

ALASKA LEGISLATURE COMMITTEE FILES 1900-1900 00/2

4414 STRA SJR 30 - HB 100

1293

By letter dated April 28, 1983, Flying Tiger advised the Deputy Assistant Secretary of State that Flying Tiger was accepting the last proposal of the Korean Government for construction of the cargo terminal at Kimpo. In the same letter, Flying Tiger also stated that it was withdrawing "all objections to the immediate implementation of each of the rights granted to the Korean designated air carrier" as specified in the 1980 Memorandum of Understanding.

On May 10, 1983, Flying Tiger stated in a letter to the Deputy Assistant Secretary of State that it did not have the necessary financing resources to build the proposed facility at Kimpo:

Under the Korean Government's proposal, no financial aid is available nor can the building itself be used as collateral for a construction loan. The lack of those advantages, combined with Flying Tiger's current financial condition, compel the carrier to forego at this time its option to build.

Flying Tiger has yet to advise the Korean Government as to its intentions with respect to the construction of the facility.

In order to resolve the issue and proceed with implementation of the 1980 Memorandum of Understanding, the Korean Government has undertaken the construction of the Kimpo cargo facility which has been delayed by Flying Tiger's inaction. The new facility will enable Flying Tiger and Northwest (and Pan American, should it so desire) to self-handle inbound, outbound and transit cargo at Kimpo. The U.S. carriers will have exclusive use of the facility on rental terms comparable to those

currently being enjoyed by the carriers. With the addition of the new building, U.S. carriers will have exclusive use of approximately one-third of the cargo area at Kimpo, with all other carriers - including Korean Air Lines - jointly sharing the remaining space.

When all of the facts surrounding construction of the new cargo facility at Kimpo are taken into account, the only possible conclusion must be that the Korean Government has demonstrated good faith - and considerable goodwill - in its efforts to implement not only this major issue but all issues of the 1980 Memorandum of Understanding. The 1980 agreement required the Korean authorities to present a proposal for the facility, and they did so. Flying Tiger exercised its option to construct the facility, and the Korean authorities urged the carrier to get on with the work. Flying Tiger requested an increase in the size of the facility by 50 percent, and the Korean authorities agreed. Flying Tiger requested relief from Korean regulations governing amortization, and the Korean authorities agreed. And, once Flying Tiger decided that it would not go forward with the facility due, in part, to its own financial condition, the Korean Government stepped forward to construct the multi-million dollar project. Such a record hardly supports the notion that the Republic of Korea has ignored its commitments under the 1980 Memorandum of Understanding.

V. CONCLUSION

For the past five years, the United States and Korea have been deadlocked over implementation of their 1980 air transport agreement. While Korea has on several occasions proposed formal ratification of the 1980 MOU, the United States has steadfastly refused, citing the lack of progress on a new cargo facility at Kimpo.

The commitment of the Korean Government to construct the cargo terminal at Kimpo has mooted U.S. objections to ratification. With construction already started, the interests of the U.S. are no longer served by a continued refusal to ratify the 1980 agreement. In fact, further delay in implementing the 1980 MOU will deny significant economic benefits and competitive opportunities in the U.S.-Korea air market.

By signing the 1980 Memorandum of Understanding, the U.S. undertook a commitment to seek its ratification and adhere to its provisions. The U.S. should now prove as good as its word and implement the 1980 agreement.

## TABLE OF CONTENTS

<u>Table No.</u>	<u>Title</u>
1	Korea is the Second Largest Transpacific Passenger Market
2	Korea is the Second Largest Transpacific Passenger Market, Passenger Statistics Between the U.S. and Selected Asian Points, 1978-1984
3	Korea is the Fourth Largest Transpacific Air Cargo Market; Air Cargo Exports/Imports Between the U.S. and Selected Asian Points, 1979-1984
4	The United States Has Made Extensive Use of its Multiple Designation Rights; Carriers Designated to Serve U.S.-Republic of Korea Markets, U.S. and ROK Flags
5	U.S. Carriers Serve More U.S. Points Than the Single Korean Carrier Does; Single Plane Service* Provided Between the U.S. and the Republic of Korea by Flag of Carrier, Spring 1985
6	U.S. Carriers Offer More Service to More Points than the Single Korean Carrier Does; Number of Passenger Flights Between Republic of Korea and the U.S. by U.S. Points (One way basis per week), Spring, 1985
7	U.S. Carriers Offer More Service to More Points than the Single Korean Carrier Does; All Cargo Flights Between Republic of Korea and the U.S. by Flag of Carrier (One way basis per week), Spring 1985
8	U.S. Carriers Offer More Capacity Than the Single Korean Carrier Does; Annual Available Seats In Scheduled Service Between the U.S. and the Republic of Korea, 1978-1985
9	U.S. Carriers Offer More Capacity Than the Single Korean Carrier Does; Weekly Passenger Capacity, U.S.-Korea, by Flag of Carrier, 1978-1985
10	U.S. Carrier Enplanements at Seoul Are Large and Are Rapidly Growing; Traffic Enplaned at Seoul by U.S. Flag Carriers, 1978-1984
10A	Changes in Weekly Passenger & Cargo Flights by U.S. Flag Carriers Between U.S. and Korea

- 11 Korea is Fourth Most Active Point for U.S. Carriers in the Pacific; Revenue Passengers Enplaned by U.S. Carriers, 1980 - 1984, Scheduled Service
- 12 Korea is Fourth Most Active Point for U.S. Carriers in the Pacific, Tons Revenue Freight Enplaned by U.S. Carriers, 1980-1984
- 13 U.S. Carriers Derive More than \$153 Million in Revenues From Passenger Service To/From Korea
- 14 U.S. Carriers Derive More Than \$68 Million in Revenue From Carriage of Freight To/From Korea
- 15 U.S. Carriers Serving Korea Have Access to Large Fifth Freedom Markets
- 16 U.S. Carriers Serving Korea Operate Substantial Capacity in the Fifth Freedom Markets; Service Provided by U.S. Flag Carriers in Fifth Freedom Sectors To/From Seoul, 1978-1984 and Estimated 1985
- 17 U.S. Cargo Carriers Serving Korea Conduct Substantial Fifth Freedom Operations; Service and Capacity Provided by U.S. Cargo Carriers Over Fifth Freedom Sectors To/From Seoul, 1978-1984 and Estimated 1985
- 18 U.S. Passenger Carriers Serving Korea Derive Substantial Benefits from Fifth Freedom Markets; Traffic Over Fifth Freedom Sectors Into/Out of Seoul
- 19 U.S. Cargo Carriers Serving Korea Derive Substantial Benefits From Fifth Freedom Markets; Traffic Over Non-U.S. Sectors Into/Out of Seoul
- 20 Chicago and San Francisco are Relatively Underserved to Korea Considering Their Size and Importance; Weekly Non-Stop and One-Stop Passenger Flights, May 1985
- 21 Chicago and San Francisco Are Relatively Underserved to Korea Considering Their Size and Importance; Weekly Cargo Flights, May 1985
- 22 Chicago and San Francisco are Relatively Underserved to Korea; Using Japan as an Index, Air Freight in the Chicago-Republic of Korea Market Lags Behind New York/Los Angeles - Republic of Korea Markets (Where KAL Provides Service)
- 23 Measured Against USA-Japan Air Freight Markets, The USA-Republic of Korea Markets Most Laggard Are Chicago and San Francisco, 1979-1984

## KOREA IS THE SECOND LARGEST TRANSPACIFIC PASSENGER MARKET

	1983 <u>Passengers</u>
<u>Between USA and:</u>	
Japan	3,670,090
<u>Republic of Korea</u>	<u>458,999</u>
Hong Kong	400,978
Taiwan	280,922
Singapore	112,727

Note: The source data (US Immigration & Naturalization Service reports) frequently understate traffic levels in certain transpacific markets because reporting carriers fail to report true on-flight origin-destination and instead report only the first foreign port of arrival or last foreign port en route to the U.S. Thus, a Seoul-bound passenger on Los Angeles-Tokyo-Seoul flight may be recorded as a U.S.-Japan passenger rather than US-Korea. Similarly, a Hong Kong boarding passenger on a Hong Kong-Tokyo-Los Angeles flight may be recorded as a Japan-US passenger.

Source: USDOT/I&NS.

KOREA IS THE SECOND LARGEST TRANSPACIFIC PASSENGER MARKET

PASSENGER STATISTICS BETWEEN  
THE U.S. AND SELECTED ASIAN POINTS  
1978 - 1984

Year	U.S.-Japan		U.S.-Singapore		U.S.-Hong Kong		U.S.-Taiwan		U.S. Korea	
	Number	Growth	Number	Growth	Number	Growth	Number	Growth	Number	Growth
1978	2,568,923	-	8,905	-	142,000	-	168,720	-	183,571 <sup>1/</sup>	-
1979	3,073,505	19.6%	35,458	298.2%	272,739	92.1%	179,956	6.7%	293,284	59.8%
1980	3,177,994	3.4	88,931	150.8	363,296	33.2	203,447	13.1	411,352	40.3
1981	3,352,066	5.5	115,612	30.0	342,605	(5.7)	235,880	15.9	406,717	(1.1)
1982	3,527,032	5.2	124,586	7.8	324,244	(5.4)	263,362	11.7	457,600	12.5
1983	3,670,090	4.1	112,727	(9.5)	400,978	23.7	280,922	6.7	458,999	0.3
YE 10/31/84	4,154,767	<u>13.2</u>	100,521	<u>(10.8)</u>	540,209	<u>34.7</u>	333,047	<u>18.6</u>	496,813	<u>8.2</u>
Average Growth 1978-1984		8.5%		77.8%		28.8%		12.1%		20.0%

<sup>1/</sup> Northwest on strike 04/29/78 - 08/14/78.

Source: USDOT/I&NS.

KOREA IS THE FOURTH LARGEST TRANSPACIFIC AIR CARGO MARKET

AIR CARGO EXPORTS/IMPORTS BETWEEN  
THE U.S. AND SELECTED ASIAN POINTS  
1979 - 1984

Year	U.S.-Japan		U.S.-Singapore		U.S.-Hong Kong		U.S.-Taiwan		U.S. Korea	
	1,000 Pounds	Growth	1,000 Pounds	Growth	1,000 Pounds	Growth	1,000 Pounds	Growth	1,000 Pounds	Growth
1979	312,083	-	44,065	-	127,672	-	91,410	-	73,068	-
1980	328,577	5.3%	45,809	4.0%	120,134	(5.9)%	89,952	(1.6)%	68,135	(6.8)%
1981	341,449	3.9	52,506	14.6	135,923	13.1	110,096	22.4	77,380	13.6
1982	327,849	(4.0)	58,072	10.6	136,151	0.2	118,977	8.1	91,662	18.5
1983	408,673	24.7	83,922	44.5	190,395	39.8	173,754	46.0	130,275	42.1
1984	586,158	43.4	109,215	30.1	256,139	34.5	217,217	25.0	141,157	8.4
<b>Average Growth</b> 1979-1984		<b>14.7%</b>		<b>20.8%</b>		<b>16.3%</b>		<b>20.0%</b>		<b>15.2%</b>

Source: US Department of Commerce, Bureau of the Census, FT-155, U.S. General Imports, 1979-1984, and FT-455, U.S. Exports, 1979-1984.

THE UNITED STATES HAS MADE EXTENSIVE USE  
OF ITS MULTIPLE DESIGNATION RIGHTS

CARRIERS DESIGNATED TO SERVE U.S.-REPUBLIC OF KOREA MARKETS,  
U.S. AND ROK FLAGS

<u>Korea</u>	<u>United States</u>
Korean Air Lines	Northwest Airlines
	Pan American World Airways
	The Flying Tiger Line
	Braniff Airlines
	World Airways
	Hawaiian Air Lines
	Trans Carib Air Inc.
	Trans International Airlines
	American Airlines
	Continental Airlines
	Trans World Airlines
	United Airlines
	United Air Carrier
	Jet Charter

U.S. CARRIERS SERVE MORE U.S. POINTS  
THAN THE SINGLE KOREAN CARRIER DOES

SINGLE PLANE SERVICE\* PROVIDED  
BETWEEN THE U.S. AND THE REPUBLIC OF KOREA  
BY FLAG OF CARRIER  
SPRING 1985

Points in the USA Linked to ROK and Served by:

- ROK Carrier

Honolulu  
Los Angeles  
New York (JFK)

-USA Carriers

Chicago  
Dallas/Fort Worth  
Detroit  
Honolulu  
Guam  
Houston  
Minneapolis/St. Paul  
New Orleans  
New York (JFK)  
Philadelphia  
San Francisco  
Seattle  
Washington  
Los Angeles (to start June 6)

\* Includes flights with single flight numbers even though flight requires a change of gauge.

