

SCOMM

93:10

file HB 276

March 4, 1994

Representative Joe Green
Chairman, Oil & Gas Committee

Dear Joe,

After hearing the testimony via tele-conference on March 3, 1994, from the Commissioner of the DEC, I am convinced more than ever that HB 276 should become law.

The Commissioner stated that a fisherman might cheat by pouring oil on a net, yet at the same time he said he didn't understand why the DEC couldn't trace the origin of the oil. I wondered about this since 1988. Could there ever be a dishonest person in the DEC or the Coast Guard for the benefit of oil related people?

The person or persons who spilled the oil committed a crime a hundred times worse than what the Commissioner claimed a fisherman might do. Not only did the person or persons do damage to several fishermen on Kalgin Island, but they damaged the environment.

I ask you, should we close our banks and do nothing if a banker has easy access and steals money? I feel this is a just comparison that the Commissioner has related to us. He said that it would be too easy for the fishermen to cheat. I would like to remind you that cheating can be done, and is, in all facets of life. Please vote for HB276.

Thank you,

Jim Hermon

James S. Hermon
P.O. Box 451
Palmer, AK 99645

**House Oil & Gas Committee
HB 276
March 3, 1994**

Mr. Chairman, members of the Committee:

My name is Beverly Ward, I'm director of Government Relations for ARCO Alaska, Inc.

Thank you for the opportunity to comment on HB 276.

It will probably come as no surprise that ARCO is opposed to expanding the uses for which the oil and hazardous substances spill response fund can be used.

The spill response fund is primarily funded by a tax on crude oil production, a tax that currently generates about \$26 million per year. The industry has paid over \$112 million into the fund to date.

One of the reasons the spill response fund has never been able to reach the \$50 million cap, and thus have the surcharge suspended, is that additional uses of the fund have been authorized by previous legislatures. While some of these uses are clearly appropriate, other uses are more questionable.

For more than a year the Legislature, the Administration, the oil industry and the public have been dealing with legislation which would rein in the spending from this fund and allow the \$50 million cap to be achieved. HB 276 would be inconsistent with those efforts.

In a time of declining state revenues this fund is becoming a target for more and more spending.

New ferries for the marine highway system, new drinking water wells in the Bush, leaking underground storage tank clean up: all of these needs are real. But, where does it all stop? It should stop with HB 276.

We urge you to not pass HB 276. We urge you not to expand the uses of the fund.

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. HB 276

Revision Date: _____
Title: Expanding the use of the OHSRRF
Sponsor: Larson by Request
Requestor: House Oil and Gas Committee

Department Affected: Environmental Conservation
BRU: Spill Prevention and Response
Component: Government Preparedness & Response

COMPONENT SERIAL NO. _____

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	*					

CAPITAL	*					
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REVENUE						
FUND SOURCE:						

FUNDING:

1002 FEDERAL RECEIPTS						
1003 GF MATCH						
1004 GF						
1005 GF/PROGRAM RECPT						
1006 GF/MHTIA						
OTHER	*					
TOTAL						

POSITIONS:

FULL-TIME	*					
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: \$

ANALYSIS: (Attach a separate page if necessary.)

*It is impossible to determine with any accuracy the fiscal impact since the department has no current information on how often commercial fishing gear is fouled by a release, or what would constitute a reasonable average cost for replacement.

Prepared by: Bob Poe, Director
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Phone: 465-5010
Date: 2/24/94

Approved by Commissioner: [Signature]
Agency: Department of Environmental Conservation

Date: 2/24/94

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