

SCOMM

62:26

STATE OF ALASKA BILL VERSION: CS SJR 83 (O&G)
1990 LEGISLATIVE SESSION PUBLISH DATE: 4/17/90

FISCAL NOTE

REQUEST: _____

REVISION DATE: _____ AGENCY: NONE
TITLE: _____ BRU: _____

SPONSOR: Senate Special Cmt. O & G COMPONENTS: _____
REQUESTOR: _____

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERS. SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND/BUILD.						
GRANTS/CLAIMS						
MISCELLANEOUS						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (THOUSANDS OF DOLLARS)

GENERAL FUNDS						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS:

PREPARED BY: Senate Special Committee on Oil & Gas

DATE: 4/10/90

PHONE NO.: 465-4993

Original sponsor(s): Rules/Senate Special Committee on Oil & Gas

1 IN THE SENATE

BY THE SENATE SPECIAL COMMITTEE ON OIL & GAS

2 CS FOR SENATE JOINT RESOLUTION NO. 83 (Oil & Gas)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 Supporting certain recommendations for
6 federal action that are derived from the
7 recommendations of the oil spill commis-
8 sion and making additional recommenda-
9 tions.

10 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 WHEREAS in the aftermath of the Exxon Valdez oil spill disaster in
12 Prince William Sound, Alaska, on March 24, 1989, the Alaska State Legisla-
13 ture created the Exxon Valdez Oil Spill Commission to gather information on
14 the oil spill and to review and make recommendations on

15 (1) the containment and cleanup actions that were taken or not
16 taken after the discharge, the extent to which current technology was
17 available and used, and ways to improve oil spill response technology and
18 procedures;

19 (2) steps that should be taken by all levels of government and
20 by the oil industry to ensure proper management, handling, and transporta-
21 tion of crude and refined oil and to improve the statewide ability of
22 industry and governmental agencies to respond to oil discharges; and

23 (3) the extent to which oil industry practices and governmental
24 practices or laws should be changed to minimize the potential for future
25 events similar to the grounding of the Exxon Valdez; and

26 WHEREAS the Exxon Valdez Oil Spill Commission consisted of seven
27 distinguished members from both inside and outside the state with broad
28 experience and expertise in oil spill related matters, including a profes-
29 sor emeritus in engineering, public affairs, and social management of

1 technology at the University of Washington, and an advisor on oil spill
2 dispersants, waste disposal, and oil spill effects on fisheries; and

3 WHEREAS the commission submitted its final report to the governor and
4 the legislature in February 1990; and

5 WHEREAS the legislature supports certain major components of the
6 report and certain additional recommendations;

7 BE IT RESOLVED that the Alaska State Legislature strongly supports the
8 following recommendations for federal action that are derived from the
9 Exxon Valdez Oil Spill Commission's recommendations:

10 (1) state laws protecting the environment from oil spills should
11 be applied to foreign flag vessels equally with other vessels engaged in
12 the transportation of oil (Recommendation 5);

13 (2) the nation and the state need a private oil transportation
14 system with management that is committed to environmental safety (Recommen-
15 dation 6);

16 (3) every company responsible for the shipment of oil through
17 the United States should identify a full-time environmental safety officer
18 empowered to take recommendations to the highest level of the company (from
19 Recommendation 8);

20 (4) the Congress should grant the authority to require and
21 enforce prevention and response regimes on vessels trading in Alaska or
22 adjacent waters if federal prevention regimes are found to be inadequate
23 (from Recommendation 17);

24 (5) mandatory traffic control systems should be installed and
25 operated by the federal government in due course in Cook Inlet, Prince
26 William Sound, and all other waters of the United States where an equiva-
27 lent or greater risk occurs (from Recommendation 29);

28 (6) the U.S. Coast Guard must ensure that crew levels on tank
29 ships are established to reflect manning needs under emergency conditions,

1 not just normal operating circumstances, and must reflect the need to avoid
2 fatigue and overtime among those with responsibility for safe navigation
3 (from Recommendation 30);

4 (7) the mission of the United States Coast Guard to protect the
5 safety of navigation should be defined specifically to include the safe
6 transportation of oil by sea; sufficient funding, resources, and institu-
7 tional support should be given to ensure the strengthening of this purpose
8 (Recommendation 31);

9 (8) the Congress should revisit the antitrust exemption granted
10 to marine industrial insurance to require that premiums reflect design and
11 operational considerations in accident prevention and pollution abatement
12 (Recommendation 32);

13 (9) the Congress should require corporations transporting oil or
14 hazardous substances to file environmental safety reports as part of their
15 Form 10-K Securities and Exchange Commission filing under 17 C.F.R.
16 249.310; these corporations also should include a separate environmental
17 report card in their annual reports to shareholders (Recommendation 33);

