

590

SRES

HCR

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HCR

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35

1. Article 1.13 is hereby amended by adding the following sentence at the end of Article 1.13:

"Total Project Costs shall not include any amounts paid for the purchase of crude oil."

2. Article I is hereby further amended by the addition of Article 1.14 which reads as follows:

"1.14 The terms "committed to be expended" as used in Article 1.13 and "commit to expend" as used in Article 10.2 shall mean contractually binding agreements, contracts and purchase orders."

3. Article 2.2 is hereby amended by the addition of a sentence at the end of such Article 2.2 as follows:

"Notwithstanding any other provision of this Article 2.2 Buyer shall not be entitled to receive delivery of any royalty crude oil hereunder until (a) Buyer has actually expended at least \$100 million in Total Project Costs, and (b) at least twenty-five (25) months have passed since the Effective Date."

4. Article II is further amended by the addition of a new Article 2.7, to read as follows:

"2.7 Reduction of Quantity of Oil Deliverable to Buyer. Notwithstanding any provision of Article II requiring Seller to deliver to Buyer quantities of crude oil up to 150,000 barrels per day, in the event six years after the Effective Date the

capacity of the Petrochemical Facility is less than 150,000 barrels per day, the maximum quantities deliverable by Seller for the remaining term of this Agreement shall be reduced to that quantity equal to the capacity of the Petrochemical Facility at such time. Coincident with such reduction, the figure "145,000 barrels" appearing several places in Article 2.4 shall be reduced by a like amount. For the purposes of determining capacity under this Article 2.7, the capacity of the Petrochemical Facility shall not be diminished or reduced because of temporary reductions due to market conditions or shutdowns in the Petrochemical Facility, regardless of cause."

5. The first sentence of Article 4.2.1 is hereby amended and revised to read as follows:

"4.2.1 Construction Obligations. In consideration of the obligations assumed by each party herein, Buyer will proceed with reasonable diligence to design, construct, start up and thereafter initiate operation of a petrochemical manufacturing and fuels refining facility in the State of Alaska with capacity to process at least 150,000 barrels of crude oil per day."

IN WITNESS WHEREOF, the Seller has caused this Agreement to be executed by its Commissioner of Natural Resources and the Buyer has caused this Agreement to be executed by its

Chairman of the Board, thereunto duly authorized by its Board of Directors in accordance with the certified seal, duly attested, to be affixed hereto, as of the day and year first above written.

THE STATE OF ALASKA

ATTEST:

Fredrick H. Boness

BY: Robert E. Pesche  
Commissioner, Department  
of Natural Resources

"SELLER"

APPROVED AS TO FORM:

Quentin J. Green

ALASKA PETROCHEMICAL COMPANY

ATTEST:

William McLaughlin

BY: O. Charles Honig  
Chairman of the Board

"BUYER"



HCR

130

COMMITTEE REPORT

SENATE

5/26/78

FURTHER: FINANCE

Date: 5/24/78

Mr. President:

The Committee on RESOURCES has had HCR 130  
sale of royalty oil to Earth Resources Company of Alaska

under consideration and (a majority of the committee) (the committee reports it back as follows)

- recommends it do pass                      ( ) recommends it do not pass
- ( ) recommends it do pass with attached amendment(s)
- ( ) recommends it be replaced with CS for \_\_\_\_\_

and \_\_\_\_\_ ( ) new title              ( ) same title

- ( ) AND attaches a Letter of Intent              ( ) New Fiscal Note
- ( ) reports it back without recommendation
- ( ) and recommends it be referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

[Signature]  
[Signature]  
[Signature]  
[Signature]  
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[Signature]  
 Chairman

# STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

## DEPARTMENT OF NATURAL RESOURCES

### OFFICE OF THE COMMISSIONER

11TH FLOOR STATE OFFICE BLDG.  
FOURTH ST. - JESSIE SMITH

May 17, 1978

Mr. L. F. DeLong  
North Pole Refining  
P. O. Box 5028  
North Pole, Alaska 99705

RECEIVED  
MAY 18 1978  
NORTH POLE REFINING  
11:00 am

Dear Mr. DeLong:

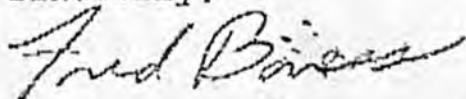
During Legislative hearings on the contract between the State and Earth Resources Company of Alaska a question was raised concerning the relationship between North Pole's right to take royalty oil from lessees other than Frudhoe Bay and the similar provision in the Alpetco contract. I responded that there was no conflict because North Pole's right was only to unobligated oil. However, upon reviewing the executed draft of the Agreement I noted that such language was missing from Article 2.1.2.

I, therefore, checked earlier drafts of the Agreement. In the March 16, 1978, draft the words "if such oil is available and unobligated." Conclude the first sentence of Article 2.1.2. These words are dropped in the March 27, 1978, draft, however, my working copy of that draft contains a penned notation that those words are missing and should be added.

I have discussed this omission with Mr. Silides and he concurs with me that the omission is an oversight which occurred during preparation of the final copy for execution. The final executed contract therefore should contain the words "if such oil is available and unobligated." at the end of the first sentence in Article 2.1.2.

In order to affirm this correction, I am asking that you sign this letter and return it to me.

Sincerely,



Frederick H. Boness  
Deputy Commissioner

I concur that Article 2.1.2 should contain the inclusion discussed in this letter.