Source: Official Airline Guide, Worldwide Edition, February and April, 1985.

TABLE 6

U.S. CARRIERS OFFER MORE  
SERVICE TO MORE POINTS THAN THE SINGLE  
KOREAN CARRIER DOES

NUMBER OF PASSENGER FLIGHTS BETWEEN  
REPUBLIC OF KOREA AND THE U.S. BY U.S. POINTS

(One way basis per week)  
Spring, 1985

<u>Between ROK and:</u>	<u>February, 1985</u>		<u>May, 1985</u>	
	<u>ROK</u> <u>Carriers</u>	<u>US</u> <u>Carriers</u>	<u>ROK</u> <u>Carriers</u>	<u>US</u> <u>Carriers</u>
Chicago	0	10	0	13
Dallas/Fort Worth	0	0	0	2
Detroit	0	1	0	0
Guam	0	2	0	2
Honolulu	16	20	16	18
Houston	0	3	0	2
Los Angeles	22	0	24	2 <sup>1/</sup>
Minneapolis/St. Paul	0	1	0	0
New Orleans	0	3	0	2
New York	8	4	10	12
Philadelphia	0	1	0	0
San Francisco	0	17	0	16
Seattle	0	11	0	10
Washington	0	4	0	4

<sup>1/</sup> Northwest Airlines service to start June 6.

Source: Official Airline Guide, Worldwide Edition, February and April, 1985.

TABLE 7

U.S. CARRIERS OFFER MORE  
SERVICE TO MORE POINTS THAN THE SINGLE  
KOREAN CARRIER DOES

ALL CARGO FLIGHTS BETWEEN  
REPUBLIC OF KOREA AND THE U.S. BY FLAG OF CARRIER  
(One way basis per week)  
Spring 1985

<u>Between ROK and:</u>	<u>Week Ending March 18, 1985</u>		<u>Week Ending May 5, 1985</u>	
	<u>ROK Carrier</u>	<u>US Carrier</u>	<u>ROK Carrier</u>	<u>US Carriers</u>
Chicago	0	9	0	9
Los Angeles	12	7	12	7
New York	10	9	10	9
San Francisco	0	8	0	8
Seattle	0	1	0	2

Source: Official Airline Guide, World Wide Edition, March and April 1985.

TABLE 8

U.S. CARRIERS OFFER MORE CAPACITY  
THAN THE SINGLE KOREAN CARRIER DOES

ANNUAL AVAILABLE SEATS  
IN SCHEDULED SERVICE  
BETWEEN THE U.S. AND THE REPUBLIC OF KOREA  
1978-1985

Year	Flag	To/From SEL	Beyond	Total	% of Total
1978	ROK	330,642	-	330,642	47%
	USA	368,784	-	368,784	53%
		<u>699,426</u>	-	<u>699,426</u>	100%
1979	ROK	482,911	-	482,911	52%
	USA	423,696	13,936	437,632	48%
		<u>906,607</u>	-	<u>920,543</u>	100%
1980	ROK	559,143	-	559,143	44%
	USA	555,490	161,096	716,586	56%
		<u>1,114,633</u>	<u>161,096</u>	<u>1,275,729</u>	100%
1981	ROK	540,579	-	540,579	50%
	USA	412,893	122,798	535,691	50%
		<u>953,472</u>	<u>122,798</u>	<u>1,076,270</u>	100%
1982	ROK	574,236	-	574,236	52%
	USA	373,906	153,660	527,566	48%
		<u>948,142</u>	<u>153,660</u>	<u>1,101,802</u>	100%
1983	ROK	682,851	-	682,851	51%
	USA	452,764	215,124	667,888	49%
		<u>1,135,615</u>	<u>215,124</u>	<u>1,350,739</u>	100%
1984	ROK	673,556	-	673,556	44%
	USA	631,579	220,246	851,825	56%
		<u>1,305,135</u>	<u>220,246</u>	<u>1,525,381</u>	100%
1985 (Projected) <sup>1/</sup>					
	ROK	780,390	-	780,390	40%
	USA	882,687	280,137	1,162,824	60%
		<u>1,663,077</u>	<u>280,137</u>	<u>1,943,214</u>	100%

<sup>1/</sup> Based on February and May 1985 actual plus second half 1985 projected on relationship of second half 1982-1984 to first half of 1982-1984.

Source: Official Airline Guides, February, May, August and November of each year.

U.S. CARRIERS OFFER MORE CAPACITY  
THAN THE SINGLE KOREAN CARRIER DOES

WEEKLY PASSENGER CAPACITY, U.S.-KOREA, BY FLAG OF CARRIER  
1978-1985

Week Ending	Flag	Weekly Scheduled Seats in/out SEL			Percent of Total
		to/from USA	beyond SEL	Total	
03/18/78	ROK	5,878	-	5,878	48.2
	USA	6,304	-	6,304	51.8
	Total	12,182	-	12,182	100.0
03/18/79	ROK	7,064	-	7,064	47.3
	USA	7,880	-	7,880	52.7
	Total	14,944	-	14,944	100.0
03/18/80	ROK	10,814	-	10,814	51.9
	USA	8,952	1,072	10,024	48.1
	Total	19,766	1,072	20,838	100.0
03/18/81	ROK	10,269	-	10,269	50.1
	USA	7,880	2,364	10,244	49.9
	Total	18,149	2,364	20,513	100.0
03/18/82	ROK	9,750	-	9,750	48.8
	USA	7,880	2,364	10,244	51.2
	Total	17,630	2,364	19,994	100.0
03/18/83	ROK	13,038	-	13,038	64.8
	USA	4,728	2,364	7,092	35.2
	Total	17,766	2,364	20,130	100.0
03/18/84	ROK	12,820	-	12,820	45.1
	USA	10,906	4,728	15,634	54.9
	Total	23,726	4,728	28,454	100.0
03/18/85	ROK	13,378	-	13,378	43.9
	USA	13,152	3,940	17,092	56.1
	Total	26,530	3,940	30,470	100.0
05/18/85	ROK	15,750	-	15,750	40.1
	USA	16,960 <sup>1/</sup>	6,592 <sup>1/</sup>	23,552	59.9
	Total	32,710	6,592	39,302	100.0

<sup>1/</sup> Includes NW service LAX-SEL-MNL effective June 6, 1985.

Source: Official Airline Guides, Worldwide Edition March, 1978-1985

U.S. CARRIER ENPLANEMENTS AT SEOUL  
ARE LARGE AND ARE RAPIDLY GROWING

TRAFFIC ENPLANED AT SEOUL  
BY U.S. FLAG CARRIERS: 1978-1984

	<u>Passengers Enplaned</u>			<u>Total</u>	<u>Annual Growth</u>
	<u>NWA</u>	<u>PAA</u>	<u>BNF</u>		
1978	76,652	-	-	76,652	
1979	114,655	-	1,340	115,995	+51.3%
1980	108,677	-	10,204	118,881	+ 2.5%
1981	131,346	-	-	131,346	+10.5%
1982	148,302	-	-	148,302	+12.9%
1983	153,975	13,836	-	167,811	+13.2%
1984	153,151	46,114	-	199,265	+18.7%
Average Annual Growth					+18.2%

	<u>Freight Enplaned (Tons)</u>				<u>Total</u>	<u>Annual Growth</u>
	<u>FTL</u>	<u>NWA</u>	<u>PAA</u>	<u>BNF</u>		
1978	9,756	2,977	-	-	12,733	
1979	5,558	4,276	-	44	9,878	-22.4%
1980	7,624	5,972	-	51	13,647	+38.2%
1981	7,776	7,136	-	-	14,912	+ 9.3%
1982	10,194	6,378	-	-	16,572	+11.1%
1983	15,848	10,364	331	-	26,543	+60.2%
1984	14,369	10,348	699	-	25,416	- 4.3%
Average Annual Growth						+15.4%

Source: CAB Forms 41.

TABLE 10A

CHANGES IN WEEKLY PASSENGER & CARGO FLIGHTS  
BY U.S. FLAG CARRIERS BETWEEN  
U.S. AND KOREA

	<u>Passenger</u>	<u>All Cargo</u>	<u>Total</u>	<u>Index 1978 = 100</u>
May 1978	16	13	29	100
May 1979	20	18	38	131
May 1980	32	16	48	166
May 1981	24	14	38	131
May 1982	20	14	34	117
May 1983	20	14	34	117
May 1984	30	18	48	166
May 1985	46	17	63	217

Source: Office Airline Guide, May of each year; Air Cargo Guide, May of each year.

KOREA IS FOURTH MOST ACTIVE POINT FOR U.S. CARRIERS IN THE PACIFIC

REVENUE PASSENGERS ENPLANED BY U.S. CARRIERS  
1980 - 1984

Scheduled Service

City	Revenue Passengers Enplaned					Percent Growth
	1980	1981	1982	1983	1984	1980 - 1984
Tokyo	846,665	904,434	1,042,333	1,323,790	1,520,882	79.6%
Hong Kong	294,726	277,625	267,483	354,008	388,503	31.8
Manila	126,791	154,358	169,896	206,575	211,645	66.9
Seoul	118,881	131,346	148,302	167,811	199,265	67.6
Osaka	160,918	160,982	154,166	163,985	173,948	8.1
Taipei	107,944	118,353	115,714	139,038	145,965	35.2
Sydney	106,481	105,658	96,678	110,814	111,153	4.4
Auckland	77,581	75,588	64,068	80,133	84,734	9.2
Singapore	44,156	40,780	41,914	64,303	67,772	53.5
Melbourne	27,350	26,137	24,254	26,401	27,853	1.8
Okinawa	35,382	25,943	25,468	24,781	18,075	(48.9)
Shanghai	0	4,156	5,670	7,198	15,481	272.5 <sup>1/</sup>
Peking	0	8,040	8,168	9,082	12,076	50.2 <sup>1/</sup>
Kuala Lumpur	0	0	0	0	0	0.0
Nandi, F.I.	29,919	19,791	16,276	13,357	0	(100.0)
Total	1,976,794	2,053,191	2,180,390	2,691,276	2,977,352	50.6%

<sup>1/</sup> Percent growth 1981-1984.

Source: CAB Forms 41.

KOREA IS FOURTH MOST ACTIVE POINT FOR U.S. CARRIERS IN THE PACIFIC

TONS REVENUE FREIGHT ENPLANED BY U.S. CARRIERS  
1980 - 1984

Scheduled Service

City						Percent Growth
	1980	1981	1982	1983	1984	1980 - 1984
Tokyo	81,033	90,839	97,597	149,747	224,303	176.8%
Taipei	34,343	35,501	39,897	58,255	78,561	128.8
Hong Kong	32,776	31,632	35,249	60,898	74,867	128.4
Seoul	13,647	14,912	16,572	26,543	25,416	86.2
Osaka	10,682	11,366	11,136	16,061	23,978	124.5
Singapore	2,355	2,104	3,477	8,076	12,522	431.7
Manila	3,231	3,861	4,894	6,811	11,295	249.6
Sydney	4,920	4,709	7,378	6,346	7,247	47.3
Auckland	8,372	7,434	9,207	6,612	7,083	(15.4)
Kuala Lumpur	179	336	620	1,126	4,391	2,353.1
Nandi, F.I.	886	415	944	463	4,598	419.0
Melbourne	1,373	2,447	4,350	2,552	3,492	154.3
Peking	0	282	264	528	548	94.3 <sup>1/</sup>
Shanghai	0	161	358	250	221	37.3 <sup>1/</sup>
Okinawa	51	83	28	56	25	(51.0)
Total	193,848	206,082	231,971	344,324	478,547	146.9

<sup>1/</sup> Percent growth 1981-1984.

Source: CAB Forms 41.

TABLE 13

U.S. CARRIERS DERIVE MORE THAN \$153 MILLION IN REVENUES FROM  
PASSENGER SERVICE TO/FROM KOREA

	<u>Passengers</u>	<u>Miles</u>	<u>Passenger Miles</u> (000)
Seoul-Seattle/Beyond	96,520 (1)		
- Anchorage/Beyond	780 (1)		
- West Coast/Beyond via Tokyo	110,688 (2)		
Subtotal	<u>207,988</u>	6,154 (4)	1,279,958
- Taipei	25,277 (1)	917	23,179
- Manila	346 (1)	1,629	564
- Tokyo	<u>62,993 (3)</u>	762	<u>48,001</u>
Total 1982	296,604 (3)		1,351,702
Growth to 1984 @ 34.4% (5)			1,816,687
Total Revenue @ yield of 8.45¢/RPM (6)			<u>\$153,510,093</u>

Notes: (1) Revenue traffic by flight stage per ICAO Digest of Statistics No. 300 (1982).