18 (10) the United States should pursue an aggressive policy in
19 bilateral and international regulatory forums to demand safety improve-
20 ments; the practice of deferring to international transportation safety
21 standards in United States waters should cease; environmental regimes
22 established by the state or the federal government should apply to tanker
23 or barge traffic under any flag in United States waters (Recommendation
24 34);

25 (11) tanker lanes should be established to keep tankers and fuel
26 barges in the Gulf of Alaska and North Pacific trade at least 100 miles
27 offshore (Recommendation 35);

28 (12) a system of tracking large vessels in the North Pacific
29 should be developed and should apply internationally (from Recommendation

1 36);

2 (13) the Congress should ask the President of the United States
3 to require the administrator of the Environmental Protection Agency and the
4 secretaries of the United States Departments of Transportation and Commerce
5 to issue a special report on the safety of oil transportation by sea;
6 annually afterwards, the Office of Science and Technology Policy or the
7 Council on Environmental Quality should report on progress made by all
8 parties, close encounters, and accidents during the year, and emerging
9 issues in the field (Recommendation 37);

10 (14) a spiller should be obligated to respond with all the re-
11 sources it can summon, but government should command that response (from
12 Recommendation 38);

13 (15) the Congress should strengthen and fully fund and staff the
14 United States Coast Guard's oil spill prevention and response capability
15 (from Recommendation 39);

16 (16) when the federal government maintains authority over a
17 spill, the scheme for direction and command should permit full cooperation
18 with state authorities (from Recommendation 42);

19 (17) the United States, the State of Alaska, and Canada should
20 establish cooperative research programs to develop and disseminate knowl-
21 edge on oil spill prevention and response (Recommendation 56);

22 (18) authorities responsible for testing and approval of response
23 technologies such as dispersants, coagulants, burning, and bioremediation
24 should evaluate and decide whether to preapprove these technologies in the
25 immediate future (from Recommendation 58); and

26 (19) the West Coast states should create a training center using
27 simulators to advance the knowledge of masters, mates, pilots, and ship-
28 board bridge crews in the operations of very large vessels in West Coast
29 ports (Recommendation 59); and be it

1 FURTHER RESOLVED that the Alaska State Legislature urges the President
2 of the United States to direct the Environmental Protection Agency to make
3 oil spill prevention and response a matter of priority within the agency;
4 and be it

5 FURTHER RESOLVED that the Alaska State Legislature urges the Congress
6 to enact legislation that would prevent former employees of the United
7 States Coast Guard from working for the tanker industry for at least one
8 year after terminating their employment with the United States Coast Guard.

9 COPIES of this resolution shall be sent to the Honorable George Bush,
10 President of the United States; to the Honorable Dan Quayle, Vice-President
11 of the United States and President of the U.S. Senate; the Honorable Thomas
12 S. Foley, Speaker of the U.S. House of Representatives; the Honorable
13 George J. Mitchell, Majority Leader of the U.S. Senate; the Honorable
14 Richard A. Gephardt, Majority Leader of the U.S. House of Representatives;
15 the Honorable Bob Dole, Minority Leader of the U.S. Senate; the Honorable
16 Robert H. Michel, Minority Leader of the U.S. House of Representatives; the
17 Honorable Robert A. Mosbacher, Sr., Secretary of the U.S. Department of
18 Commerce; the Honorable Samuel K. Skinner, Secretary of the U.S. Department
19 of Transportation; the Honorable George Deukmejian, Governor of California;
20 the Honorable William K. Reilly, Administrator of the Environmental Pro-
21 tection Agency; Admiral Paul A. Yost, Jr., Commandant of the U.S. Coast
22 Guard; Lieutenant General Henry J. Hatch, Commander of the U.S. Army Corps
23 of Engineers; the Honorable Michael R. Deland, Chairman of the Council on
24 Environmental Quality; the Honorable D. Allan Bromley, Director of the
25 Office of Science and Technical Policy; and the Honorable Ted Stevens and
26 the Honorable Frank Murkowski, U.S. Senators, the Honorable Don Young, U.S.
27 Representative, members of the Alaska delegation in Congress.

6-2369E
Bannister
4/6/90

Original sponsor(s): Rules/Senate Special Committee on Oil & Gas

1 IN THE SENATE BY THE SENATE SPECIAL COMMITTEE ON OIL & GAS
2 CS FOR SENATE JOINT RESOLUTION NO. 83 (Oil & Gas)
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4 SIXTEENTH LEGISLATURE - SECOND SESSION

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15 (1) the containment and cleanup actions that were taken or not
16 taken after the discharge, the extent to which current technology was
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18 procedures;

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20 by the oil industry to ensure proper management, handling, and transporta-
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22 industry and governmental agencies to respond to oil discharges; and

23 (3) the extent to which oil industry practices and governmental
24 practices or laws should be changed to minimize the potential for future
25 events similar to the grounding of the Exxon Valdez; and