AGO 785723 +

# GEORGE C. SILIDES, ENGINEERING ASSOCIATES

P. O. BOX 746 — FAIRBANKS, ALASKA 99707

CONSULTING ENGINEERS      PLANNERS      SURVEYORS

Mr. L.F. DeLong, President  
North Pole Refinery  
Post Office Box 5028  
North Pole, Alaska 99705

May 19, 1978

Dear Mr. DeLong,

Reference is made to Deputy Commissioner Fred Boness' letter to you dated May 17, 1978 regarding an omission in the final draft of the North Pole Refinery - State of Alaska Agreement for the purchase of royalty oil.

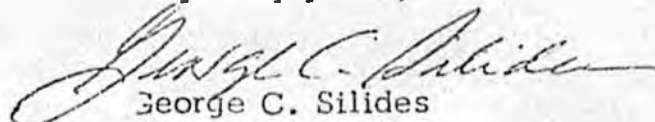
He is correct in saying that the words "if such oil is available and unobligated" were in the March 16, 1978 draft which was approved by both parties for presentation to the Royalty Oil Board on that date.

The request for reinsertion of the words is technically in order since their omission was inadvertent. As a practical matter, NPR obviously cannot nominate oil the State does not have, nor is there anything in your Agreement that interferes with the State's right to sell oil from the other leases for in-state use to other refiners. This is in contrast to the ALPETCO contract which dedicates oil to their exclusive use.

The basis of your Agreement is in-state use, and the recent actions of the Legislature confirms their total support to this concept. Obviously, you cannot object to the sale of royalty oil to others for in-state use. But it is a certainty, however, that you would invoke all of the elements of AS 38.05.183 if royalty oil were in any way being exported during a need for that oil to satisfy the local product market need.

Therefore, since the chance opportunity has been given to both parties to fully clarify the situation, I recommend that the correction should read "if such oil is available and unobligated to in-state use", and that Mr. Boness' letter be redrafted to reflect the added clarifying clause.

Very truly yours,

  
George C. Silides

CC:

Mr. Frederick Boness  
Deputy Commissioner, Dept. of Nat. Resources

AGO 785724

MEMORANDUM

TO: Senator Mike Colletta May 15, 1978

FROM: George C. Silides, P.E.

SUBJECT: Summary -- Salient features of North Pole Refinery  
Royalty Oil contract.

1. The crude oil is to provide an assured supply to an existing facility serving the Fairbanks North Star Borough and Interior Alaska.
2. Any and all royalty oil purchased under this Agreement shall be processed at Purchaser's refinery at North Pole, Alaska.
3. Purchaser is obligated to buy a minimum of 5000 barrels/day.
4. Maximum quantity may not exceed 35,000 barrels/day from all sources combined.
5. Chief source of supply is the leases of the present Prudhoe Bay Unit Agreement (Exhibit "A").
6. If the present leases cannot supply the required volumes, North Pole Refinery may purchase royalty oil from other leases, provided that, firstly, NPR is unable to buy the needed oil from the producers; secondly, that the oil has not not been earlier obligated by the State; and thirdly, the additional oil is required to fulfill contract obligations in supplying the local market. NPR is not guaranteed that additional oil will be available at the time of need. Please note this very distinct difference with the ALPETCO contract.
7. Price is the same as if the State had taken its oil in value. NPR is also obligated for any additional costs which may be legally incurred because of taking in kind, such as cleaning and dehydrating. (Presently under litigation by the State with producers)
8. NPR takes delivery at the Lease and is responsible for the transportation of the oil.
9. Payment is monthly.
10. Security acceptable to the State must be provided.
11. NPR is responsible for disposing of all oil nominated. State is protected in the event of force majeure at NPR. State must make good faith effort to relieve NPR in the event of force majeure.

Memorandum

NPR

May 15, 1978

12. Contract may be terminated by the State upon default of contract provisions by NPR.

13. NPR may terminate upon giving eight (8) months notice.

14. By advance agreement the supplier/purchaser relationship ends upon termination. This has been given OK by the FEA.

15. Contract may be amended between the parties, subject to approval by the Royalty Board and the Legislature, for each amendment.

Summary  
Earth Resources Company of Alaska  
Agreement for the Sale and  
Purchase of State Royalty Oil

Earth Resources Company (North Pole Refining) owns and operates a 22,600 barrels per calendar day refinery at North Pole, Alaska. They are currently running approximately 20,000 barrels per day of North Slope crude and producing approximately 8,500 barrels per day of refined products for the Fairbanks area market. The remaining residual oil is returned to the TAP line. The products produced are Jet Fuel, Arctic Diesel, #1 and #2 Fuel Oil, and Industrial Turbine Fuel.

This company has been purchasing crude oil from the Prudhoe Bay producers (Exxon, Arco, Sohio and others) since the start of the refinery. They desire to purchase royalty oil to supplement their current purchases and to acquire a secure long-term source of supply.

This sales agreement provides that NPR may purchase up to 15% of the royalty oil from Prudhoe Bay plus additional quantities which are unobligated and available from Prudhoe Bay or other leases but not to exceed a total of 35,000 BPD. Should NPR not purchase a minimum of 5,000 BPD for three consecutive months, the State may cancel the Agreement.

As you know, NPR returns to the pipeline portions of the crude oil that are not marketed. They have also agreed to sell this return oil to other royalty oil purchases on fair and reasonable terms.

The price that NPR shall pay for this oil is equal to the amount the State would have received had the royalty oil been taken in-value. The price term is the same as included in the Alpetco contract.

