce, Co-chair Senate Finance Committee, State Capitol, Juneau, AK 99801-1182

**Petition for Protecting the Oil and Hazardous Substance  
Release Response Fund (#70 Fund)**

We the undersigned oppose any legislation that reduces funding for oil and hazardous substance spill prevention and response programs funded by the #70 Fund.

<u>Name</u>	<u>Signature</u>	<u>Address</u>	<u>Phone</u>
7 Jewel (inter) Nelson	inter	1703 Roosevelt Ave	501-3766
Carla - Gregory	Gregory	Box 342 Cordova	424-3825
Diana Masolini	Diana Masolini	Box 1131 Cordova	424-7528
Michael O'Leary	Michael O'Leary	Box 1052 Cordova	424-7750 99574
Jay Pahl	FAYE PAHL	Box 179 Cordova	AK 99574
Shirley		Box 452 Cordova	AK 99574
JAMES E. HARRIS	J. Harris	P.O. Box 1952 Cordova	AK 99574
Dream Schaffer	Dream Schaffer	P.O. Box 443 Cordova	AK 99574
Ray Gaudin		1597 Cordova	AK 99574
Shelley Chris-m		442 Cordova	AK 99574
Robert J. Koprak	Robert J. Koprak	Box 1126 Cordova	AK 99574
Kristen Ballum	Kristen Ballum	P.O. Box 1689 Cordova	AK 99574
Mitch Nowicki		Box 2232 Cordova	AK 99574
Karen Pritchard		Box 1033 Cordova	AK 99574
R.J. Powell		Box 1748 Cordova	AK 99574
MATT SMALL		Cordova	
Cash M. With		Box 956 Cordova	99574
Annabelle		Box 1366 Cordova	
Annelle B. Williams	Annelle B. Williams	Box 2224 Cordova	AK 99574
Belle Michelson	Belle Michelson	Box 325 Cordova	AK 99574
JAMES P. VANSAW	James P. Vansaw	Box 1267 Cordova	AK 99574
BARCLAY JONES-KORHAK	Barclay Jones-Korhak	Box 1121 Cordova	AK 99574
Michael P. McGuire	Michael P. McGuire	Box May Glennallen	AK 99588
Keaneth D. Kritchman	Keaneth D. Kritchman	Box 1255 Cordova	AK 99574
Wendy Weisel	Wendy Weisel	Box 1309 Cordova	AK 99574 BE
Laurie Berger	Laurie Berger	Box 1753 Cordova	AK 99574

Please send to Senator Pearce, Co-chair Senate Finance Committee, State Capitol, Juneau, AK 99801-1182

### Petition for Protecting the Oil and Hazardous Substance Release Response Fund (470 Fund)

We the undersigned oppose any legislation that reduces funding for oil and hazardous substance spill prevention and response programs funded by the 470 Fund.

Name                      Signature                      Address                      Phone

- ~~L. K. WEAVERLING~~ ~~John E. Weaverling~~ Box 895 CORDOVA AK 99574 424-5305
- ~~Jelena [unclear]~~ Ralph E. Lohse Box 14 Cordova AK 99574 424-7170
- Linda Lohse Linda Lohse Box 14 Cordova AK 99574 424-7170
- Mark King Mark King Box 965 Cordova AK 99574 424-3373
- 1 Robert Rumb Robert Rumb Box 171 Cordova AK 99574 424-5657
- ~~David [unclear]~~ DAN TORGERSON Box 1356 CORDOVA AK 99574 424-5719
- ~~Erwin Samuelson~~ ERWIN SAMUELSON Box 1212 Cordova AK 99574 7718
- ~~Gail T. Nolan~~ GAIL T. NOLAN 770 CDV AK 99574 3503
- ~~Rene Thomas~~ Rene Thomas Po 1331 CDV AK 99574 -3117
- DAVID P. JANKA D.P. JANKA P.O. Box 1231 CORDOVA AK 99574 424-7602
- BECKY CHAPEK Becky Chapek Box 1514 CDV AK 99574 424-3356
- ~~Christina Tucker~~ Christina Tucker Box 850 Cordova AK 99574 424-3605
- ~~Robert Blake~~ Robert Blake Box 718 Cordova AK 99574
- John A. Coyle John A. Coyle Box 2473 Cordova AK 99574
- Kevin G. O'Neil Kevin G. O'Neil Box 1875 Cordova AK 99574
- SANDY HAU-DURK SANDY HAU-DURK Box 413 Cordova AK 99574
- CATHY SHERMAN Cathy Sherman Box 1186 Cordova AK 99574
- DAVID GRIMEL David M. Box 1676 Cordova AK 99574
- SUSAN OGLE Susan Ogle Box 895 CORDOVA, AK 99574
- KENEE KANIKIN Kenee Kanikin Box 985 CORDOVA AK 99574
- ~~Ann Quadi~~ Ann Quadi Box 2234 CORDOVA AK 99574
- MICHAEL L. MELNITS Michael L. Melnits Box 2402 CORDOVA AK 99574
- Kim J. Ewert Kim J. Ewert Box 1324 Cordova AK 99574
- TIA R. SMITH TIA R. SMITH Box 52 CORDOVA AK 99574
- Thea Thomas Thea Thomas Box 1366 Cordova AK 99574
- Sally Patch Sally Patch Box 956 Cordova AK 99574
- Naire Manmarino Naire Manmarino Box 1434 CORDOVA AK 99574