26 WHEREAS the Exxon Valdez Oil Spill Commission consisted of seven
27 distinguished members from both inside and outside the state with broad
28 experience and expertise in oil spill related matters, including a profes-
29 sor emeritus in engineering, public affairs, and social management of

1 technology at the University of Washington, and an advisor on oil spill
2 dispersants, waste disposal, and oil spill effects on fisheries; and

3 WHEREAS the commission submitted its final report to the governor and
4 the legislature in February 1990; and

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8 following recommendations for federal action that are derived from the
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11 be applied to foreign flag vessels equally with other vessels engaged in
12 the transportation of oil (Recommendation 5);

13 (2) the nation and the state need a private oil transportation
14 system with management that is committed to environmental safety (Recommen-
15 dation 6);

16 (3) every company responsible for the shipment of oil through
17 the United States should identify a full-time environmental safety officer
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19 Recommendation 8);

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21 enforce prevention and response regimes on vessels trading in Alaska or
22 adjacent waters if federal prevention regimes are found to be inadequate
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25 operated by the federal government in due course in Cook Inlet, Prince
26 William Sound, and all other waters of the United States where an equiva-
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28 (6) the U.S. Coast Guard must ensure that crew levels on tank
29 ships are established to reflect manning needs under emergency conditions,

1 not just normal operating circumstances, and must reflect the need to avoid
2 fatigue and overtime among those with responsibility for safe navigation
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5 safety of navigation should be defined specifically to include the safe
6 transportation of oil by sea; sufficient funding, resources, and institu-
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10 to marine industrial insurance to require that premiums reflect design and
11 operational considerations in accident prevention and pollution abatement
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15 Form 10-K Securities and Exchange Commission filing under 17 C.F.R.
16 249.310; these corporations also should include a separate environmental
17 report card in their annual reports to shareholders (Recommendation 33);

18 (10) the United States should pursue an aggressive policy in
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20 ments; the practice of deferring to international transportation safety
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26 barges in the Gulf of Alaska and North Pacific trade at least 100 miles
27 offshore (Recommendation 35);

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29 should be developed and should apply internationally (from Recommendation

36);

(13) the Congress should ask the President of the United States to require the administrator of the Environmental Protection Agency and the secretaries of the United States Departments of Transportation and Commerce to issue a special report on the safety of oil transportation by sea; annually afterwards, the Office of Science and Technology Policy or the Council on Environmental Quality should report on progress made by all parties, close encounters, and accidents during the year, and emerging issues in the field (Recommendation 37);

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2 of the United States to direct the Environmental Protection Agency to make
3 oil spill prevention and response a matter of priority within the agency;
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25 Office of Science and Technical Policy; and the Honorable Ted Stevens and
26 the Honorable Frank Murkowski, U.S. Senators, the Honorable Don Young, U.S.
27 Representative, members of the Alaska delegation in Congress.

BY THE RULES COMMITTEE BY REQUEST OF THE SENATE SPECIAL COMMITTEE ON OIL & GAS

1 IN THE SENATE

2 SENATE JOINT RESOLUTION NO. 83
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - SECOND SESSION

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18 by the oil industry to ensure proper management, handling, and transporta-
19 tion of crude and refined oil and to improve the statewide ability of
20 industry and governmental agencies to respond to oil discharges;

21 (3) the extent to which oil industry practices and governmental
22 practices or laws should be changed to minimize the potential for future
23 events similar to the grounding of the Exxon Valdez; and

24 (4) legislative proposals to encourage and fund prevention
25 response, cleanup, and mitigation of all future discharges of oil; and

26 WHEREAS the Exxon Valdez Oil Spill Commission consisted of several
27 distinguished members from both inside and outside the state with broad
28 experience and expertise in oil spill related matters, including a profes-
29 sor emeritus in engineering, public affairs, and social management of

1 technology at the University of Washington, and an advisor on oil spi
2 dispersants, waste disposal, and oil spill effects on fisheries; and

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10 be applied to foreign flag vessels equally with other vessels engaged
11 the transportation of oil;

12 (2) the nation and the state need a private oil transportati
13 system with management that is committed to environmental safety;

14 (3) every company shipping oil through the United States shou
15 identify a full-time environmental safety officer empowered to take rec
16 ommendations to the highest level of the company;

17 (4) the state should adopt stringent standards regulating th
18 transportation of oil in its own waters without fear of federal preemptio

19 (5) to the extent it does not already have the authority, th
20 state should seek from the Congress the authority to require and enforc
21 prevention and response regimes on vessels trading in Alaska or adjacer
22 waters;

23 (6) mandatory traffic control systems should be installed in du
24 course in Cook Inlet, Prince William Sound, and all waters of the Unite
25 States where an equivalent or greater risk occurs;

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27 manning needs under emergency conditions, not just normal operating circum
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29 those with responsibility for safe navigation;