The Point of Delivery, Passage of Title, and Responsibility passes from the State to NPR at the same point the State takes delivery. (This will be Pump Station #1.)

The State must provide crude oil for pipeline fill for NPR to fulfill NPR's tariff obligation. The State will receive payment for this quantity of crude oil upon termination of the Agreement.

NPR has agreed to process all royalty oil purchased at their North Pole refinery except in a force majeure situation or if NPR desires to trade or exchange this crude for other Alaskan crude or products. Should NPR desire to export products produced from the State, they agree to first consult with the Commissioner of Natural Resources to insure that such products are surplus to the State's needs.

The term of the Agreement is for 25 years or until the year 2003. NPR may terminate the Agreement on eight months notice. The State may terminate if NPR defaults under terms of the Agreement.

To secure payment for crude purchased by NPR, the State will receive either purchase money security interest in all oil delivered and products produced, or a letter of credit will be provided by NPR.

The provisions relating to Equal Opportunity Employment, Local Hire, and Oil Spill are the same as the Alpetco contract.

HJR

60

# COMMITTEE REPORT

## SENATE

FURTHER: NONE

3/2/78

Date: 3/1/78

Mr. President:

The Committee on RESOURCES has had CSHR 80  
requesting Federal government to remove solid waste on land in Alaska

under consideration and (a majority of the committee) (the committee reports it back as follows)

- recommends it do pass                       recommends it do not pass  
 recommends it do pass with attached amendment(s)  
 recommends it be replaced with CS for \_\_\_\_\_

- and \_\_\_\_\_  new title                       same title  
 AND attaches a Letter of Intent                       New Fiscal Note  
 reports it back without recommendation  
 and recommends it be referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

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J. Poland  
Chairman

# COMMITTEE REPORT

## SENATE

3/17/78

FURTHER: \_\_\_\_\_

Date: 1/3

Mr. President:

The Committee on RESOURCES has had CSHJR 60 requesting federal government to remove solid waste on land in Alaska

under consideration and (a majority of the committee) (the committee reports it back as follows)

recommends it do pass                      ( ) recommends it do not pass

( ) recommends it do pass with attached amendment(s)

recommends it be replaced with CS for TR 60

and \_\_\_\_\_ ( ) new title                      ( ) same title

AND attaches a Letter of Intent                      ( ) New Fiscal Note

( ) reports it back without recommendation

( ) and recommends it be referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

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\_\_\_\_\_  
Chairman

# STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION

JAY S. HAMMOND, GOVERNOR

POUCH 0 - JUNEAU 99811

March 22, 1978

The Honorable Kay Poland  
Chairman  
Senate Resources Committee  
Pouch V  
Juneau, Alaska 99811

Dear Madam Chairman:

During the hearings on CSHJR 60 which were held by your Committee, and during Senate floor debate, there were concerns raised that the Legislature--through its support of the resolution--might be supporting a cleanup program that would be all-encompassing and over-reactionary in its scope. As I have testified before your Committee, the Department intends to focus its efforts on those federal facilities which have long-standing solid waste problems.

For example, the open dump at the Air Force's Barter Island DEWLine site (photographs attached) has been a problem for years. Despite years of prodding from EPA and officials of the Arctic National Wildlife Range, the Air Force refused to do anything about the problem. However, now that Congress has given the State of Alaska--and other states--authority to require federal agencies to comply with State solid waste rules, we are making the Air Force clean up this area.

Our priority list for cleanup has not been put into final form yet, but we have decided upon priority ranking for some federal facilities and lands. They are:

1. Top priority--active DEWLine sites which generally have open dumps which are--at best--serious problems.
2. No. 2 priority--inactive DEWLine sites. At several locations, the Air Force just shut down the site, left a mess and walked away. We intend to make them clean up the problems but do not intend to make them remove buildings which might provide shelter for a hunter in trouble or a downed airplane pilot.
3. No. 3 priority--federal lands which have been transferred to the Natives under the Alaska Native Claim Settlement Act. A good example of this problem is the 7,500 barrels which have been stacked for years at Manning Point near

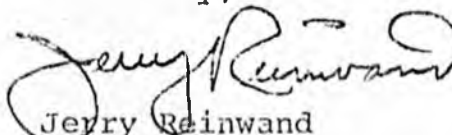
March 22, 1978

Barter Island. According to information we have, those barrels were placed on the Point by the Air Force. However, the Kaktovik Inupiat Corporation has patented the land and the Air Force was reluctant to clean up the barrels and associated debris. We are, however, requiring in a solid waste permit to the Air Force that they must clean up the debris in cooperation with the corporation.

Other priorities have not been established, but I want to assure you and other members of the Senate that the Department is not planning to require cleanup actions which would be a wasteful expenditure of public funds. We want the large, long-standing messes cleaned up; we want the federal government to meet the same requirements that industry and municipalities must meet.

As I mentioned in the Committee hearings, the Department worked closely with Senator Gravel, the National Governors' Association and Congress to get the Alaska Federal lands study, and the requirement for federal agencies to obtain State permits, written into the Resource Conservation and Recovery Act. The purpose of those amendments was to have Congress direct the federal agencies to identify, and then clean up, solid waste problems in Alaska's federal lands. Again, I want to stress that we intend to focus our efforts on major, long-standing problems, and not on minor ones.