(2) Estimated U.S.-SEL traffic via TYO @ 115% of SEL-SEA/beyond shown above, per relationship of frequencies in 1982.

(3) Total NWA enplaned traffic at SEL in 1982 was 148,302. Therefore, total traffic estimated at 296,604 (148,302 x2). All other traffic shown above totals 233,611, leaving a residual of 62,993. This traffic, regarded as fifth freedom traffic, brings total SEL-TYO flow to 173,681 (62,993 + 110,688). The resultant 173,681 is 23,498 less than the ICAO recorded traffic flow of 197,179.

(4) Average mileage of flight routings in 1982 between SEL and first (or last) U.S. mainland point.

(5) Growth in traffic from 1982 to YE 10/31/84 per enplanements at Seoul per Table 10. Part of growth attributable to entrance of Pan American in market.

(6) NWA experience in scheduled trans Pacific service in 1984.

U.S. CARRIERS DERIVE MORE THAN \$68 MILLION  
IN REVENUE FROM CARRIAGE OF FREIGHT TO/FROM KOREA

Year 1984 - U.S.-Korea freight carried by U.S. flag carriers	28,757.2 tons (1)
Northwest/PAA (2) - 43.5%	12,509
Flying Tiger (3) - 56.5%	16,248
Mileage - NWA (3)	5,540
FTL (3)	6,483
Ton-Miles - NWA	69,299,860
- FTL	<u>105,335,784</u>
Total	174,635,644
Yield/RTM (4)	39¢
Revenue Total	<u>68,107,901</u>

---

Notes (1) Per Department of Commerce, Bureau of Census.

(2) Distribution based on enplanements at SEL

NWA/PAA	11,047	43.5%
FTL	14,369	56.5
Total	<u>25,416</u>	<u>100.0%</u>

(3) Mileage as flown between SEL and first (last) U.S. mainland point by all-cargo aircraft.

(4) NWA and FTL yields on transpacific operations are the same. PAA's is 42¢/per ton mile but PAA share of traffic was minor.

U.S. CARRIERS SERVING KOREA  
HAVE ACCESS TO LARGE FIFTH FREEDOM MARKETS

(Origin-Destination Traffic)

City	Total Passengers, All Carriers, Year Ending 31 December 1983			U.S. Flag Carrier Now Serving
	To SEL	From SEL	Total	
<u>3rd/4th Freedom</u>				
Honolulu	46,101	53,614	99,715	NW, PA
Los Angeles	94,121	101,392	195,513	NW
New York	49,404	59,097	108,501	NW, PA
Total	189,626	214,103	403,729	
Average	63,209	71,368	<u>134,576</u>	
<u>5th Freedom</u>				
Manila	25,217	20,688	45,905	NW
Osaka	192,631	182,819	375,450	PA
Taipei	137,800	117,145	254,945	NW, PA
Tokyo	384,253	396,585	780,838	NW, PA
Total	739,901	717,237	1,457,138	
Average	184,975	179,309	<u>364,285</u>	
<u>Freight (tonnes), Year Ended 31 December 1983</u>				
City	To SEL	From SEL	Total	U.S. Flag Carrier Now Serving
<u>3rd/4th Freedom</u>				
Honolulu	216.02	1,661.20	1,877.22	NW, PA
Los Angeles	9,495.10	15,160.30	24,655.40	NW, FT
New York	8,289.29	15,035.53	23,324.82	NW, PA
Total	18,000.41	31,857.03	49,857.44	
Average	6,000.14	10,619.01	<u>16,619.15</u>	
<u>5th Freedom</u>				
Manila	900.51	1,241.51	2,142.02	NW
Osaka	6,219.29	5,275.02	11,494.31	PA
Taipei	7,045.13	2,092.95	9,138.08	NW, PA, FT
Tokyo	20,183.48	26,369.15	46,552.63	NW, PA, FT
Total	34,348.41	34,978.63	69,327.04	
Average	8,587.10	8,744.66	<u>17,331.76</u>	

Note: PA not included in above Osaka/Taipei traffic for 1983.

Source: ICAO, On-Flight Origin and Destination, Digest of Statistics No. 307.

U.S. CARRIERS SERVING KOREA OPERATE SUBSTANTIAL  
CAPACITY IN THE FIFTH FREEDOM MARKETS

SERVICE PROVIDED BY U.S. FLAG CARRIERS IN  
FIFTH FREEDOM SECTORS TO/FROM SEOUL  
1978-1984 AND ESTIMATED 1985

<u>Year</u>	<u>Flights</u>	<u>Seats</u>
1978	936	368,784
1979	1,092	423,696
1980	1,430	535,002
1981	1,027	399,659
1982	897	353,418
1983	1,209	452,764
1984	1,716	595,736
Est. 1985	2,353 <sup>1/</sup>	707,462 <sup>1/</sup>

---

<sup>1/</sup> Based on May 1985 Actual plus relationship of Annual to May seats for period 1978-1984.

Source: Official Airline Guides, Worldwide Edition, February, May, August, November, 1978 to 1984; April 1985.

U.S. CARGO CARRIERS SERVING KOREA CONDUCT  
SUBSTANTIAL FIFTH FREEDOM OPERATIONS

SERVICE AND CAPACITY PROVIDED BY U.S. CARGO CARRIERS OVER  
FIFTH FREEDOM SECTORS TO/FROM SEOUL  
1978-1984 AND ESTIMATED 1985

<u>Year</u>	<u>Flights</u>	<u>Tons</u>
1978	949	96,213
1979	949	95,290
1980	897	103,155
1981	897	103,155
1982	845	97,175
1983	806	92,690
1984	923	106,145
Est. 1985	842 <sup>1/</sup>	96,172 <sup>1/</sup>

---

<sup>1/</sup> Based on May 1985 Actual plus relationship of Annual to May tons for period 1978-1984.

Source: Air Cargo Guide, February, May, August, November 1978-1984, April 1985.

U.S. PASSENGER CARRIERS SERVING KOREA DERIVE SUBSTANTIAL  
BENEFITS FROM FIFTH FREEDOM MARKETS

TRAFFIC OVER FIFTH FREEDOM SECTORS INTO/OUT OF SEOUL  
Revenue Passengers

<u>FLIGHT STAGE</u>	<u>1982</u>	<u>1981</u>	<u>1980</u>	<u>1979</u>	<u>1978</u>
<u>Seoul-Taipei</u>					
CX	154,649	136,761	117,216	126,699	124,977
KE	192,672	140,652	121,656	116,820	95,640
HI	30,239	21,825	17,610	2,793	-
<u>NW</u>	25,277	20,844	23,967	-	-
SQ	38,104	33,453	25,404	18,210	27,576
TG	71,883	51,315	35,424	20,757	14,118
Total	512,824	404,850	341,277	285,279	262,311
<u>Seoul-Tokyo</u>					
<u>BN</u>	-	-	534	414	-
JL	265,905	127,938	43,767 <sup>1/</sup>	162,462	176,943
KE	385,563	337,068	278,223	321,351	331,968
<u>NW</u>	197,179	179,964	150,198	198,393	111,723
CX	-	-	42,036	105,939	140,541
Total	348,647	644,970	514,758	788,559	761,175

<sup>1/</sup> Complete data for year not available.

Note: The latest annual data available are for 1982.

Source: ICAO Digests of Statistics (Traffic by Flight Stage).

U.S. CARGO CARRIERS SERVING KOREA DERIVE SUBSTANTIAL  
BENEFITS FROM FIFTH FREEDOM MARKETS

TRAFFIC OVER NON-U.S. SECTORS INTO/OUT OF SEOUL  
Revenue Freight (Tonnes)

<u>FLIGHT STAGE</u>	<u>1982</u>	<u>1981</u>	<u>1980</u>	<u>1979</u>	<u>1978</u>
<u>Seoul-Hong Kong</u>					
<u>FT</u>	324	-	513	-	-
<u>KE</u>	12,251	13,386	9,252	6,345	1,149
<u>NW</u>	662	1,521	1,071	1,137	507
<u>BN</u>	-	-	165	-	-
<u>TG</u>	-	-	9	-	-
<u>Total</u>	<u>13,237</u>	<u>14,907</u>	<u>11,010</u>	<u>7,482</u>	<u>1,656</u>
<u>Seoul-Osaka</u>					
<u>FT</u>	5,233	4,659	4,854	2,484	843
<u>JL</u>	1,213	1,845	816 <sup>1/</sup>	1,176	2,001
<u>KE</u>	8,559	9,516	8,709	8,223	5,838
<u>NW</u>	<u>3,277</u>	<u>3,498</u>	<u>1,605</u>	<u>1,395</u>	-
<u>Total</u>	<u>18,282</u>	<u>19,518</u>	<u>15,984</u>	<u>13,188</u>	<u>8,682</u>
<u>Seoul-Taipei</u>					
<u>CX</u>	4,864	4,959	4,179	4,527	3,591
<u>FT</u>	215	291	186	1,002	5,280
<u>KE</u>	9,279	7,611	5,286	5,094	3,516
<u>MH</u>	380	369	393	60	-
<u>NW</u>	2,515	3,501	2,703	3,471	1,614
<u>SQ</u>	1,276	1,056	768	729	741
<u>TG</u>	<u>1,765</u>	<u>1,155</u>	<u>894</u>	<u>642</u>	<u>561</u>
<u>Total</u>	<u>20,294</u>	<u>18,942</u>	<u>14,409</u>	<u>15,525</u>	<u>15,303</u>

U.S. CARGO CARRIERS SERVING KOREA DERIVE SUBSTANTIAL  
BENEFITS FROM FIFTH FREEDOM MARKETS

TRAFFIC OVER NON-U.S. SECTORS INTO/OUT OF SEOUL  
Revenue Freight (Tonnes)

<u>FLIGHT STAGE</u>	<u>1982</u>	<u>1981</u>	<u>1980</u>	<u>1979</u>	<u>1978</u>
<u>Seoul-Tokyo</u>					
<u>SN</u>	-	-	3	3	-
<u>FT</u>	10,881	7,242	6,762	6,039	13,689
<u>JL</u>	7,854	5,085	2,163 <sup>1/</sup>	8,307	7,302
<u>KE</u>	20,316	24,345	23,052	22,425	20,322
<u>NW</u>	6,740	8,466	7,581	8,358	4,701
<u>CX</u>	-	-	1,170	3,243	3,009
<u>Total</u>	<u>45,821</u>	<u>45,138</u>	<u>40,731</u>	<u>48,375</u>	<u>49,023</u>

<sup>1/</sup> Complete data for year not available.

Source: ICAO Digests of Statistics (Traffic by Flight Stage).

CHICAGO AND SAN FRANCISCO ARE RELATIVELY UNDERSERVED TO KOREA  
CONSIDERING THEIR SIZE AND IMPORTANCE

WEEKLY NON-STOP AND ONE-STOP PASSENGER FLIGHTS  
MAY 1985

<u>To/From</u>	<u>New York</u>	<u>Los Angeles</u>	<u>Chicago</u>	<u>San Francisco</u>
Seoul	22	16	16	12
Tokyo	56	70	34	49
Hong Kong	40	21	0	44
Taipei	10	28	5	17
Manila	0	11	9	17

1980 POPULATION OF TOP TEN U.S. METROPOLITAN AREAS <sup>1/</sup>

	<u>1980</u> <u>(000)</u>
New York	17,539
Los Angeles	11,498
Chicago	7,937
Philadelphia	5,681
San Francisco	5,368
Detroit	4,488
Boston	3,972
Washington	3,251
Houston	3,101
Dallas/Ft. Worth	2,931

<sup>1/</sup> Consolidated metropolitan statistical areas as defined by OMB as of June 30, 1983.

Source: Official Airline Guide, Worldwide Edition, April 1985;  
Statistical Abstract of the United States, 1984, U.S. Department  
of Commerce, Bureau of the Census.

CHICAGO AND SAN FRANCISCO ARE RELATIVELY UNDERSERVED TO KOREA  
CONSIDERING THEIR SIZE AND IMPORTANCE

## WEEKLY CARGO FLIGHTS

MAY 1985

<u>To/From</u>	<u>New York</u>	<u>Los Angeles</u>	<u>Chicago</u>	<u>San Francisco</u>
Seoul	19	19	9	8
Tokyo	62	36	31	38
Hong Kong	21	6	12	8
Taipei	21	13	15	14
Manila	6	0	4	0

Source: Air Cargo Guide, April 1985.