Please send to Senator Pearce, Co-chair Senate Finance Committee, State Capitol, Juneau, AK 99801-1182

Petition for Protecting the Oil and Hazardous Substance  
Release Response Fund (470 Fund)

We the undersigned oppose any legislation that reduces funding for oil and hazardous substance spill prevention and response programs funded by the 470 Fund.

<u>Name</u>	<u>Signature</u>	<u>Address</u>	<u>Phone</u>
WILLIAM R REID	<i>William Reid</i>	Bx 1234 CDV	424-7148
DOENE HAWKHURST	<i>Doene Hawkhurst</i>	Bx 856 CDV	424-3447/5757
Christine Honkola	<i>Christine Honkola</i>	Box 100 CDV	424-7530
JAMES TTYKLAND	<i>James TTYKLAND</i>	Box 1241 CDV	424-7115
JOHN BOCCIA	<i>John Boccia</i>	Bx 1312 CDV	424-5192
Richard Bredde	<i>Richard Bredde</i>	Box 454 CDV AK	424-3715
Kory Blake	<i>Kory Blake</i>	Box 1122 CDV	424-7194
Herb Jensen	<i>Herb Jensen</i>	Bx 294 CDV	424-3767
JIM JOHNSON	<i>Jim Johnson</i>	Box 253 CDV	424-7525
MITCH KOWICKI	<i>Mitch Kowicki</i>	Bx 1232 CDV	5492
Linda Masolin	<i>Linda Masolin</i>	Box 102 CDV	424-7489
John G. ARVIDSON	<i>John G. Arvidson</i>	Box 11 Cordova AK	5379
Michael B. Scott	<i>Michael B. Scott</i>	Box 855 Cordova AK	3584
ANDREW F. ALLEN	<i>Andrew F. Allen</i>	Box 1836 CDV AK	99574 (3684)
TERESA LaDOSIMONE	<i>Teresa LaDOSIMONE</i>	Box 169 Cordova AK	424-7436
Danny Carpenter	<i>Danny Carpenter</i>	Box 1430 Cordova AK	424-39
SUSAN LAIRD	<i>Susan Laird</i>	Box 1624 Cordova AK	424-38
MAX C. BENNETT	<i>Max C. Bennett</i>	Box 1006 Cordova AK	99574
JAMES KUHANOWEN	<i>James KUHANOWEN</i>	Box 2272 Cordova AK	99574 (424-7603)
MAX MCCARTHY	<i>Max McCarthy</i>	Box 2368 Cordova AK	
TORIE BAKER	<i>Torie Baker</i>	PO BOX 1159 CDV	424-3820
<del>XXXXXXXXXX</del>			
Elizabeth Sines	<i>Elizabeth Sines</i>	Box 762 CDV	424-5611
CAROL ROYCE	<i>Carol Royce</i>	Box 435 CDV	424-3621
Jim Jager	<i>Jim Jager</i>	530 St. Czarina Cr. Anchorage AK	337-8602