Sincerely,



Jerry Reinwand  
Deputy Commissioner

Enclosure

# STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION

JAY S. HAMMOND, GOVERNOR

POUCH 0 - JUNEAU 99811

March 22, 1978

The Honorable Kay Poland  
Chairman  
Senate Resources Committee  
Pouch V  
Juneau, Alaska 99811

Dear Madam Chairman:

As you requested at Monday's meeting of the Senate Resources Committee, I have attempted to draft amendments to CSHJR 60 which will answer the concerns of certain members which have been expressed both in Committee and on the Senate floor. The proposed amendments are:

1. On page 1, line 27 add a new section:

WHEREAS, federal cleanup programs to remove the debris should focus on those sites at which serious environmental and health problems are created by the solid waste, such as the open dumps which exist at the DEWLine sites along the Arctic coast; and

This proposed amendment would clarify the Legislature's intent that federal cleanup action should focus on major environmental problems, and should not deal with inconsequential problems such as those noted by Senator Huber (five-gallon fuel cans in the Arctic National Wildlife Range).

2. On page 2, lines 3, 4 and 5, delete:

"Solid wastes identified in the preliminary and final reports prepared under the dictates of Section 3 of the Resource Conservation and Recovery Act of 1976 (P.L. 94-580) so that. . ."

3. On page 2, line 7, make the following changes:

between "(P.L. 92-203)" and "can" add: "so that it"; and delete "expeditiously"; and

between "eliminated" and "and" add: "in an expeditious and cost effective manner;"

March 22, 1978

These changes would change the paragraph to read:

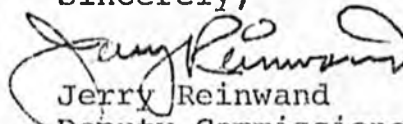
"BE IT RESOLVED that the Alaska Legislature strongly urges all federal agencies administering public lands in Alaska to take swift action to remove or dispose of solid waste debris on Alaska's federal land and land transferred under the Alaska Native Claims Settlement Act (P.L. 92-203) so that it can be eliminated in an expeditious and cost effective manner; and be it"

These changes specifically address Senator Huber's concern that the paragraph, as originally written, would put the Legislature on record as supporting removal of all of the solid waste identified in the extensive inventories which are contained in the two solid waste reports mandated by the Resource Conservation and Recovery Act.

In addition to the proposed changes to the resolution, I offer for your consideration two additional items which may be useful to clarify Legislative intent on this matter. The first is a draft letter of intent which focuses on the concerns of Committee members. The second is a letter from me to you, with attached photographs of the Barter Island DEWLine site open dump, which you may wish to distribute to your fellow members of the Senate when the resolution comes to the floor. The intent of my letter, and the photographs, is to clarify the Department's priorities regarding our solid waste cleanup on federal lands program. These two items may or may not have value; I simply offer them for your consideration.

If I may be of further assistance to you on this matter, please do not hesitate to contact me.

Sincerely,

  
Jerry Reinwand  
Deputy Commissioner

Enclosures

HJR 60

# STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION

JAY S. HAMMOND, GOVERNOR

POUCH 0 - JUNEAU 99811

February 7, 1978

The Honorable Steve Cowper  
Chairman  
House Finance Committee  
Pouch V  
Juneau, Alaska 99811

Dear Mr. Chairman:

Al Eagle and Chris Noah have informed me of your interest in the Department's efforts to persuade the Federal government to clean up existing solid waste problems on its lands. I thought that some background information on this matter might be useful to you.

Two years ago we worked closely with Senator Gravel, who is a ranking member of the Senate Environment and Public Works Committee and the National Governors' Association, to win Congressional approval of several provisions to the 1976 Resource Conservation and Recovery Act. The key provision waived the federal government's sovereign immunity; thereby requiring federal facilities to obtain State permits for solid waste disposal sites. The definition of a disposal site was purposefully written to be sweeping in its scope so that abandoned junk on federal lands could be regulated under a State's solid waste management program.

Another important provision which we were successful in placing in the Act mandates the federal government to complete a study of the federal lands solid waste problem in Alaska. The results of the study are to be submitted to Congress; together with any recommendations for action to correct the problem. I understand that Chris has given you a copy of the first report which was completed in October. A second report will be completed in mid-April and submitted to Congress. This Department is coordinating the study--at EPA's request--and we will be using the data gathered to design a comprehensive program to require the federal government to clean up the problems.

During the course of the study, we pinpointed several extremely serious problems which warrant immediate attention. One problem is the environmental messes that exist at certain active DEW line sites. Through our permit programs, we are requiring the Air Force to take action to correct them. I

The Honorable Steve Cowper

-2-

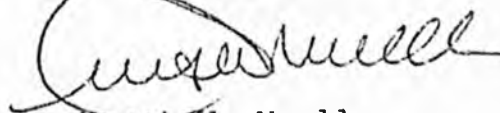
February 7, 1978

have enclosed a copy of the draft permit which we are proposing to issue to the Air Force for its Barter Island site. The draft permit is being circulated to the Air Force and interested members of the public for review and comment. When we have received comments from the Air Force and public, we will sift through them to determine if changes should be made in finalizing the permit.

We plan to take similar action where problems exist on federal lands throughout the State. The message we are sending to the federal government is that we want compliance with State solid waste laws and regulations, and we want compliance to be accomplished in an expeditious manner.

If you have any questions on this matter, please do not hesitate to contact me or my Deputy Commissioner Jerry Reinwand.