CHICAGO AND SAN FRANCISCO ARE RELATIVELY UNDERSERVED TO KOREA

USING JAPAN AS AN INDEX,  
 AIR FREIGHT IN THE CHICAGO-REPUBLIC OF KOREA MARKET LAGS BEHIND  
 NEW YORK/LOS ANGELES - REPUBLIC OF KOREA MARKETS  
 (WHERE KAL PROVIDES SERVICE)  
 (pounds in thousands)

Year 1984	NEW YORK		LOS ANGELES		CHICAGO		SAN FRANCISCO	
	Pounds	Rel. to Japan	Pounds	Rel. to Japan	Pounds	Rel. to Japan	Pounds	Rel. to Japan
U.S. Exports to - Republic of Korea	9,813	19.2	19,913	56.6	3,469	11.5	2,058	8.5
Japan	51,148	100.0	35,180	100.0	30,211	100.0	24,242	100.0
U.S. Imports from - Republic of Korea	41,503	39.7	29,214	28.6	10,609	14.5	11,864	13.8
Japan	104,608	100.0	102,095	100.0	73,077	100.0	86,228	100.0

Source: U.S. Department of Commerce, Bureau of the Census, 1A-154, Imports, and EM 563, Exports, Monthly for 1984.

MEASURED AGAINST USA-JAPAN AIR FREIGHT MARKETS,  
 THE USA-REPUBLIC OF KOREA MARKETS MOST LAGGARD  
 ARE CHICAGO AND SAN FRANCISCO  
 1979-1984

	Six Year Total		Total	Index Japan = 100
	Export	Imports		
	(ooo pounds)			
<u>Chicago</u>				
Republic of Korea	18,100	35,259	53,359	14.2
Japan	152,872	222,837	375,709	100.0
<u>New York</u>				
Republic of Korea	45,975	148,382	194,357	30.0
Japan	264,992	382,992	647,984	100.0
<u>Los Angeles</u>				
Republic of Korea	100,213	115,736	215,949	36.5
Japan	213,841	377,859	591,700	100.0
<u>San Francisco</u>				
Republic of Korea	7,409	47,484	54,893	14.9
Japan	131,368	236,073	367,441	100.0

Source: U.S. Department of Commerce, Bureau of the Census, 1A-154, Imports, and EM 563, Exports, Monthly for 1984.

SJR 30

Relating to Passenger Service by Korean Airlines  
in Anchorage

DATE INTRODUCED

1/13/86

RELATED BILLS PENDING

SPONSOR(S)

Bill Roy

REFERRALS

Trans. Rules

Passed Unanimous 1/29/86

INITIAL SUMMARY COMPLETED

Yes

LEGAL DIVISION SUMMARY

N/A

DEPT OF LAW SUMMARY

N/A

SPONSOR CONTACTED FOR BACKUP MATERIALS

Yes

FISCAL NOTE

N/A

AGENCY RESPONSE

Report issued by Kal

OTHER INTERESTED LEGISLATORS NOTIFIED

Position Paper by NCFN

SIMILAR BILLS INTRODUCED IN PREVIOUS LEGISLATURES

- - -

OTHER STATE OR FEDERAL PRECEDENTS, REGULATIONS, ETC

RESPONSES FROM INTERESTED PERSONS AND/OR GROUPS

Korean Airlines contacted

CHAIRMAN BRIEFED

Yes

DATE & PLACE SET

1/29/86 Rom 205

STAFF MEMO TO COMMITTEE

Yes

TELECONFERENCE

No

BACKGROUND MATERIAL DISTRIBUTED

✓

PSA/PRESS RELEASE

No

LIST OF WITNESSES

SUGGESTED AMENDMENTS/CS DRAFTED

Paula Scavera For Sen. Roy

No

IDENTIFICATION

INITIAL RESEARCH

BACKGROUND RESEARCH

HEARING PREPARATION

SENATE RESOLUTION NO. 30

"A Resolution allowing Korean Airlines to pick up passengers at Anchorage airport."

The Department of Commerce and Economic Development strongly endorses the passage of Resolution No. 30.

The advancement of international trade and the diversification of our economy through the development of trade is a priority of this Administration. Objectives include attracting investments, increasing labor participation in our industries, and improving access to international markets. Obtaining the rights for Korean Airlines to pick up passengers in Anchorage is more than a symbolic event. Such a routing by Korean Airlines would give Alaska a direct access to our most active trading partner after Japan.

During the past several years, Korea has taken one of the most important investment roles of any foreign nation in Alaska's economy. From joint ventures in fishing, to coal exports, to in-state construction, Korea has provided an infusion of capital which represents a good faith interest in a long-term economic relationship with Alaska. Indeed, Korea sees Alaska as an ideal location for the development of a stable resource base and as a place where it can invest capital in response to increasing pressure by the U.S. government to reduce the U.S.-Korea trade deficit which is hovering in the billions. Investment in Alaska is especially attractive to the Koreans since they have the opportunity of investing in those resource industries which will benefit that nation.

Moreover, Korean construction technology is now rivaling Japan in many areas and the Korean construction industry is looking for new outlets or markets for this expertise. As Alaska continues to develop its infrastructure of port facilities and the like and as the State expands its industry to include new refineries and other facilities, so will Korea continue to operate in our marketplace.

Alaska can ill afford to presume, however, that Korea will develop our market potential with us unless our products are competitively priced and our citizens, from the government to the private sector, are supportive of creating an environment conducive to the expansion of trade. Such support can be represented by our own good faith efforts to make access to Alaskan markets easy and profitable for the Koreans. The rights to pick up passengers would represent successful progress toward creating a good trade atmosphere through a new partnership at the international airport.

The rights in question also mean a great deal of future capital for the State. Anchorage International Airport already provides millions of dollars of revenue for the State through both stopover rights and passenger pick-up rights. Japan Air Lines is the biggest customer of the State with millions of dollars generated through landing fees, passenger pick-up fees, duty free shopping revenue, and the tourist industry. Korea, however, is beginning to have more mobility as a national population. Business and leisure travel is becoming far more common than it was even five years ago as a result of an increase in disposable income and a relaxation in visa procedures. The rights in question would serve to stimulate an increased interest by the Koreans in developing the Alaskan market as a tourist destination rather than as merely a stopover location.

Anchorage International Airport, finally, is facing a very serious future issue involving the possibility of airlines establishing overflight routes which bypass the airport. The rights in question granting Korean Air Lines the ability to pick up passengers in Anchorage could positively impact this issue.

International airline landings at Anchorage International Airport have increased by 42% from 1981 to 1984. The increase in international landings is projected to continue through the 1980's. However, as the market for nonstop flights develops and new aircraft technologies are purchased, international passenger flights via Anchorage International Airport will likely decrease while nonstop flights over the U.S.S.R. and other routes will increase. The Boeing 747-400, expected to be in production in 1988-1989 and in use by 1990, will reduce fuel consumption by 10-12% over existing 747 aircraft while increasing passenger loads by up to 32%. It will have a flight range of 7,000 miles. The nonstop flight from Tokyo to London is 5,400 miles.

It is imperative, therefore, that the State work in conjunction with the Municipality of Anchorage and other appropriate groups to market Alaska as the ideal tourist destination that it is for visitors from the Pacific Rim. We also need to develop any other mechanisms which promote an anchoring of the international airline community at Anchorage International Airport. If there is a legitimate passenger market or other inducements for the carriers, it is unlikely that Anchorage International Airport would face catastrophic losses. However, we must act now to begin the anchoring process. The obtaining of the rights permitting Korean Air Lines to pick-up passengers in Anchorage is a logical and major first step in our process.



Loren H. Lounsbury, Commissioner

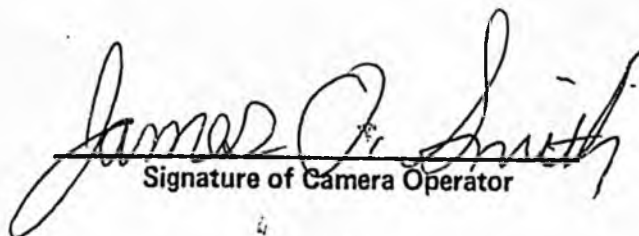
1/25/86  
Date

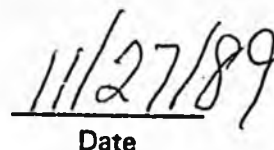


# RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

  
Signature of Camera Operator

  
Date

HB

1

STATE OF ALASKA  
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY  
LEGISLATIVE REFERENCE LIBRARY

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465-3800

May, 1986

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS date base CM 14. In order to save space copies of minutes have not been left in the files.

Jeanie Henry

*House Transportation Committee 1/22/1985 7:00am*

# Alaska State Legislature




## House of Representatives House Judiciary Committee

Pouch V  
State Capitol  
Juneau, Alaska 99811  
(907) 465-4990

MEMO: March 25, 1985

TO: Sen. Jack Coghill  
Chairman, Senate Transportation Committee

FROM: Rep. M. Mike Miller (Juneau) 

RE: HB 1/Free ferry transport of goods for charities  
Request for hearing in Senate Transportation Committee

You have in your committee CSHB 1(Transportation), which would allow the Alaska Marine Highway System to provide occasional free transport of essential goods -- food, clothing and furnishings -- for charitable (free) donations to the poor living in outlying communities served by the ferry system.

I would appreciate the early scheduling of a hearing on this bill by your committee if it can be arranged. There would be no fiscal impact on the ferry system as the bill is currently written, as transportation would be on a space-available basis, thereby not causing revenue losses from paying passengers.

The CS adopted by the House Transportation Committee and later passed by the House is an improvement of my original bill. It tightens eligibility requirements for charities to receive this privilege and prevents abuses. In addition to providing this limited privilege for charities, the bill also provides authority for the Marine Highway System to transport needed goods in declared disasters and emergencies, an authority that is unclear under existing statutes. Although the ferry system did provide emergency transport to Tenekee Springs following 1984's Thanksgiving Day storm and the resulting declared disaster by the Governor, the ferry system does not have statutory authority to do so. The bill would make that authority specific.

If you have any questions about the bill, or about the requested hearing, please contact me. For the information of your staff who may be researching the bill, the staff person handling the bill for me is Bob Speed (x-4990). He will be glad to provide any assistance or information required prior to hearings.

MAR 26 1985

April 9, 1985

MEMORANDUM

To: Committee members  
From: Committee staff  
Re: Background on CS HB 1(Trans)

Tomorrow, the committee will take up CS HB 1(Trans), which proposes to allow free transportation of clothing and household goods for charitable organizations on board the Alaska Marine Highway ferries. This service would be used to move charitable items, primarily by the Salvation Army, from places where they have a surplus, like Juneau, to outlying villages where there is a distinct need. Salvation Army personnel testified to House Transportation hearings that they would likely use the free ferry ride to each of the Southeastern communities they serve two or three times each year.

As it was originally introduced, HB 1 was opposed by DOT/PF as it might be potentially easily-abused, and could create additional administrative work for the department. The department also anticipated problems loading and unloading free vans and trucks, which could increase the amount of time the ferries would be in port. Most of their concerns have been addressed in the committee substitute that was passed by the House, however, the department is still not wildly enthusiastic about the bill.

IDENTIFICATION	BILL NAME "An Act Authorizing the ferry system to transport certain items without charge."	BILL NUMBER CS HB 1
		DATE INTRODUCED 3/4/85
		RELATED BILLS PENDING
	SPONSOR(S)  M. Mike Miller	None  Finance
		REFERRALS
INITIAL RESEARCH	INITIAL SUMMARY COMPLETED  Yes	LEGAL DIVISION SUMMARY  No
	SPONSOR CONTACTED FOR BACKUP MATERIALS Yes-supplied	DEPT OF LAW SUMMARY  No
	AGENCY RESPONSE DOT objected to original bill less objection to CS (see Summary)	FISCAL NOTE  Yes (DOT)
		OTHER INTERESTED LEGISLATORS NOTIFIED
BACKGROUND RESEARCH	SIMILAR BILLS INTRODUCED IN PREVIOUS LEGISLATURES  None known	OTHER STATE OR FEDERAL PRECEDENTS, REGULATIONS, ETC   None known
	RESPONSES FROM INTERESTED PERSONS AND/OR GROUPS Salvation Army (see minutes 4/10/85) Marine Highway " "	
HEARING PREPARATION	CHAIRMAN BRIEFED  Yes	DATE & PLACE SET 4-10-85
	STAFF MEMO TO COMMITTEE  Yes	TELECONFERENCE  No
	BACKGROUND MATERIAL DISTRIBUTED  Yes	PSA/PRESS RELEASE  No
	LIST OF WITNESSES Lt. Bradford Russell - Salvation Army M M Miller - Prime Sponsor Josephine Emery - Alaska Marine Hwy	SUGGESTED AMENDMENTS/CS DRAFTED  House CS Passed 4-10-85

Hein  
1/30/85✓

Original sponsors: M.M.Miller, Goll,  
Sund and Duncan

1 IN THE HOUSE

BY THE TRANSPORTATION COMMITTEE

2 CS FOR HOUSE BILL NO. 1 (Transportation)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act authorizing the ferry system to transport  
7 certain items without charge."