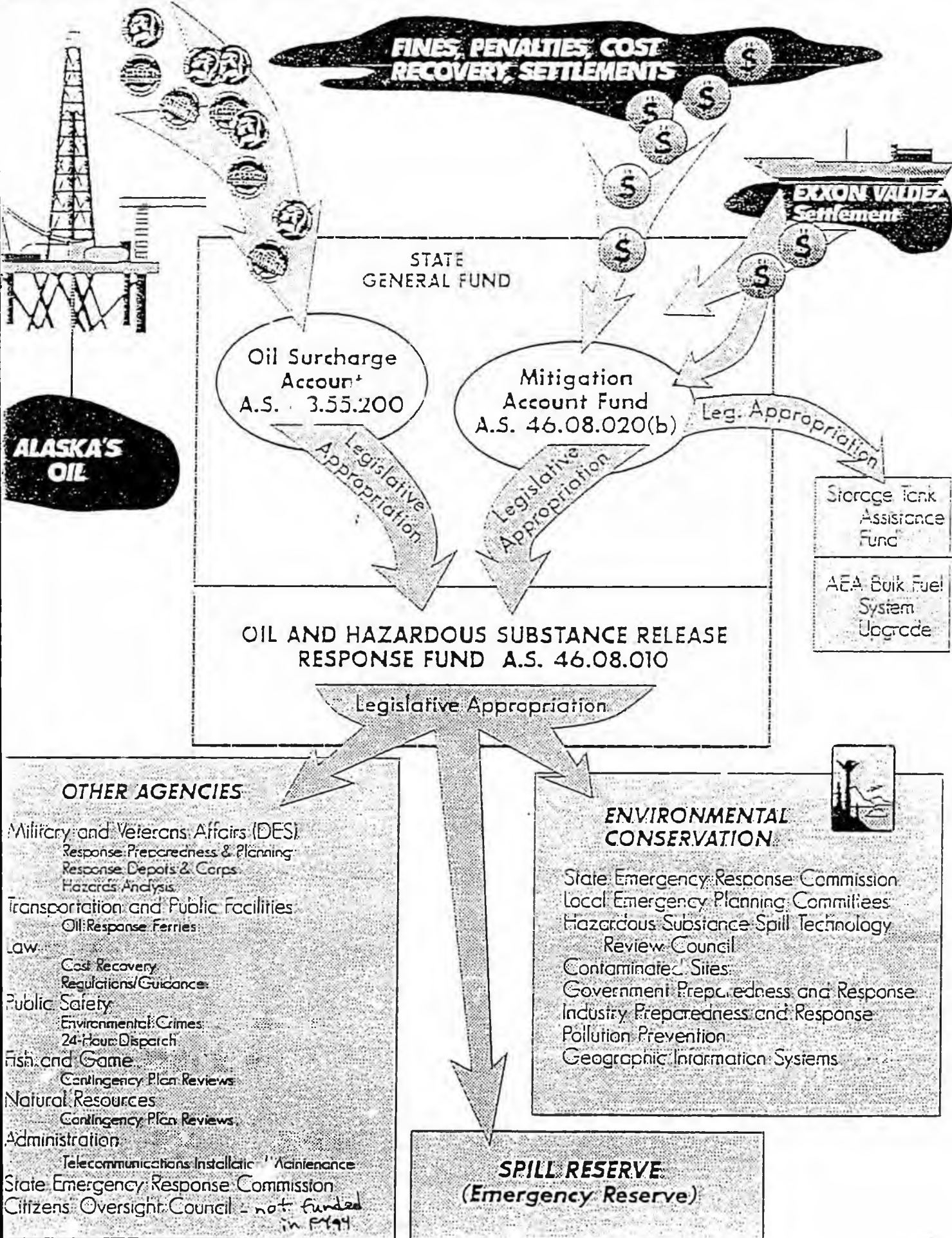
Please send to Senator Pearce, Co-chair Senate Finance Committee, State Capitol, Juneau, AK 99801-1182

**Petition for Protecting the Oil and Hazardous Substance  
Release Response Fund (470 Fund)**

We the undersigned oppose any legislation that reduces funding for oil and hazardous substance spill prevention and response programs funded by the 470 Fund.