Sincerely,



Ernst W. Mueller  
Commissioner

Enclosure

STATE OF ALASKA  
DEPARTMENT OF ENVIRONMENTAL CONSERVATION  
POUCH O  
JUNEAU, ALASKA 99811

WASTE DISPOSAL PERMIT  
(SOLID WASTE MANAGEMENT PERMIT)

Permit No. NR-1-78

Date of Issuance:

This Waste Disposal Permit is issued to Department of the Air Force,  
Detachment 3, 46th Aerospace Defense Wing (ADCOM), Petersen Air Force Base,  
Colorado 80914, for the operation and maintenance of a solid waste facility  
located in SE 1/4, Sec. 13, T9N, R34E Umiat Meridian, at Barter Island  
DEW Line Station, Alaska

and is subject to the conditions and stipulations in sections A.1 through D.9, of this permit and the applicable State laws and regulations.

This permit is issued under provisions of Alaska Statutes, AS 46.03.100-110, Water, Air, and Environmental Conservation, Alaska Administrative Code as amended or revised, and other applicable State laws and regulations.

This permit is effective upon issuance and expires July 31, 1980;  
it may be terminated or modified in accordance with AS 46.03.120.

This permit is not valid until signed by the Deputy Commissioner of the Department of Environmental Conservation.

\_\_\_\_\_  
Deputy Commissioner  
Department of Environmental Conservation

## A. SITE PREPARATION--The permittee shall

1. Submit to this department for approval, on or before April 15, 1978. A disposal site development and operation plan for the permitted facility. The plan shall include:
  - a. detailed facility maps or plan sheets showing existing contours, proposed developments, type of landfill method (trench or area), locations, dimensions and order of refuse cell construction and proposed finished site contours.
  - b. description of the existing site soil profile.
  - c. detailed narrative of the proposed developments including step by step descriptions of the proposed operating procedures for trench excavation, cell construction, scrap metal recovery and other activities associated with operation of the disposal facility.

Upon receiving departmental approval, this permit will be amended to incorporate the approved plan activities as an integral part of the permit.

2. Maintain a working copy of the department approved development and operational plan from A.1. at Bar-M for use in constructing and operating the facility.
3. Submit a proposed schedule of operating hours and days to this department for review and approval within thirty days of the date of issuance of this permit.
4. Erect and maintain signs informing users of the site operating hours and rules, and signs directing users to the active dumping point.

## B. CLEAN UP OF EXISTING SOLID WASTE--The permittee shall:

1. Remove all solid wastes from the existing open dump and transfer it to the proposed facility. Salvageable metal shall be separated and stockpiled in the proposed reclaimable metal holding area. The remaining solid waste shall be landfilled in accordance with the department approved site development plan specified in A.1. All solid wastes shall be transferred and processed, and the existing dump closed and restored not later than September 15, 1978.
2. Collect all solid wastes from the shallow waters, inter-tidal areas and beaches near the Bar-M station and the affected portions of the Arctic Wildlife Range. Collected wastes shall be transported to the proposed landfill for processing and disposal as specified in B.1.
3. Transport the abandoned metal tower located about one and one-half miles from the existing open dump to the proposed reclaimable metal holding area, on or before September 15, 1978.

4. Cleanup and restore the Manning Point site by September 15, 1979. Cleanup activities shall be coordinated with the North Slope Borough and the Kaktovik Inupiat Corporation. A plan for the cleanup will be submitted to the North Slope Borough, the Kaktovik Inupiat Corporation and this department's Northern Region Office at least 90 days before the initiation of any cleanup action. The cleanup shall include at a minimum:
  - a. Collection and removal from Alaska of all P.O.L. barrels by September 15, 1979.
  - b. Removal of all collapsed buildings, and collection of all miscellaneous solid waste. Scrap lumber and wood may be open burned under terms of an Open Burning Permit to be obtained from the department's Northern Regional Office. All other materials shall be transported to the proposed landfill for salvage or disposal.
  - c. Surface rehabilitation, including reseeded of disturbed areas, shall be accomplished no later than September 15, 1979.
5. Remove from Alaska, no later than September 15, 1979, all salvageable and reclaimable materials collected during the cleanup operations.

C. OPERATION--The permittee shall:

1. Consolidate and compact the deposited wastes into cells in accordance with the approved submittal required in A.1., above.
2. Cover the compacted refuse with at least six inches of compacted soil at the end of each operating day.
3. Separate salvageable metals and stockpile them in the reclaimable metals holding area indicated on the permit application. The accumulated wastes shall be transported South to a processing center and the holding area cleaned out at least once each year.
4. Collect all littered and windblown wastes in and adjacent to the disposal facility at least once each month and return them to the active dumping point for burial.
5. Prohibit open burning on the landfill and immediately extinguish any fires that may occur.
6. Prohibit the deposition of waste oil and petroleum products and chemical and hazardous wastes.
7. Incinerate all combustible and putrescible waste generated at the Bar-M station prior to disposal.
8. Comply with all portions of the permit application not otherwise addressed herein.

D. GENERAL

1. The permittee shall allow the Commissioner of Environmental Conservation or his authorized representative, upon presentation of credentials,

- a. to enter upon the permittee's premises where waste collection or disposal works are located at such times and upon such terms as the Department may reasonably require, and
- b. at reasonable times, to have access to and to be allowed to copy any records required to be kept under the terms and conditions of this permit and to inspect any monitoring equipment or monitoring method required in this permit.

2. Availability of Records

Except for information relating to secret processes or methods of manufacture, all records and reports prepared in accordance with the terms of this permit shall be available for public inspection at the offices of the Alaska Department of Environmental Conservation.