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

9 \* Section 1. AS 19.65 is amended by adding new sections to read:

10 Sec. 19.65.030. TRANSPORTATION OF GOODS FOR CHARITABLE ORGANIZA-  
11 TIONS. (a) To the extent that unsold space is available, the commis-  
12 sioner of transportation and public facilities may provide to au-  
13 thorized nonprofit charitable organizations free transportation of  
14 vans and vehicles on Alaska marine highway system vessels between  
15 Alaska ports only. A van or vehicle transported under this section  
16 may contain only clothing and household furnishings that are to be  
17 distributed without charge to needy individuals and families.

18 (b) The commissioner shall determine which organizations are  
19 authorized to receive free transportation services under (a) of this  
20 section and shall maintain a list of those organizations. Authoriza-  
21 tion is limited to organizations that have been in existence at least  
22 three years. The commissioner may establish additional criteria for  
23 authorization. A nonprofit charitable organization not authorized  
24 under this subsection may submit a written request for authorization.  
25 The request shall include the organization's justification for au-  
26 thorization.

27 (c) An organization may lose its authorization for failing to  
28 comply with the provisions of this section or regulations adopted  
29 under this section.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29

Sec. 19.65.040. EMERGENCY TRANSPORTATION OF GOODS. The commis-  
sioner of transportation and public facilities may provide for the  
free transportation of goods on Alaska marine highway system vessels  
during an emergency declared by the governor.

\* Sec. 2. AS 19.65.030 is repealed three years after the effective date  
of this Act.

# Alaska State Legislature

## House of Representatives



Rep. Bette Cato, Chairman

Committee on Transportation

Pouch V  
State Capitol  
Juneau, Alaska 99811  
(907) 465-4858

DATE: 23 JANUARY 1985

TO: LEGAL SERVICES

FROM: Rhonda Cargill *Rhonda Cargill*  
Committee Aide  
House Transportation Committee

RE: HB 1

The following suggestions were made in our January 22nd committee meeting for possible amendments. Staff was instructed to forward them to Legal Services for implementation into the work draft for CSHB 1. I have also attached a copy of the minutes from that meeting for your information. Please give me a call should you need to discuss this further.

### SUGGESTED AMENDMENTS

1. Have the Department of Transportation and Public Facilities develop a list of authorized organizations in order to narrow the number of charities which could use the system for free.
2. Additional charitable organizations must petition the Commissioner with written justification to be admitted to that list.
3. Violators or abusers of the law would be excluded from the list.
4. Declare emergencies - let the Marine Highway System transport goods for free during times of emergencies. (This should be a separate section making it separate and distinct from the eligibility list of requirements; this would give DOT the ability to deal with emergency situations legally--an ability which, as we understand it, they do not have at the present time.)
5. The charitable organizations must be in existence for 3 years.
6. This provision shall sunset after 3 years.

7. Line 17 add the "free" between "distributed" and "to".
8. Line 12 add the word "unsold" between the words "that" and "space".

As you can tell from the minutes, the Committee is concerned with the potential abuse of this proposed legislation. Any assistance you can offer with attempting to close any such loopholes appreciated.

cc: Transportation Committee Members

Offered: 2/1/85  
Referred: Finance

Original sponsors: M.M.Miller, Goll,  
Sund and Duncan

1 IN THE HOUSE BY THE TRANSPORTATION COMMITTEE  
2 CS FOR HOUSE BILL NO. 1 (Transportation)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FOURTEENTH LEGISLATURE - FIRST SESSION  
5 A BILL

6 For an Act entitled: "An Act authorizing the ferry system to transport  
7 certain items without charge."

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

9 \* Section 1. AS 19.65 is amended by adding new sections to read:

10 Sec. 19.65.030. TRANSPORTATION OF GOODS FOR CHARITABLE ORGANIZA-  
11 TIONS. (a) To the extent that unsold space is available, the commis-  
12 sioner of transportation and public facilities may provide to au-  
13 thorized nonprofit charitable organizations free transportation of  
14 vans and vehicles on Alaska marine highway system vessels between  
15 Alaska ports only. A van or vehicle transported under this section  
16 may contain only clothing and household furnishings that are to be  
17 distributed without charge to needy individuals and families.

18 (b) The commissioner shall determine which organizations are  
19 authorized to receive free transportation services under (a) of this  
20 section and shall maintain a list of those organizations. Authoriza-  
21 tion is limited to organizations that have been in existence at least  
22 three years. The commissioner may establish additional criteria for  
23 authorization. A nonprofit charitable organization not authorized  
24 under this subsection may submit a written request for authorization.  
25 The request shall include the organization's justification for au-  
26 thorization.

27 (c) An organization may lose its authorization for failing to  
28 comply with the provisions of this section or regulations adopted  
29 under this section.

1           Sec. 19.65.040. EMERGENCY TRANSPORTATION OF GOODS. The commis-  
2           sioner of transportation and public facilities may provide for the  
3           free transportation of goods on Alaska marine highway system vessels  
4           during an emergency declared by the governor.

5           \* Sec. 2. AS 19.65.030 is repealed three years after the effective date  
6           of this Act.

Introduced: 1/14/85  
Referred: Transportation and  
Finance

BY M.M.MILLER,GOLL,SUND AND  
DUNCAN

1 IN THE HOUSE

2 HOUSE BILL NO. 1

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act authorizing the ferry system to transport  
7 certain items for charitable organizations without  
8 charge."

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

10 \* Section 1. AS 19.65 is amended by adding a new section to read:

11 Sec. 19.65.030. TRANSPORTATION OF GOODS FOR CHARITABLE ORGANIZA-  
12 TIONS. To the extent that space is available, the commissioner of  
13 transportation and public facilities may provide to nonprofit charita-  
14 ble organizations free transportation of vans and vehicles on Alaska  
15 marine highway system vessels. A van or vehicle transported under  
16 this section may contain only clothing and household furnishings that  
17 are to be distributed to needy individuals and families.

STATE OF ALASKA 1985 LEGISLATIVE SESSION  
FISCAL NOTE

Revisor Date: \_\_\_\_\_

**REQUEST**

Bill/Resolution No.: HB 1  
 Title: Transportation of goods for Charitable Organizations  
 Sponsor: M. Miller, Goll, Sund & Duncan  
 Requestor: \_\_\_\_\_  
 Date of Request: \_\_\_\_\_

**FISCAL DETAIL**

Agency Affected: Dept. of Transn. & P.F.  
 Program Category Affected: Transportation  
 BRU, Program or Subprogram(s) Affected: \_\_\_\_\_

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
<b>OPERATING</b>						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
<b>TOTAL OPERATING</b>	-0-	-0-	-0-	-0-	-0-	-0-

<b>CAPITAL</b>						
----------------	--	--	--	--	--	--

<b>REVENUE</b>	-0-	-0-	-0-	-0-	-0-	-0-
----------------	-----	-----	-----	-----	-----	-----

**FUNDING: (Thousands of Dollars)**

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-

**POSITIONS:**

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

**ANALYSIS:** Attach a separate page if necessary

It is assumed that those "Charitable Organizations" requesting free transportation for a van or vehicle containing clothing and household goods for distribution to needy persons certify this need by formal written request and that free passage will be granted by pass with no liability of the State to those organizations.

\* - Historical information not available to calculate revenue loss.

Prepared By: Joe D. Camp, Deputy Commissioner  
 Division: Alaska Marine Highway System

Phone: 465-3950  
 Date: 01/18/85

Approved by Commissioner: \_\_\_\_\_  
 Agency: DOT&PF

Date: 01/21/85

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Affected Agency(ies)

**ZERO FISCAL NOTE**

7/1/84

us

HB 1: An Act authorizing the ferry system to transport certain items for charitable organizations without charge.

The Department of Transportation and Public Facilities is opposed to the transport of items for charitable organizations without charge. The multitude of charitable organizations in the state would inundate the Alaska Marine Highway with requests. According to Department of Labor statistics, there are 892 potential charitable organizations in the State. The investigation and processing of these requests would require administrative time that could evolve into a requirement for additional personnel.

Small communities usually have a low economic base therefore high ratio of needy individuals and families. With many it is a way of life preferred over urban dwelling. The free carriage of these items could have a definite effect on the economy of a small community and would compete with private industry both in transportation and local businesses.

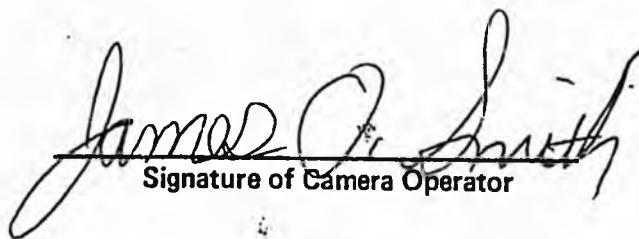
Operationally it is not feasible to carry vans on a space available basis. Vans are required to be loaded prior to other vehicles.

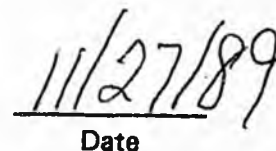
However we believe that HB 1 should be amended to provide this assistance to needy individuals in communities that have been declared a disaster area by the Governor.



# RECORDS CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

  
Signature of Camera Operator

  
Date

HB

100

# MEMORANDUM

# State of Alaska

TO: Bill Ross  
Commissioner

DATE: February 19, 1985

FILE NO:

TELEPHONE NO: 465-2640

FROM: Keith Kelton  
Director  
Division of Environmental Quality

SUBJECT: Spill Expense Reserve Account  
History and Status Report

In 1976, the Alaska Legislature passed its first major legislation addressing the problem of oil spills. It required oil spill contingency plans, proof of financial responsibility for cleanup efforts, as well as provisions for charges against terminal users and oil tankers based on the degree of spill risk their equipment and operations presented. Funds collected from the program were to be used to develop a contingency fund to meet cleanup costs in the event of a major spill. The fund was struck down by the courts, leaving the other two provisions intact.

In order to maintain the State's oil pollution control program, a new bill, HB 205, was introduced by the 1979 Legislature. This legislation extended the contingency plans and financial responsibility to offshore exploration and production facilities, and oil barges. The new legislation was to correct the defects in the 1976 law and ensure that Alaska had a strong program for preventing and mitigating the effects of an oil spill. Chapter 120, SLA 80, Section 53 provided \$1,542,600 for HB 205 (FY 80), and provided a \$1 million expense reserve and a fiscal note to start and fund the Oil Pollution Control Program. The Spill Expense Reserve was to pay costs directly involved in the abatement, containment, and removal of a discharge of oil or hazardous substances: the fiscal note provided for staff, equipment, and training.

House Journal Supplement No. 43 indicated that, "the cleanup reserve be maintained by capital appropriation at the \$1 million level. The balance of the reserve should carry over from year to year. Subsequent budget requests may be less than \$1 million." An additional \$250,000 was appropriated in 1981 and another \$250,000 in 1984.

Since the inception of the program, hundreds of spills have been cleaned up. Most of the expenses are charged directly to the spiller. When the spiller was unknown or the spill incident required immediate emergency action, the spill reserve was used to fund the cleanup work.

Some spills involve action by the courts and the Attorney General's Office. The account balance on January 31, 1985, was \$410,080.74. There are several spills that are still in the litigation or pre-litigation stages and may require sizable funding. The Nome Gasoline Spill has cost over \$680,000 to date.

On December 27, 1984, we received a reimbursement of \$597,896.07 for spill expenses from the U.S. Coast Guard for the Nome Spill; this is the first time that the state has received federal funds for reimbursement of spill expenses.