<u>Name</u>	<u>Signature</u>	<u>Address</u>	<u>Phone</u>
Pete Mickelson	<i>Pete Mickelson</i>	Box 225, Cordova	424-5111
Don Strickland	<i>Don Strickland</i>	Box 9304-D Palmer AK	745-1260
Tim Kennedy	<i>Tim Kennedy</i>	Box 299 Cordova	424-3604
SHEFLY N. MULTIS	<i>SHEFLY N. MULTIS</i>	30913th, Cordova	424-3664
STEVE L. COBB	<i>STEVE L. COBB</i>	Box 398, Cordova	424-7601
Heidi BABIC	<i>Heidi Babic</i>	Box 1208 Cordova	424-7244
Jack Babic	<i>Jack Babic</i>	1208 CDJ	424-7244
Robert Korchnik	<i>Robert J Korchnik</i>	1126 CDU	424-7178
TRICIA N CARON	<i>TRICIA N CARON</i>	Box 1202 Homer, AK	235-555
Mike Gundlach	<i>Mike Gundlach</i>	Box 1236 CDU	424-8971
Cindy Anletor	<i>Cindy Anletor</i>	Box 1795 CDU	-7597
Heather McCarty	<i>Heather McCarty</i>	Box 2368 CDU	7785
Tony Houser	<i>Tony Houser</i>	Box 1034	7387
Elene T. J. Jorland Jr	<i>Elene T. J. Jorland Jr</i>	P.O. 460 Cordova	5790

Please send to Senator Pearce, Co-chair Senate Finance Committee, State Capitol, Juneau, AK 99801-1182



REFLECTS CURRENT LAW



Regional Citizens' Advisory Council / 750 W. 2nd Ave., Suite 100 / Anchorage, Alaska 99501-2168 / (907) 277-7222 / FAX (907) 277-4523

*"Citizens promoting environmentally safe operation of the Alyeska terminal and associated tankers."*

April 27, 1994

Honorable Members of the House State Affairs Committee  
Room 102  
State Capitol (MS 3100)  
Juneau, Alaska 99801-1182

Re: Senate Bill 215

Dear Honorable Members of the House State Affairs Committee:

The Prince William Sound Regional Citizens' Advisory Council (RCAC) was created by the U.S. Congress under the Oil Pollution Act of 1990. The RCAC has 15 members representing municipalities, commercial fishing groups, Alaska Native interests and environmental and business organizations. RCAC's mission is "citizens promoting the environmentally safe operation of the Alyeska Pipeline Service Company terminal and associated tankers."

For over a year, RCAC has made a good faith effort and actively worked with the legislature on Senate Bill 215 and its companion, House Bill 238. We worked closely with the Senate Finance Committee to develop a committee substitute for SB 215 that would provide Alaska with a functioning oil and hazardous substances response program and, hopefully, a viable spill prevention program. Despite improvements to the bill made in the Senate Finance Committee, serious problems still remain. I would like to briefly describe these problems.

**New or unchanged problems in SB 215:**

- The Senate Finance Committee substitute authorizes use of the prevention account for underground storage tank grants [AS 46.08.040(a)(2)(H)]. **This is a new use of the response fund. The current backlog of grants requests totals \$65 million** and the application period, which was to sunset this fiscal year, is likely to be extended. Approximately \$5 million has been spent annually on this program; the source of funding for the past two years was primarily mitigation account proceeds. The problem with this new use of the prevention account is that 1) the 3-cent surcharge is insufficient to fund the underground storage tank grant program and maintain current spill prevention programs, 2) other sources of funds are available to underground storage tank owners, and 3) this action is inconsistent with the original stated intent of the proponents of response fund legislation---to provide greater equity in surcharge payments

April 27, 1994

Page 2

between crude and non crude operators and beneficiaries of the state response and prevention programs.