3. Civil and Criminal Liability

Nothing in this permit shall be construed to relieve the permittee from civil or criminal penalties for noncompliance, whether or not such noncompliance is due to factors beyond his control, including but not limited to accidents, equipment breakdowns, or labor disputes.

4. Property Rights

The issuance of this permit does not convey any property rights in either real or personal property, or any other privileges; nor does it authorize any injury to private property or any invasion or personal rights, nor any infringements of federal, State or local laws and regulations.

5. Severability

The provisions of this permit are severable and, if any provision of this permit or the application of any provision of this permit to any circumstances is held invalid, the application of such provision to other circumstances and the remainder of this permit shall not be affected thereby. Notwithstanding the above, in the event that such invalidation materially alters the scope or conditions of this permit, the Department shall have the right, at its sole option, to terminate the permit.

6. State Laws

Nothing in this permit shall be construed to preclude the institution of any legal action or relieve permittee from any responsibilities, liabilities, or penalties established pursuant to any applicable State law or regulation.

7. Posting of Permit

The permittee shall post conspicuously and maintain a copy of this permit at the disposal facility.

8. Transfers

This permit is not transferable and is the property of the State of Alaska, Department of Environmental Conservation. Should operation

of the facility be contracted or a change in contractors be made, the new contractor shall be notified in writing of the existence of the permit and its conditions. A copy of the written notification shall be forwarded to the Commissioner of the Department of Environmental Conservation.

9. This permit shall be amended to provide for the upgrading or closure of the site, if the facility is classified as an "open dump" in accordance with the inventory and definitions being developed by the Environmental Protection Agency under the Resource Conservation and Recovery Act of 1976, P.L. 94-580.

updating of standards for recovered materials and for the use of recovered materials in various industrial, commercial, and governmental uses.

“DEVELOPMENT OF MARKETS FOR RECOVERED MATERIALS

“Sec. 5003. The Secretary of Commerce shall within two years after the enactment of this Act take such actions as may be necessary to— 42 USC 6953.

- “(1) identify the geographical location of existing or potential markets for recovered materials;
- “(2) identify the economic and technical barriers to the use of recovered materials; and
- “(3) encourage the development of new uses for recovered materials.

“TECHNOLOGY PROMOTION

“Sec. 5004. The Secretary of Commerce is authorized to evaluate the commercial feasibility of resource recovery facilities and to publish the results of such evaluation, and to develop a data base for purposes of assisting persons in choosing such a system. 42 USC 6954.

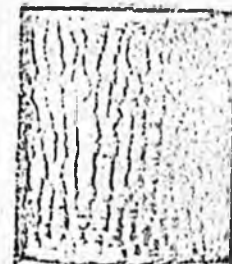
“Subtitle F—Federal Responsibilities

“APPLICATION OF FEDERAL, STATE, AND LOCAL LAW TO FEDERAL FACILITIES

“Sec. 6001. Each department, agency, and instrumentality of the executive, legislative, and judicial branches of the Federal Government (1) having jurisdiction over any solid waste management facility or disposal site, or (2) engaged in any activity resulting, or which may result, in the disposal of solid waste or hazardous waste shall be subject to, and comply with, all Federal, State, interstate, and local requirements, both substantive and procedural (including any requirement for permits or reporting or any provisions for injunctive relief and such sanctions as may be imposed by a court to enforce such relief), respecting control and abatement of solid waste or hazardous waste disposal in the same manner, and to the same extent, as any person is subject to such requirements, including the payment of reasonable service charges. Neither the United States, nor any agent, employee, or officer thereof, shall be immune or exempt from any process or sanction of any State or Federal Court with respect to the enforcement of any such injunctive relief. The President may exempt any solid waste management facility of any department, agency, or instrumentality in the executive branch from compliance with such a requirement if he determines it to be in the paramount interest of the United States to do so. No such exemption shall be granted due to lack of appropriation unless the President shall have specifically requested such appropriation as a part of the budgetary process and the Congress shall have failed to make available such requested appropriation. Any exemption shall be for a period not in excess of one year, but additional exemptions may be granted for periods not to exceed one year upon the President's making a new determination. The President shall report each January to the Congress all exemptions from the requirements of this section granted during the preceding calendar year, together with his reason for granting each such exemption. 42 USC 6961.

Exemptions.

Presidential report to Congress.



## SOLID WASTE CLEANUP ON FEDERAL LANDS IN ALASKA

Study.  
42 USC 6981  
note.

Report to  
congressional  
committees.

Llangollen  
Landfill, Del.,  
leachate control  
research  
program.

42 USC 6981  
note.

Cooperation with  
EPA.

SEC. 3. (a) The President shall direct such executive departments or agencies as he may deem appropriate to conduct a study, in consultation with representatives of the State of Alaska and the appropriate Native organizations, to determine the best overall procedures for removing existing solid waste on Federal lands in Alaska. Such study shall include, but shall not be limited to, a consideration of—

- (1) alternative procedures for removing the solid waste in an environmentally safe manner, and
- (2) the estimated costs of removing the solid waste.

(b) The President shall submit a report of the results together with appropriate supporting data and such recommendations as he deems desirable to the Committee on Public Works of the Senate and to the Committee on Interstate and Foreign Commerce of the House of Representatives not later than one year after the enactment of the Solid Waste Utilization Act of 1976. The President shall also submit, within six months after the study has been submitted to the committees, recommended administrative actions, procedures, and needed legislation to implement such procedures and the recommendations of the study.