February 19, 1985

On July 14, 1983, a settlement/agreement was reached between the State and the Alyeska Pipeline Service Company on the two spills that occurred over four years prior, the Atigun Pass Spill and the Mile Post 734 Spill. The settlement was for \$350,000.

AS 46.03.758(k) states that "penalties received by the state under this section shall be deposited in the general fund and credited to a special account called the 'oil spill mitigation account.' The legislature may annually appropriate from the spill mitigation account a sum equivalent to the amount of penalties received under this section for the calendar year preceding the legislative session in which the appropriation is made, the appropriation to be made for the purpose of restoring and enhancing environments affected by oil pollution, including but not limited to the funding of aquaculture projects."

Amount expended in FY 84	\$ 785,112.62
Amount expended for FY 85 to date	69,827.18
TOTAL	\$ 854,939.80

Amount recovered FY 84	354,541.73
Amount recovered FY 85 to date	608,885.58
TOTAL	\$ 963,427.31

We are asking for a capital appropriation of \$550.0 for FY 86 to bring the Spill Reserve Account back up the \$1.0 million level.

4

PROJECT TITLE: <u>Spill Expense Reserve Account</u>	AGENCY PRIORITY: ___ OF ___
LOCATION: <u>Statewide</u>	
ELECTION DISTRICT: <u>99</u>	FISCAL YEAR: <u>8 6</u> DURATION: <u>continuing</u>
APPROPRIATION TO: <u>Alaska Department of Environmental Conservation</u>	PROGRAM: <u>Oil Pollution Control</u>

	FUNDING:	CAPITAL REQUEST	REVISED REQUEST	OPERATING COSTS
1002	FEDERAL RECEIPTS	_____	_____	_____
1003	GENERAL FUND MATCH	_____	_____	_____
1004	GENERAL FUND	550.0	_____	_____
1005	INTER-AGENCY RECEIPTS	_____	_____	_____
1028	PROGRAM RECEIPTS	_____	_____	_____
		_____	_____	_____
		_____	_____	_____
	TOTALS:	550.0	_____	_____
			POSITIONS (PFT):	-0-

PROJECT DESCRIPTION AND JUSTIFICATION:

LINE (1) To fund cleanup of oil or hazardous substance on land and inland waters of the state, account originated

LINE (2) in FY 80 by HB250 with \$1 million and appropriations in FY 81 and 84 of \$250.0 each. HJ Supplement 40

LINE (3) states account to be maintained at \$1 million, funds to be continuing from year to year. AS 46.03.758(k)

LINE (4) states appropriations may be made annually, revenue from fines and forfeitures deposited to General Fund.

**CP1** CAPITAL PROJECTS  
DESCRIPTION  
DATA ENTRY WORKSHEET

(6/84)-cp1

## WORKSHEET

PAGE 1 OF 2
REVISED DATE

FY 86

Since the inception of the program, hundreds of spills have been cleaned up. Most of the expenses are charged to the spiller. If the spiller is unknown or the spill incident requires immediate emergency action, the spill reserve account is used to fund the cleanup work.

Some spills involve action by the courts and the Attorney General's Office. The account balance at this time is \$447.0. There are several spills that have not been cleaned up completely and may require sizable funding. The Nome Gasoline Spill has cost over \$680.0 to date and the North Slope Salvage Spill has cost over \$38.0, both are under litigation.

From July 1980 to the end of August 1984, the amount received from spillers has been more than \$470.0. Reimbursement from federal funds for the major part of the Nome Spill is expected upon completion of an audit by the U.S. Coast Guard.

We are asking for a capital appropriation of \$550.0 for FY 86 to bring the Spill Reserve Account back up to the \$1 million level.

AGENCY Environmental Conservation

PROGRAM NRMEC

BRU Environmental Conservation

COMPONENT Oil Pollution Control

FY 86

PAGE 2 OF 2  
REVISED DATE

CPI

ADDITIONAL  
EXPLANATION  
FORM

(6/84)-ae1

EXPLAIN THE REMAINING FIVE YEARS OF THE SIX-YEAR CAPITAL IMPROVEMENT PLAN (FY 87, 88, 89, 90, 91). DESCRIBE THE NEEDS TO BE MET IN THE COMING YEARS AND THE PROJECTS OR TYPES OF PROJECTS WHICH MAY BE REQUESTED TO MEET THOSE NEEDS. PLEASE INCLUDE MAJOR MAINTENANCE OR REPLACEMENT PROJECTS. ESTIMATE THE APPROXIMATE COST OF THE PROJECTS. IF THE PROJECTS ARE TO OCCUR SO FAR IN THE FUTURE OR ARE OF SUCH AN INDETERMINATE NATURE THAT A COST ESTIMATE WOULD NOT BE RELIABLE, PLEASE INDICATE THIS FACT. NOTE WHETHER A SIGNIFICANT PORTION OF THE TOTAL FUNDING WILL COME FROM NON-GENERAL FUND SOURCES. MAKE SPECIFIC REFERENCE TO FORMAL PLANNING DOCUMENTS USED AS A BASE FOR THIS DISCUSSION (FOR EXAMPLE, THE LONG-RANGE STATE TRANSPORTATION PLAN). PLEASE ATTACH A COPY OF PUBLISHED MATERIALS.

During the next five years, we would like to have yearly appropriations from the general fund that would keep the account at the \$1 million level. All of the projects are of an indeterminate nature since we cannot predict when a spill will occur or its severity, location, chemical composition, or the environmental implications involved.

Chapter 116 SLA 1980 states "the two main purposes of this law are to provide protection to Alaskans from damage from oil spills and to provide the ability to clean up a spill and restore damaged areas."

The increase in oil and chemical development, increase in traffic and shipment of product, increased population and land development all lead to a broader spill experience potential. Our projection for following years will be based on records, experience and continuing projects.

AS 46.04.010 states the Department shall promptly seek reimbursement, either under 46.03.760(e) or from an applicable federal fund, for the expenses it incurs in cleaning up or containing a discharge of oil. Monies received under this section shall be deposited in the general fund.

In most cases the amount of requested appropriation will be offset by revenue received from fines and forfeitures.

**CP2** CAPITAL PROJECTS  
PLAN FY 87-FY 90  
EXPLANATION

(6/84)-cp2

AGENCY Environmental Conservation  
PROGRAM Oil Pollution Control

FY 86

PAGE	OF
REVISED DATE	



4. State Hazardous Waste Disposal Day Campaign

- This is the third year that ADEC has conducted this service to assure proper disposal of unregulated hazardous wastes from households and small businesses. This year ADEC requested the 4 municipalities contribute a percentage toward the cleanup. Testing and disposal costs are increasing so rapidly that the state will need to request a significant amount from municipalities next year or reduce services.

II. Site Investigations of Potentially Hazardous Waste Disposal

- In Alaska there are currently 97 potential uncontrolled hazardous waste sites identified on an EPA list. 45 of those sites are being investigated by the Department of Defense, 7 sites are being investigated by EPA, and during the past year ADEC performed preliminary investigations at 45 sites.
- ADEC ranked the 50 sites as to the significance of potential hazards and will be further evaluating 15 of the high ranking sites this summer. These site investigations may disclose potential or actual environmental contamination causing the site(s) to be listed as a federal Superfund site.
- To cope with any necessary remedial action, Alaska will need to establish a state site cleanup fund and hire additional staff to manage any corrective actions required at each site.

III. Drilling Muds and Fluids

- Drilling muds and fluids are excluded from regulation as a hazardous waste under both the federal and state hazardous waste statutes.
- Drilling muds are managed in Alaska under existing solid waste regulations for land disposal. Muds and fluids generated off-shore are regulated either under a state waste water discharge permit or a federal NPDES permits. In many cases muds are stored for re-use and the fluids reinjected into the formation.
- The existing statutes are strong enough to allow development of the states resources and minimize risks to the public and the environment. ADEC is developing internal guidelines for permit review and stipulations to assure consistency as well as protection of the environment considering the diverse geological and climatological conditions found in the state.

IV. Waste Oil

1. Oil Spill Expense Reserve

- Established by the 1980 legislature at \$1.0 million level for the cleanup and litigation of coastal, inland, and underground oil spills.
- Current balance is \$385,000.
- Requested \$550,000 for FY 86.

- Expenditures to date - \$1.12 million.  
Revenues to date - \$1.10 million.
- A major spill cleanup, such as at Nome, can cost \$700,000
- Anticipated FY 86 expenditures from the reserve is \$300,000.

2. Road Oiling Regulations

- New regulations will become effective May 2, 1985.
- Regulations prohibit the use of contaminated oil on roads as a dust suppressant.
- Regulations define prohibited levels of PCBs, lead, volatile aromatics, and halogenated organics in road oil.
- Analytical testing is required of all road oil and sample analysis must be submitted to DEC before road oil permit is granted.
- Approximately 2 million gallons of waste oil is generated in Alaska per year.
- Approximately 1 million gallons is applied annually to roads in Alaska.
- EPA has stated their intent to ban road oiling throughout the U.S. by May 1987.
- EPA is now reviewing the federal hazardous and solid waste amendments of 1984 to determine whether Alaska and more than 30 other states will be allowed to issue road oiling permits this summer.
- Alternate dust suppressants exist and are in use throughout Alaska.
- Alternate methods of waste oil disposal exist (e.g. burning) but unresolved and logistical problems may limit their use in Alaska.

# Alaska Oil and Gas Association

505 W. Northern Lights Boulevard  
Suite 219  
Anchorage, Alaska 99503-2553  
(907) 272-1481

December 11, 1984

Dr. Richard A. Neve', Commissioner  
Alaska Department of Environmental  
Conservation  
Pouch O  
Juneau, Alaska 99811

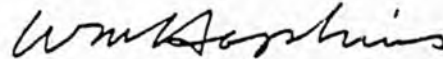
4

Dear Commissioner Neve':

Pursuant to our meeting with Dave Walker on November 2, 1984, the attached material is intended to provide background information on the State's Hazardous Waste Program; the intent of SB503, Section 1; an explanation as to how the Degree of Hazard (DOH) approach differs from the Federal regulatory scheme; general issues associated with pursuing a regulatory approach substantially different from the Federal program; and sections of the regulations which need to be deleted to obtain a proper beginning vehicle.

Please feel free to contact me or Tom Brooks if we can provide additional information.

Very truly yours,



WILLIAM W. HOPKINS  
Executive Director

WWH:TR2:211

Attachment

cc: Bob Martin w/attachment  
Dave Walker w/attachment

ALASKA OIL AND GAS ASSOCIATION  
DISCUSSION PAPER ON ADEC HAZARDOUS WASTE PROGRAM  
DECEMBER, 1984

BACKGROUND

In 1981 the Alaska State legislature passed AS 46.03, charging the Alaska Department of Environmental Conservation with the task of developing Hazardous Waste Management regulations which are "consistent with and substantially equivalent to" federal regulations. AOGA was informed on November 24, 1981 that the Department would begin preparation of a "plan" for the State's Hazardous Waste Program. In May 1982 AOGA received the first draft of the State's proposed regulations at the May 28, 1982 Hazardous Waste Advisory Work Group Meeting (HWAAG). At this meeting, ADEC discussed its intent to establish a State program parallel to the Federal program; so convincing was ADEC that AOGA's representative reported:

"ADEC very much wants their Program to be "consistent with and substantially equivalent to" the Federal Program. Although there was a difference of opinion regarding the interpretation of certain complex sections of the Federal Program, I am not as concerned about this difference as I was when I first reviewed the draft regulations. This is because it can be resolved with a close reading of the regulations. The important point is that the State intended to, and thought they had, interpreted the existing regulations. This significantly assuages my concern that the State had been trying to greatly expand their authority in this program, and trying to include regulatory requirements much more restrictive than the existing Federal Program. ADEC was not trying to expand their program, they were trying to interpret and parallel the Federal Program. Interpretation problems are resolvable with some time devoted to discussing the various sections of the regulations in detail, and utilizing the existing background documents from these same discussions which occurred at the Federal level."

It was not until February 7, 1983, that AOGA received the first draft of State regulations which reflected a "Degree of Hazard" (DOH) regulatory mechanism (a mechanism which is patterned after Washington State's program and is divergent from Federal regulations).

It is appropriate at this time to briefly reflect on Washington's Program. Their program began with passage of their Hazardous Waste Disposal Act in 1976. As a result, Washington's program and the Federal program were being developed simultaneously with the basis for Washington's Program being defined by statute.\* The Act took the form of three pages of general directives regarding the identification and management of hazardous wastes. Principal among these directives was the establishment of the "two tiered" designation system or "designation-based on degree of risk". The fundamental basis for designating wastes with this early program was biological and other testing.