- **The entire estimated balance of the spill reserve is appropriated to the response account. This fails to recognize that the fund has always served two purposes---spill prevention and response. Given that future nickels are divided three cents for prevention and two cents for response, it makes sense that previous nickels should be divided similarly.** In addition, approximately 42 percent of the balance originating from state general funds and not surcharge payments.
- In the committee substitute, the 2-cent response surcharge is suspended until **JULIE 30, 1995** if the legislature fails to appropriate the entire balance of the spill reserve to the response account. This is an improvement over the previous Senate Resources Committee version.
- Authorization for oil and hazardous substance response depot equipment purchases specifies the Alaska Department of Military and Veteran Affairs (DMVA), Division of Emergency Services. The DEC also has authority for establishing response depots and is the more appropriate lead agency for oil and hazardous substance depots or the oil and hazardous substances component of all-hazards depots. The DMVA would be the lead agency on all-hazards depots [section 26, AS 46.08.040(a)(2)(C)(ii)].
- **Restoration costs can be paid from the prevention account as well as the response account.** Restoration is part of a continuum of clean up activities and therefore, should be paid from the response account. If restoration can be paid from the prevention account, there will always be pressure to identify clean up actions as restoration and shift these costs to the prevention account.
- The Citizens' Oversight Council on Oil and Other Hazardous Substances (COC) was established after the *Exxon Valdez* oil spill as one of the principal recommendations of the Oil Spill Commission. The Oil Spill Commission identified state and federal government and public complacency as one of the principal causes of the *Exxon Valdez* oil spill. The COC was established by the legislature in response to this recommendation. Similarly, Congress created the regional citizens' advisory councils of Cook Inlet and Prince William Sound in the Oil Pollution Act of 1990 (OPA 90) to oversee and advise on issues related to the transAlaska pipeline and marine transportation of crude oil. Both the COC and use of the response fund to pay for its operations were deleted.

We urge you in the interests of all Alaskans to remedy these serious problems before passing this bill from the House State Affairs Committee. Attached is additional information on the legislative history of the oil conservation surcharge and a review of the status of Alaska's spill response and prevention programs five

April 27, 1994  
Page 3

years after the *Exxon Valdez* oil spill. I hope these materials will be useful to your deliberations on the bill.

Sincerely,

A handwritten signature in cursive script that reads "Stan Stephens". The signature is written in dark ink and is positioned above the printed name.

Stan Stephens, President

c.c. without attachments

Governor Hickel

H.E. Stanley, RCAC, Executive Director

Gary Bader, Citizens' Group Liaison Manager, Alyeska Pipeline

Service Company

RCAC Directors

X  
(7)

Date Referred: April 27, 1994

HOUSE COMMITTEE REF RT  
FURTHER REFERRALS:

4/29/28  
Finance

Date of Committee Action: 4-28-94

The STATE AFFAIRS Committee considered:

CSSB 215(FIN) am(efd fld)

CS FOR SENATE BILL NO. 215(FIN) am(efd fld)

OIL/HAZARDOUS SUBS. RELEASE RESPONSE FUND

"An Act relating to oil and hazardous substances; redesignating the oil and hazardous substance release response fund and relating to it; repealing the Citizens' Oversight Council on Oil and Other Hazardous Substances and the authority in law by which marine highway vessels may be designed and constructed to aid in oil and hazardous substance spill cleanup in state marine water using money in the oil and hazardous substance release

(over for remainder of title)

RECOMMENDATIONS:

be replaced with HCS CSSB-215 (STR)

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) REVENUE 4/27/94

zero fiscal note \_\_\_\_\_

SENATE: RW. 4/12/94, LAW 4/13/94, PS 4/8/94  
9  zero fiscal note(s) Admin 4/12/94, DEC 4/18/94  
HOUSE: LAW, PS, Adm. DEC. 4/27/94

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Verzey</i> Verzey	X	<i>B. Davis</i> B. Davis		X	
<i>Robert Cott</i> Cott	X	<i>G. Davis</i> G. Davis		<input checked="" type="checkbox"/>	
<i>John Sanders</i> Sanders	<input checked="" type="checkbox"/>	<i>Halley Olberg</i> Olberg		<input checked="" type="checkbox"/>	
	(3)			(3)	

*Verzey* Verzey  
CHAIRMAN'S SIGNATURE

E

4/27/94

(7)  
Date Referred: April 15, 1994

HOUSE COMMITTEE REPORT  
FURTHER REFERRALS:

State Affairs  
Finance

Date of Committee Action: 4/22/94

The RESOURCES Committee considered:

CSSB 215(FIN) am(efd fld)

CS FOR SENATE BILL NO. 215(FIN) am(efd fld)

OIL/HAZARDOUS SUBS. RELEASE RESPONSE FUND

"An Act relating to oil and hazardous substances; redesignating the oil and hazardous substance release response fund and relating to it; repealing the Citizens' Oversight Council on Oil and Other Hazardous Substances and the authority in law by which marine highway vessels may be designed and constructed to aid in oil and hazardous substance spill cleanup in state marine water using money in the oil and hazardous substance release (over for remainder of title)

RECOMMENDATIONS:

be replaced with HCS CSSB 215 (Res)  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 Revenue

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

zero fiscal note Pub. Safety, Law, DEC, Admin.