SEC. 4. (a) In order to demonstrate effective means of dealing with contamination of public water supplies by leachate from abandoned or other landfills, the Administrator of the Environmental Protection Agency is authorized to provide technical and financial assistance for a research program to control leachate from the Llangollen Landfill in New Castle County, Delaware.

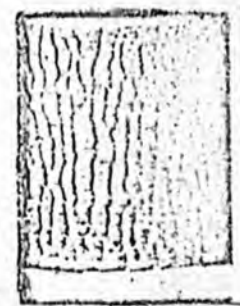
(b) The research program authorized by this section shall be designed by the New Castle County areawide waste treatment management program, in cooperation with the Environmental Protection Agency, to develop methods for controlling leachate contamination from abandoned and other landfills that may be applied at the Llangollen Landfill and at other landfills throughout the Nation. Such research program shall investigate all alternative solutions or corrective actions, including—

- (1) hydrogeologic isolation of the landfill combined with the collection and treatment of leachate;
- (2) excavation of the refuse, followed by some type of incineration;
- (3) excavation and transportation of the refuse to another landfill; and
- (4) collection and treatment of contaminated leachate or ground water.

Such research program shall consider the economic, social, and environmental consequences of each such alternative.

(c) The Administrator of the Environmental Protection Agency shall make available personnel of the Agency, including those of the Solid and Hazardous Waste Research Laboratory (Cincinnati, Ohio), and shall arrange for other Federal personnel to be made available, to provide technical assistance and aid in such research. The Administrator may provide up to \$250,000, of the sums appropriated under the Solid Waste Disposal Act, to the New Castle County areawide waste treatment management program to conduct such research, including obtaining consultant services.

42 USC 6901  
note.



## STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF ENVIRONMENTAL CONSERVATION

POUCH 0 - JUNEAU 55811

February 22, 1978

The Honorable Alvin Osterback  
Chairman  
Resources Committee  
House of Representatives  
Pouch V  
Juneau, Alaska 99811

Dear Mr. Chairman:

I understand that your Committee is planning to receive testimony on House Joint Resolution No. 60 (requesting the federal government to remove solid waste on land in Alaska in accordance with the Resource Conservation and Recovery Act). This department played an active role in shaping several provisions of the Federal Resource Conservation and Recovery Act (RCRA). To provide you with some background information on the issue addressed by HJR 60, I thought that it might be useful to include some history of our involvement with the Act and our basic rationale for the provisions which we persuaded Congress to include in the law.

Two years ago Deputy Commissioner Reinwand and I worked closely with the National Governors' Association and Senator Gravel, who is a ranking member of the Senate Environment and Public Works Committee, to win congressional approval of several provisions to the 1976 Resource Conservation and Recovery Act. The key provision waived the federal government's sovereign immunity, thereby requiring federal facilities to obtain state permits for solid waste disposal sites. The definition of a disposal site was purposefully written to be sweeping in its scope so that abandoned junk on federal lands could be regulated under a state's solid waste management program.

Another important provision which we were successful in placing in the Act mandates the federal government to complete a study of the federal lands solid waste problem in Alaska. The results of the study are to be submitted to Congress, together with any recommendations for action to correct the problem. A second report will be completed in mid-April and submitted to Congress. This department is coordinating the study--at EPA's request--and we will be using the data gathered to design a comprehensive program to require the federal government to clean up the problems.

The Honorable Alvin Osterback  
Page two  
February 22, 1978

During the course of the study, we pinpointed several extremely serious problems which warrant immediate attention. One problem is the environmental messes that exist at certain active DEWLine sites. Through our permit programs we are requiring the Air Force to take action to correct them. I have enclosed a copy of the draft permit which we are proposing to issue to the Air Force for its Barter Island site. The draft permit is being circulated to the Air Force and interested members of the public for review and comment. When we have received comments from the Air Force and public, we will sift through them to determine if changes should be made in finalizing the permit.

We plan to take similar action where problems exist on federal lands throughout the State. The message we are sending to the federal government is that we want compliance with State solid waste laws and regulations, and we want compliance to be accomplished in an expeditious manner.

Therefore, we support the thrust of HJR 60 and deeply appreciate the Legislature's interest in this matter. However, there are a few technical changes which we would like to recommend that the Committee consider. They are:

1. On page 2, line 1, we recommend that the words "the Environmental Protection Agency to implement" be stricken, and replaced with: "all federal agencies administering public lands in Alaska to take swift action to remove or dispose of solid wastes identified in."

The rationale for this change is that the appropriate land management agencies, not EPA, should be responsible for cleaning up the existing solid waste problems.

2. On page 2, line 7, we recommend the inclusion of the following paragraph:

"BE IT FURTHER RESOLVED that the Alaska Legislature strongly supports the Department of Environmental Conservation in its regulatory programs to require federal agencies to take action to solve the long-standing environmental problems created by the solid waste which the federal government has left throughout the State."

This paragraph would buttress the Department's current and planned efforts to require the federal government to solve the solid waste problem in an expeditious manner.

The Honorable Alvin Osterback  
Page three  
February 22, 1978

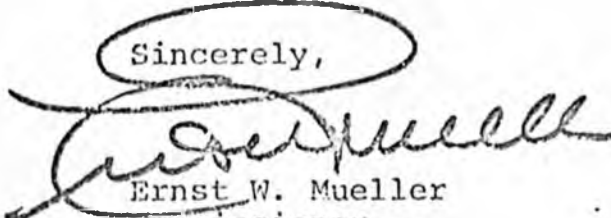
Support from the Legislature would strengthen the Department's efforts in dealing with the federal agencies.