In late 1980, the issue was again before the Washington legislature. Unfortunately, its designation process was sufficiently complex to preclude any meaningful review by the legislators. There was no discussion at the legislative level of various alternative approaches that would satisfy the State's enabling act, nor was there any realization that the technical complexities of the State agency's program may have been overly complex to meet the need at hand. Fueling the controversy was the fact that a State site (Commencement Bay) was designated a priority cleanup site under Superfund and other examples of egregious past practices were brought to light during the public hearing process. It is likely that these past practices were illegal under either pre-existing State law or the RCRA regulations and would not have been prevented had the new regulations been in place. Nevertheless, public concern led to a demand for "an approach more stringent than the minimum federal requirements". Hence, in late 1980 the State legislature amended the original act to provide authority to bring the State regulations into federal compliance and did not allow the flexibility to parallel the federal program.

Washington State adopted on February 4, 1982, their present regulatory program. It is a combination of the original concept of waste designation based solely on testing and the Federal concept of designation based on rulemaking and simple testing. In its first few years of operation, the program captured 15% more wastes than the Federal RCRA program. Of the incremental wastes captured, most were designated as "dangerous" wastes; a classification not intended by the original State act to receive the comprehensive management strategy that was to be applied to State designated "extremely hazardous wastes" or Federally designated "hazardous wastes".

\*NOTE: The U.S. EPA began formulating the national program (RCRA) in 1976. In 1980, RCRA was significantly amended to its present regulatory framework. At this time EPA decided that waste classification based on testing was inappropriate. For a detailed discussion as to EPA's rationale behind this decision, re: FR Vol. 45, #98/May 19, 1980 pages 33164-33165, and 33105.

In 1984, Washington enacted legislation which required the Department of Ecology to conduct studies regarding the "best management practices" for "dangerous" waste disposal. In the interim and until such time as "best management practices" regulations are in place (July 1, 1986) "dangerous" wastes may not be disposed of at commercial, off-site land disposal facilities. "Dangerous" wastes are now being stored or disposed of on site or must be shipped to RCRA disposal sites out of state.

In addition to the State being unable to facilitate the installation of a "dangerous" waste disposal site, the State has also been ineffective over an eight-year period in facilitating the acceptance and/or installation of an in-state disposal site for "hazardous or extremely hazardous" wastes.

Regarding the Alaska program, on March 3, 1983, AOGA informed Mr. Hungerford that the proposed rules of February 7, which reflected the DOH scheme from Washington State, were in need of in-depth technical review and notified him of forthcoming technical comments. On April 6, 1983, AOGA provided ADEC an in-depth technical review of the regulations. These comments were the culmination of extensive efforts by many engineers, marine biologists, toxicologists, attorneys and corporate management level individuals. The Department informed AOGA's representative on the Advisory Group that the ADEC could not expend the money or the manpower to consider AOGA's comments prior to release of a public hearing draft. On April 11, 1983, AOGA strongly requested that the regulations not be released until AOGA's comments could be reviewed and considered.

On April 19, 1983, the regulations were moved to public notice, with no apparent review or consideration of the technical comments provided to ADEC by AOGA. On April 25, 1983, Commissioner Neve' wrote AOGA indicating that the "comments of every member of the work group...were reviewed seriously and did help significantly in the preparation of these draft regulations". On May 25, 1983, at the Public Hearing AOGA stated that we felt that there was a lack of consideration of our industry's input in the development of the April 11, 1983, draft regulations.

By June 8, 1983, AOGA had provided ADEC with extensive oral and written testimony which was developed by the Environmental Committee in conjunction with the following industry experts:

- ° Joan DiNal, Senior Counsel, Environmental Affairs for Atlantic Richfield Company.
- ° Michael Hulse, Environmental Analyst, IMCO Services.
- ° James P. Ray, Ph.D., Manager of Environmental Sciences Support, Shell Oil Company.

- Robert E. Abbott, Ph.D., Coordinator of Environmental Affairs, Conoco Inc.
- Philip Dorn, Ph.D., Shell Development Company.
- Ilene Danse, M.D., Senior Advisor, Environmental Health Protection, Chevron Environmental Health Center, Inc.

The Department issued their latest draft in October 1983 which failed again to address significant concerns which have been repeatedly expressed by our industry. The Department has accepted AOGA's comments on three sets of draft regulations and failed to address the problems identified by AOGA.

AOGA next presented its case to the legislature. During this process, AOGA participated in the drafting of SB503, a piece of legislation which involved a compromise between members of the environmental community, small business, ADEC, AOGA, Labor, the Governor's Office, Sen. Fahrenkamp's office, etc., on key issues, one of which was DOH vs. the Federal Program.

#### INTENT OF SB503, SECTION 1

The compromise reached between the various parties for the management and control of hazardous waste in Alaska was a very delicate one. Because the legislature did not desire any confusion over the intent of this legislation, it adopted a Letter of Intent drafted by the Senate Resources Committee. The intent of the Legislature was for the Department of Environmental Conservation to "evaluate the most appropriate mechanism by which to identify a waste characteristic of toxicity, persistence or carcinogenicity and other characteristics identified as hazardous by the EPA". In order for a proper and complete analysis to be performed, no prior assumptions can be made as to the "appropriate mechanism" to be used by the State in its hazardous waste program.

Any regulations that are ultimately developed by the Department "must incorporate the results of this analysis" according to the intent letter. The Legislature, by the action of adopting this wording, instructed the Department to make an analysis and evaluation with no preconceived bias or ideas as to the appropriate mechanisms and only after the analysis is completed are the regulations to be drafted.

In summary, the Legislature has instructed ADEC to begin anew on identifying the regulatory mechanism of waste designation.

EXPLANATION OF DOH VS. RCRA

On May 19, 1980, EPA promulgated RCRA regulations that designated wastes by a formal rulemaking process (lists) and four reproducible and supportable characteristic tests. They reviewed various DOH programs and concluded a DOH approach was not an appropriate waste designation mechanism. To qualify for interim authorization, a state program had to encompass all RCRA wastes. In Washington, the two approaches were consolidated, resulting in the most complex designation system in use in the nation.

To briefly summarize, the DOH program is based on the concept that different wastes should be regulated with different procedures based on the degree of risk presented to human health and the environment, as demonstrated by existing biological and other test data or test results produced by generators. Initially, when the DOH approach was being developed it was envisioned that such data would be the sole basis for designating wastes, and that testing (bioassay, etc.) would be mandatory for all generators.

Although not specifically a designation issue, it must be kept in mind that nationally the small quantity generator exclusions are now much lower. If applied to Alaska, particularly without any special provision for small quantity generators, the combination of a much lower quantity exclusion and an extremely complex designation mechanism will result in an unenforceable program.

One of the difficulties inherent in the DOH designation procedure is that there is no adequate or simple means to describe how the federal and state universes of waste compare. No straightforward comparison can be made between a given category of federal wastes and categories defined under the state program. Consequently, the waste generator would often need to retain expert assistance. For example, professional assistance is especially recommended in instances where a waste not regulated under RCRA has "flunked" the state's proposed toxicity bioassay test. Determinations must be made regarding whether the test animals responded adversely to the potential toxic constituents or whether a physiological response to test conditions was involved. Such determinations will be subjective and inconsistent.

Technical complexities aside, the legal theory underlying the DOH regulations represents a marked departure from that embodied in the federal RCRA regulations. The federal regulations specify the criteria that the EPA administrator will consider in adding wastes to the lists in the RCRA regulations. The administrator is to consider potential wastes from the standpoint of toxicity, persistence, bioaccumulation, genetic effects, etc., and then to add appropriate wastes through formal rulemaking procedures. Thus, EPA's approach for developing hazardous waste lists inherently addresses biological considerations but centralizes the testing under EPA.

In contrast, DOH regulations place the burden on each generator to determine whether a waste not otherwise encompassed by the RCRA regulations is part of the state universe of wastes, and as previously stated, this determination may be made based on uncertain test results.

An individual generator's determination that a waste not regulated by RCRA might, for biological or other reasons, be regulated under the DOH regulations does not lead to a conclusive rulemaking. Thus, the process of identifying state regulated wastes is not accompanied by the certainty and procedural due process protections that characterize the listing process at the federal level.

A legal burden of designation is not to be confused with the cost burden of testing. Under both the federal and state regulations, the generator pays testing costs, as is typical of most environmental programs.

A major difficulty with the DOH designation system is that it creates an area of legal and technical vagueness. For example, biological test data can be inconclusive with regard to actual toxicity. The test animals may react adversely to test conditions rather than to the suspected toxic constituents, thus resulting in the over-designation of wastes. To further complicate the bioassay issue, there are no standard bioassay procedures which have been accepted by the scientific community at large. Difficulties may arise if a generator relies on an initial series of bioassay test results that show a waste to be nonhazardous. A subsequent test on the same waste yielding a positive determination of toxicity by the same or yet another generator may result in liability to the generator, who relied on the first series of tests in good faith. In either case, the uncertainties involved in the biological response of laboratory test animals to potentially toxic wastes may create a large gray area of potential liability for generators.

Under the State's proposed regulations, a generator may apply to the state agency for a determination of hazardous or nonhazardous status of a given waste. (This procedure is specific to the individual generator and does not provide notice or opportunity for comment from other generators of similar or related wastes and the scientific community at large.) However, such a certification would still not shield the generator from potential liability in the event of an erroneous certification by the state agency. Again, this ad hoc certification process cannot be viewed as a substitute for the certainty inherent in the federal designation system. In summary, the DOH generator is truly "at risk" to a degree not experienced by generators in the rest of the nation.

GENERAL ISSUES ASSOCIATED WITH PURSUING A REGULATORY  
APPROACH SUBSTANTIALLY DIFFERENT THAN THE FEDERAL PROGRAM

A substantial departure from the Federal and national trend in hazardous waste management by Alaska will make the State's program continually fraught with inherent technical, legal, and economic problems. Such a program will not be as readily able to take full advantage of the continued evolution or efforts of the Federal program.

The technical aspects of the national program is not the product of a few staff specialists or even the combined effort of one or two states. Rather, the Federal program has been and will continue to be the product of a concerted effort by this country's regulatory agencies, academic/scientific community, private industrial sector and environmental organizations. This effort cannot begin to be equaled by any single state.

As you are probably aware, the management of hazardous wastes is technically and legally complicated and highly controversial. Should the State embark on a program substantially different than the Federal program, Alaska will have to expend considerable amounts of time and resources in pursuing the continued development of a program which will be fraught with continuing implementation, legal, educational and enforcement problems. On the other hand, a state program that parallels the national trend can take full advantage of the billions of dollars this country has and will continue to spend in further evolving and implementing hazardous waste regulations.

Again, a state that is contemplating an approach that differs fundamentally from the Federal program should consider the following questions:

- ° Will the alternative program, if based on fundamentally different technical theories, isolate the state from the larger body of developing scientific expertise at the national level?
- ° Will the alternative program, if based on different legal theories, create the need for a divergent trend of judicial interpretation and thereby isolate the state from legal developments at the national level?
- ° How will a fundamentally different program that is more expansive than its federal counterpart be reconciled with related programs such as Superfund that provide mechanisms for partial federal funding for incidents involving federally designated waters?

- How will the fundamentally different state program relate to the interstate aspects of hazardous waste transport and management? This involves issues of reciprocity and the equity of burdening another state's disposal facilities if the state of origin has not provided ample sites for its own wastes.
- How will a fundamentally different state program be modified to remain consistent with evolving RCRA requirements?
- Does the fundamentally different state program exacerbate the interstate problems of hazardous waste management?
- What is EPA's enforcement interest in an incident involving a nonfederal waste that is considered hazardous in the state of origin but not in the state where the incident occurs? This issue stems from the fact that authorized state programs operate in lieu of RCRA regulations.
- To what extent would a fundamentally different program be delayed in obtaining final authorization?
- Will funding levels by the State be adequate to implement and maintain a program that is technically and legally divergent from the Federal program?

SECTIONS TO BE DELETED  
TO OBTAIN A PROPER BEGINNING VEHICLE

The following is intended as a list to highlight those major portions of the October 26, 1983, draft which should be deleted, pending a detailed evaluation by the Department:

- 18 AAC 62.010 Definition of Hazardous Wastes
- 18 AAC 62.030 Lists of Hazardous Wastes
- 18 AAC 62.050 Discarded Chemical Products
- 18 AAC 62.060 Characteristic of Toxicity
- 18 AAC 62.070 Characteristic of Persistence
- 18 AAC 62.080 Characteristic of Carcinogenicity
- 18 AAC 62.120 Waste Extraction Procedure (WEP)  
Characteristic
- 18 AAC 62.140 Exclusions
- Article 5 - Management of Moderate Risk Wastes

For a more detailed discussion, attached are both oral testimony and detailed written comments which were provided to the Department at the May, 1983 Public Hearing.