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

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Bill Hudson</i> Hudson	<input checked="" type="checkbox"/>	<i>Pat Carney</i> Carney	<input checked="" type="checkbox"/>		
<i>Jim Sunde</i> Sunde	<input checked="" type="checkbox"/>	<i>Green</i> Green			<input checked="" type="checkbox"/>
<i>Bob Mulder</i> Mulder	<input checked="" type="checkbox"/>	<i>Davies</i> Davies			<input checked="" type="checkbox"/>
<del>_____</del>		<i>David Finkelstein</i> Finkelstein	<input checked="" type="checkbox"/>		
<i>W.R. Williams</i> Williams	<input checked="" type="checkbox"/>				
<i>Janette James</i> James	<input checked="" type="checkbox"/>				
	(5)		(2)		(2)

*W.R. Williams* Williams  
CHAIRMAN'S SIGNATURE

Kristin L. Stahl-Johnson  
 Regional Citizens' Advisory Council  
 City of Kodiak Representative  
 P.O. Box 2661  
 Kodiak, AK 99615

Phone: (907) 486-4684  
 Fax: (907) 486-7651

April 29, 1994

Representative Eileen MacLean  
 Representative Ron Larson  
 Co-Chairs  
 House Finance Committee  
 Alaska State Capitol  
 Juneau, AK 99801-1182

Dear Representatives MacLean and Larson,

Enclosed you will find 172 signatures to a petition opposing reduction in funding for oil and hazardous substance spill prevention and response programs funded by the "470 Fund".

These signatures were collected over the last 36 hours in a final, and hopefully not futile attempt to get the Legislature's attention. There will likely be more collected over the weekend. The experiences of the *Exxon Valdez* spill have not been forgotten in Kodiak although few outside our region recognize or understand the impact that it had on our lives.

Kodiak is the most logical place to develop the response depot and corp concept enacted by the Legislature in 1990. We have a large, diverse and experienced fleet and the infrastructure to support it. All we need is training and equipment and a comprehensive approach to technological disaster planning that is cost-effective and rational.

The first Nearshore Strike Team equipment package that ADEC ran through sea trials in Seldovia two weeks ago is the key to rational planning in Kodiak which will allow local knowledge and expertise to respond to spills in our own "backyard". The curtailment of funds available for ADEC's prevention and preparedness programs severely jeopardizes this potential for Kodiak.

As a fishery biologist I am compelled to remind you of the strategic importance of the marine habitat surrounding the Kodiak Archipelago. The health of the marine ecosystems around Kodiak is critical to the health and vitality of living marine resources for the entire Gulf of Alaska. Please be cognizant of your stewardship responsibilities as you consider SB215.

Sincerely,



**Petition for Protecting the Oil and Hazardous Substance  
Release Response Fund (470 Fund)**

We the undersigned oppose any legislation that reduces funding for oil and hazardous substance spill prevention and response programs funded by the 470 Fund.

Name                      Signature                      Address                      Phone

Kathy Cole    Kathy Cole    Box 2498 Kodiak  
Lynne Delain    Lynne Delain    Box 175 - Kodiak 6-3575  
~~Kathy Treisman    Kathy Treisman    Box 8194 Kodiak~~  
Michael Wilken    Michael Wilken    F/11 Pacific Mist 1718 Sel. eF Kodiak  
Sonni Tschetter    Sonni Tschetter    Box 3252 Kodiak  
Seldon Nelson    Seldon Nelson    Box 3252 Kodiak

486-636

**Petition for Protecting the Oil and Hazardous Substance  
Release Response Fund (470 Fund)**

We the undersigned oppose any legislation that reduces funding for oil and hazardous substance spill prevention and response programs funded by the 470 Fund.

Name                      Signature                      Address                      Phone

Sally Trovell    Sally Trovell    Box 3570 Kodiak    487-4968  
Lester Zelost    Lester Zelost    PO 690    486-6325  
Jim Smeeth    Jim Smeeth    11086 Ujala Kodiak    487-2181