3. On page 2, line 11, between the words "Congress" and "and" insert: "the Honorable Jennings Randolph, Chairman of the Senate Environment and Public Works Committee, the Honorable Harley O. Staggers, Chairman of the House Committee on Interstate and Foreign Commerce."

We recommend inclusion of these two members of Congress as they chair the committees which have jurisdiction over solid waste legislation.

If you have any questions on this matter, please do not hesitate to contact me or my Deputy Commissioner Jerry Reinwand.

Sincerely,



Ernst W. Mueller  
Commissioner

Enclosure

STATEMENT OF  
JERRY REINWAND  
DEPUTY COMMISSIONER  
DEPARTMENT OF ENVIRONMENTAL CONSERVATION

REGARDING  
HOUSE JOINT RESOLUTION NO. 60  
BEFORE THE  
HOUSE RESOURCES COMMITTEE

JUNEAU, ALASKA  
FEBRUARY 24, 1978

Mr. Chairman, members of the Committee, my name is Jerry Reinwand and I am Deputy Commissioner of the Alaska Department of Environmental Conservation. It is with a great deal of pleasure that I testify today on HJR 60.

The focus of the resolution--encouraging the federal government to clean up the long-standing solid waste problems which various agencies have left scattered throughout the State-- is of great concern to the Department. In fact, we have been working on a solution to the problem for more than two years. A substantial part of that effort involved joining hands with the National Governors' Association and other groups to persuade Congress to give Alaska and other states the legal tools to require federal agencies to clean up their environmental blights. In the 1976 Resource Conservation and Recovery Act Congress gave the states this authority. A brief history of our effort is contained in Commissioner Mueller's letter to Chairman Osterback; therefore, I will not repeat it in this testimony.

However, I would like to inform the Committee of the Department's plans regarding cleanup on federal lands. Due to two key provisions of the Act (dealing with federal facilities compliance and the Alaska lands study) we now know with certainty the extent and location of the problem areas. We are in the final stages of establishing a priority list of areas which warrant immediate attention. Our initial targets will be the inactive and active DEWLine sites in the Arctic, and the abandoned solid waste on National Petroleum Reserve in Alaska.

To implement the cleanup at the DEWLine sites, we are in the process of issuing permits to the Air Force which will require the problem to essentially be solved by this fall. The permits will establish specific timetables for completing sequential phases of the cleanup. In the past, the Air Force has promised to take steps to solve sewage disposal and solid waste problems at the DEWLine sites, but these promises were little more than lip service in lieu of action. We do not intend to allow the Air Force to repeat this pattern of inaction. We want compliance with all permit conditions and we intend to take legal action, if necessary, to obtain compliance.

To insure that the Air Force complies with permit conditions, we are considering naming in each permit the Secretary of Defense, Secretary of the Air Force, Director of the Headquarters Aerospace Defense Command in Colorado (the official who is responsible for DEWLine operations in Alaska) and the

chief of each DEWLine site as the officials who are responsible to assure that permit conditions are met. By targeting these top federal officials as persons who are clearly responsible for permit compliance, we should cut through the perennial bureaucratic smokescreen which in the past has clouded efforts to determine who is responsible for implementing cleanup action. Under our proposed plan, everyone from the Secretary of Defense on down would know that the Department is demanding compliance and will not hesitate to grab the federal government's top officials by the scruff of the neck and haul them into State Court to achieve compliance. We think this approach is necessary if we are to short-circuit the bureaucratic finger-pointing and buck-passing which has occurred when federal agencies have failed to live up to their promises. In the past, when promised action failed to materialize, the federal agency attempted to tag either some faceless Washington, D. C., bureaucrat or its contractors as the culprits. Under our proposed plan of action this bureaucratic buck-passing will cease; all fingers of responsibility will clearly point to the Secretary of Defense as the person who is ultimately responsible for assuring compliance.

In closing I would ask the Committee's indulgence in allowing me to make one final comment which may be editorial in nature. It reflects my personal views and is not in any way to be construed as the position of the Department. As the solid waste study has shown, the federal government has littered Alaska's landscape by sprinkling solid waste across federal lands for more than 30 years. With the exception of recent cleanup

efforts in National Petroleum Reserve in Alaska, the federal land management agencies have done virtually nothing to address these problems. Instead, they have ignored them. Put simply, the federal government's track record on this aspect of land management is--at best--abysmal.

This smudged page of Alaska's environmental history has somehow been overlooked by the federal bureaucracy which is presently clamoring to place vast tracts of Alaska's lands in single-purpose classifications categories. The silent but ever-present underlying theme championed by the bureaucracy is that such action is necessary in order to protect Alaska from Alaskans. I submit that such logic is not only convoluted, it is erroneous. As was clearly demonstrated in the study, the federal government has proven for more than three decades that it is incapable of handling such routine land management and environmental problems as properly disposing of its garbage and other solid waste. I leave you to draw your own conclusions regarding the federal government's ability to act as an environmental custodian of the proposed D-2 lands, but you can color me skeptical.

Mr. Chairman, that concludes my testimony; if you or any members of the Committee have any questions, I shall be most happy to attempt to answer them.



Open dump at Barter Island with DEWLine site in background.



Open dump at Barter Island DEWLine site extending into Beaufort Sea.