In addition, attached is an article from the October 26, 1984, Environmental Reporter, entitled EPA Staff Summary of 1984 Amendments to Resource Conservation and Recovery Act. This recent reauthorization addresses the majority of the real or perceived "loopholes" in the RCRA regulations. The reauthorization amendments only reinforce ACGA's contention that the nation's commitment to properly manage hazardous waste is real and a divergence from the Federal program is unnecessary.

tr2:220  
Attachments



---

# Alaska Health Project

Providing information about hazardous materials on the job and in the community.  
417 West Eighth Avenue, Anchorage, Alaska 99501 (907) 276-2864

---

April 25, 1985

Representative Mike Davis  
Pouch V  
Juneau, Alaska 99811

APR 29 RECD

Dear Representative Davis:

Alaska Health Project appreciates your interest in issues concerning hazardous wastes in Alaska. As you may know, I have been directly involved with this issue for about three years at both the state and local level. Reflecting on my involvement in this area brings to mind the need for the Legislature to become more educated about the issue and for the Legislature to decide whether it deems hazardous wastes a priority concern for the future. It is my hope that the oversight hearings, or hearings of that type become the vehicle for this type of education. Further, it is my hope that the Legislature attack that hazardous waste issue in a similar fashion to the way it investigated proposals to develop a full scale petrochemical industry several years ago. The hazardous waste issue deserves legislative commitment and coordination with state and local agencies, the public and industry.

It is important, in my opinion, that Alaska work hard to develop a preventive approach to hazardous waste, rather than falling into a dangerous trap of simply developing a program that reacts to hazardous materials incidents.

In light of this, certain testimony at the teleconference concerned me. While I agree with industry on the need for some sort of a hazardous waste disposal facility in Alaska (not necessarily a landfill) and with their concern regarding the current time frame for selecting a site, I do not wish to see the development of a site supersede development and implementation of a "total" state hazardous waste program. To develop a disposal facility without a state definition for when a solid waste becomes hazardous could result in serious technical, legal, and political problems down the road.

While I am the first to admit that management programs (such as a disposal site) are perhaps dollar for dollar better at solving problems than a regulatory approach, central to any management approach is a regulatory foundation, which the state currently lacks. It is important that the state define, by regulation, when a waste becomes hazardous thus allowing Alaska to decide on hazardous waste management approaches. Determining

Representative Mike Davis  
April 25, 1985  
Page 2

a state definition for hazardous wastes will also help industry with their plans to manage wastes as well as provide incentives for industry to reduce their wastes streams or investigate alternative processes which do not create a hazardous waste as defined by the State of Alaska.

Last year The Department of Environmental Conservation published a set of hazardous waste regulations which define hazardous waste by degree of hazard. While admittedly controversial, this approach provides a good starting point for future discussions. Regardless of the fact that earlier debates addressing this definition scheme resulted in a "cold war" relationship between industry and public interest organizations, it is important to confront this issue directly. Once the state can settle on a hazardous waste definition, all other aspects of the program will fall into place.

Once again, I sincerely appreciate your interest in this issue and I am available to discuss this issue with you at any time.

Cordially,



David Wigglesworth  
Occupational Health Specialist

cc: Commissioner Ross  
Committee Members

Statement by ARCO Alaska, Inc.  
for Presentation to the  
House Oil and Gas Committee  
April 24, 1985

By Dr. T.R. Fink, Manager  
Environmental Conservation

Waste categories

Waste materials are regulated by both Federal and State requirements. In general, the Federal requirements pertain to hazardous wastes and the State requirements to non-hazardous wastes. All wastes should be handled in an environmentally sound manner. All wastes do not require the same degree of environmental protection.

Wastes are considered hazardous if they are listed as such by the Environmental Protection Agency or if they meet certain characteristics for ignitability, corrosivity, reactivity or toxicity. Diesel fuel and acids are two examples that, when discarded, meet the hazardous characteristics. Household garbage and sewage are solid wastes, not hazardous waste. Drilling mud is a waste common in our industry which is a solid waste but not a hazardous waste.

Alaska must develop a hazardous waste disposal site in the State

There is no hazardous waste disposal site available for general use in Alaska. Even if the various entities involved in the hazardous waste issue in Alaska were to agree on the definition of hazardous waste, the procedures for regulating hazardous waste, and the means for cleaning-up abandoned hazardous waste sites, the hazardous waste problem in Alaska will not be resolved until there is a viable disposal option in Alaska. Costs, legal and technical restrictions and political considerations associated with shipping hazardous waste to the Lower 48 preclude it from being the answer for Alaska's hazardous waste.

The State of Alaska must be involved in the development of a hazardous waste management facility

NIMBYS - Not In My Back Yard Syndrome - is alive and well in Alaska. For a hazardous waste management facility to be developed in Alaska, the State of Alaska must be heavily involved. With the active involvement of the State we can take the most important step toward solving Alaska's hazardous waste problems.

The SB 503 timeframe for hazardous waste siting is too slow

SB 503 requires disposal options and sites to be selected by 1989. After disposal options and sites are selected, the permitting and construction phases will require four to five years to complete. Alaska can not afford to wait until the early 1990's to have a safe, permitted disposal option for Alaska hazardous waste.

The 1984 amendments to the Federal hazardous waste program have forced the siting issue to the forefront. The 1984 Federal amendments phase out land disposal, greatly increase the number of hazardous waste generators, require the study and listing of additional materials as hazardous waste, add a citizens's suit provision and increase the penalty provisions. The Amendments increase the cost and decrease the options currently available for disposal in the Lower 48. There is no statewide hazardous waste disposal site available in Alaska.

A Governor appointed executive level committee is needed

The hazardous waste siting issue can best be resolved by a Governor appointed executive level committee with representatives from DEC, DNR, local government, environmental groups and industries. The task of the committee would be to develop a plan of action for siting a hazardous waste management facility in Alaska.

# MEMORANDUM

# State of Alaska

TO: Ms. Billie Trent  
Administrative Assistant  
Department of Environmental  
Conservation-Juneau

DATE: February 8, 1984

FILE NO: 122-548-84

TELEPHONE NO: 276-3550

FROM: Norman C. Gorsuch  
Attorney General

SUBJECT: State v. Transportes  
del Este Navegacion,  
S.A., et al.

By: *LL*  
Madeleine R. Levy  
Assistant Attorney General  
Natural Resources Section-Anchorage

The recent oil spill from the M/V Cepheus and the hearing on the temporary restraining order (T.R.O.) in that case point out the imminent need to amend AS 46.03.770 and AS 46.03.765. Section 770 provides for detention of a vessel without warrant for security for oil spill damages assessed under AS 46.03.760(b) as that latter statute existed prior to the 1976 amendments. Under 770, a vessel may be released after posting a bond not to exceed \$100,000.00. Prior to 1976, AS 46.03.760(b) permitted the court to assess liquidated damages for an oil spill not to exceed \$100,000.00, so the limitation of a bond to \$100,000.00 under 770 made sense at that time.

However, in 1976, the legislature repealed and re-enacted AS 46.03.760(b). § 9, ch. 220 SLA 1976. The re-enacted version eliminates any reference to a maximum amount of damages; it states only that damages assessed under section 760 may not be punitive and must be remedial and compensatory in nature. Section 770 should have been contemporaneously repealed and re-enacted to provide for a bond not to exceed the maximum amount of damages available under newly enacted 46.03.760 and 46.03.822. Unfortunately, section 770 was left untouched, but not unaffected, by the 1976 legislative changes.

The above discrepancy came to the forefront when we asked the court to grant the T.R.O. enjoining the Cepheus under AS 46.03.765 from leaving the port of Anchorage until it had complied with the requirements of AS 46.04.040(c) by posting a twenty million dollar bond. Attorneys for the Cepheus' owners argued that the proper remedy was not the requested injunctive relief but, rather, detention and release after posting \$100,000.00 bond under AS 46.03.770. While we did prevail on our argument in front of Judge Shortell, we might not be so fortunate in the future. Since section 770 is a vestigial remnant emptied of meaning after the 1976 re-enactments contained in ch 220 SLA 1976, your department should request a bill repealing section 770 as a technical, corrective measure. I would urge you to seek such legislative relief immediately. In order to preserve detention

*Department of Law Summary*

Ms. Billie Trent  
A.G. File No. 122-548-84

February 8, 1984  
Page 2

of a vessel as a remedy under AS 46.03.765, I would suggest requesting the legislature to insert the following language in section 765 when and if 770 is repealed:

Sec. 46.03.765. Injunctions. The superior court has jurisdiction to enjoin a violation of this chapter or AS 46.04, or of a regulation, a lawful order of the department, or permit, approval, or acceptance, or term or condition of a permit, approval, or acceptance issued under this chapter or AS 46.04. In actions brought under this section, temporary or preliminary relief, INCLUDING DETENTION OF A VESSEL, may be obtained upon a showing of an imminent threat of continued violation, and probable success on the merits, without the necessity of demonstrating physical irreparable harm. The balance of equities in actions under this section may affect the timing of compliance, but not the necessity of compliance within a reasonable period of time.

Please let me know if the Department of Law can be of further assistance in this regard.

MRL:cai

cc: Dick Neve'-Commissioner, DEC  
Chris Noah-Deputy Commissioner, DEC  
Ron Lorensen-Deputy Attorney General  
Bob Martin-Deputy Director, DEC

# Alaska State Legislature

## Senate Transportation Committee



Sen. John B. (Jack) Coghill, Chairman  
Sen. Paul Fischer, Vice-chairman  
Sen. Mitch Abood  
Sen. Jan Faiks  
Sen. Joe Josephson

Douch V  
Juneau, Alaska 99811

January 22, 1986

TO: All Committee Members  
FROM: Committee Staff  
RE: Sectional Analysis of H.B. 100

H.B. 100 makes technical, corrective amendments to Title 46; Chapter 3; Section-7 Prohibited Acts and Penalties.

Section 770 of AS 46.03 provides for detention of a vessel without warrant for security for oil spill damages assessed under AS 46.03.760(b).

Currently under this section, posting a bond of not over \$100,000 may release a detained vessel. This section is inconsistent with the 1976 amendment to AS 46.03.760, which requires that the amounts assessed be "compensatory and remedial in nature" and not used for punitive purposes. A simultaneous amendment should have been made to AS 46.03.770, but did not occur.

This gap may allow a vessel to post a bond of \$100,000, be released from detention, and leave millions of dollars of environmental damage behind

Section 1: Deletes the current \$100,000 ceiling and sets the bond at "an amount not to exceed the maximum amount of damages available under AS 46.03.758, 46.03.760 and 46.03.822."

AS 46.03.758 pertains to civil penalties for discharges of oil.

AS 46.03.760 pertains to civil action for pollution; damages.

AS 46.03.822 pertains to strict liability for the discharge of hazardous substances. (Statutes attached.)

Section 2: This amendment is another housekeeping measure. It amends AS 46.03.826(5) defining what actions constitute control of a vessel that will create strict liability for the discharge of hazardous substances under AS 46.03.822.

AS 43.826 only defines what "having control over a hazardous substance" entails; the phrase "owning or" is superfluous to the definition and has been deleted.

# STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : 1/9/86

**REQUEST**

Bill/Resolution No. : HB 100  
 Title : Detention of vessels as security  
for oil pollution damages  
 Sponsor : House Rules for Governor  
 Requestor : \_\_\_\_\_  
 Date of Request : \_\_\_\_\_

**FISCAL DETAIL**

Agency Affected : ADEC  
 BRU : Environmental Quality  
 Components : \_\_\_\_\_

**EXPENDITURES/REVENUES : (Thousands of Dollars)**

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0	0	0	0	0	0
<b>CAPITAL</b>	0	0	0	0	0	0
<b>REVENUE</b>	0	0	0	0	0	0

**FUNDING : (Thousands of Dollars)**

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	0	0	0	0	0	0

**POSITIONS : NONE**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS :** Attach a separate page if necessary

Prepared by : *Billie Trent* Phone : 465-2600  
 Division : Office of the Commissioner Date : January 9, 1986

Approved by Commissioner : *Bill Rose* Date : January 9, 1986  
 Agency : Department of Environmental Conservation

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)