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6 to marine industrial insurance to require that premiums reflect design and
7 operational considerations in accident prevention and pollution abatement;

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10 Form 10-K Securities and Exchange Commission filing under 17 C.F.R.
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18 or barge traffic under any flag in United States waters;

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20 barges in the Gulf of Alaska and North Pacific trade at least 100 miles
21 offshore;

22 (13) a system of tracking large vessels in the North Pacific
23 should be developed;

24 (14) the Congress should ask the President of the United States
25 to require the administrator of the Environmental Protection Agency and the
26 secretaries of the United States departments of transportation and commerce
27 to issue a special report on the safety of oil transportation by sea;
28 annually afterwards, the Office of Science and Technology Policy or the
29 Council on Environmental Quality should report on progress made by all

1 parties, close encounters, and accidents during the year, and emergin
2 issues in the field;

3 (15) the spiller should not be in charge of response to a majo
4 spill; a spiller should be obligated to respond with all the resources i
5 can summon, but government should command that response;

6 (16) the Congress should either strengthen the United State
7 Coast Guard's oil spill response capability or transfer oil spill contain
8 ment and cleanup responsibilities to the United States Army Corps of Engi
9 neers;

10 (17) the state should empower itself to take over direction o
11 the response to any spill in Alaska waters;

12 (18) even when the federal government maintains authority over
13 spill, the scheme for direction and command should permit full cooperatio
14 with state authorities;

15 (19) the United States, the State of Alaska, and Canada shoul
16 establish cooperative research programs to develop and disseminate knowl
17 edge on oil spill prevention and response;

18 (20) authorities responsible for testing and approval of respons
19 technologies such as dispersants, coagulants, burning, and bioremediatio
20 should evaluate and decide whether to preapprove these technologies mor
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22 (21) the West Coast states should create a training center usin
23 simulators to advance the knowledge of masters, mates, pilots, and ship
24 board bridge crews in the operations of very large vessels in West Coas
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21 Office of Science and Technical Policy; and the Honorable Ted Stevens and
22 the Honorable Frank Murkowski, U.S. Senators, the Honorable Don Young, U.S.
23 Representative, members of the Alaska delegation in Congress.

Statement of Jerry Aspland
President, ARCO Marine, Inc.
on SJR 83
March 27, 1990

Madam Chairman and members of the Senate Special Committee on Oil & Gas.

ARCO Marine appreciates the opportunity to offer comments on SJR 83. We commend the Exxon Valdez Oil Spill Commission for the work they did and the efforts of this committee to implement the commission's report.

We support SJR 83. Many of the recommendations are already being implemented by ARCO. With respect to specific recommendations:

- (1) We strongly support the recommendation that State laws be applied to foreign flag vessels along with U.S. vessels engaged in the transportation of oil.
- (8) We also strongly support increased funding of the Coast Guard and expanding the role of the Coast Guard in spill prevention and clean up.
- (9) ARCO Marine also agrees that insurance premiums should reflect design and operational considerations in accident prevention and pollution abatement.
- (12) We agree that tanker lanes should be established in the Gulf of Alaska and the North Pacific to keep tankers and fuel barges 100 miles offshore, where feasible. ARCO Marine is already doing that.

- (16) We believe Congress should strengthen the Coast Guard's oil spill response capability and should fully fund them.
- (18) We strongly support the need for cooperation between the State and Federal authorities.
- (19) We also endorse proposals to establish mutli-jurisdictional cooperative research programs and the sharing of that information.
- (20) We believe that agencies responsible for testing and approval of response technologies must decide in advance whether to preapprove their use.

We offer these suggested changes to the following numbered resolutions:

- (4) We support federal preemption; however, the state may wish to supplement federal regulation when they deem necessary. Any state regulations governing vessel movements should apply directly to the vessel and not through the oil terminal.
- (6) We support mandatory participation in federally controlled vessel traffic systems.
- (7) The Coast Guard currently has the authority to establish crew levels on tank ships, and we support the Coast Guard maintaining that authority.
- (11) The U.S. Government should be urged to ratify international conventions which provide additional levels of protection.
- (13) We would point out that to be effective, a vessel tracking system in the North Pacific would have to apply internationally to all vessels.

- (15) We believe the Coast Guard is the appropriate authority to be in charge of response to a major spill. We concur that the spiller should be obligated to respond with all the resources it can summon.
- (16) We believe that the Coast Guard is the appropriate federal agency to be responsible for oil spill response and not the Army Corp of Engineers.
- (17) We believe that the federal government should maintain direct responsibility over a spill, working in cooperation with appropriate state agencies.

Prevention is the key to avoiding oil spills. The Valdez Oil Spill Commission report highlights many of the ways the marine transportation system can be improved. ARCO Marine stands ready to assist your Committee in that endeavor.