

ALASKA LEGISLATURE COMMITTEE FILES 1993-1994 8672

8030 HOUSE RESOURCES

285

HB

218

HOUSE COMMITTEE REPORT

(9)

Date Referred: March 29, 1993

FURTHER REFERRALS:

Date of Committee Action: 4/5/93

The RESOURCES Committee considered:

HB 218

HOUSE BILL NO. 218

REPEAL 58 FT. LIMIT FOR SEINE VESSELS

"An Act repealing the restriction on the maximum length of salmon seine vessels; and providing for an effective date."

RECOMMENDATIONS:

be replaced with CS HB 218 (FSH) the same title
 a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____

APPROVES PREVIOUS: (Dept/Date) _____

fiscal impact _____

fiscal note(s) _____

zero fiscal note _____

zero fiscal note(s) Fish & Game / 3-12-93

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>[Signature]</i>	✓	<i>[Signature]</i>		✓	
<i>[Signature]</i>	✓	<i>[Signature]</i>		✓	
<i>[Signature]</i>	✓				

[Signature]
 CHAIRMAN'S SIGNATURE

Alaska State Legislature

Representative Carl E. Moses



CHAIRMAN
HOUSE RULES COMMITTEE

CHAIRMAN
HOUSE SPECIAL FISHERIES COMMITTEE

MEMBER
FINANCE SUBCOMMITTEES
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PUBLIC SAFETY

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SPONSOR STATEMENT

HOUSE BILL 218 (Fish Committee Substitute) 58 FOOT SALMON SEINE LIMIT

In 1970 the Alaska Legislature passed a law banning the use of seine vessels larger than 58 feet from fishing for salmon in state waters. Twenty years ago, the Puget Sound salmon fisheries were alive and strong, and with their larger boats, Washington state fishermen had their eyes on the rich salmon resources of Alaska. In order to keep these larger boats from competing with the smaller boat fisheries of local Alaska residents, the Legislature actually put into statute a prohibition against the use of larger vessels in these fisheries.

During the past 10 years, there have been several efforts to repeal this provision. Opponents of repealing it argue that it would merely raise the level of capital investment needed to participate in the fishery, forcing many Alaska fishermen out of the fishery.

I believe, however, that repealing this restriction would allow for better diversification of Alaska's fishing fleets. A fisherman could use the same boat for salmon, groundfish and crab, rather than needing two separate vessels at much greater expense. This restriction has essentially resulted in giving much of our crab and groundfish fisheries to the nonresident fishermen. However, these fisheries are constantly in flux, especially with IFQs on the way, and it is not too late to help Alaskans participate in them.

In some regions of the state there may be legitimate reasons for keeping the 58 foot limit. For that reason, the Fisheries Committee adopted CSHB 218 (FSH) which would make clear that length restrictions for salmon seine vessels should be determined by the Board of Fisheries on a regional basis. It would also give the Board a three year period to address this issue as they take up each region's salmon fisheries.

DEPARTMENT OF FISH AND GAME
POSITION PAPER

Bill No: CSHB 218
Sponsor: Representative Moses
Division: Division of Commercial Fisheries
Bill Title: "An Act relating to the maximum length of salmon seine vessels; and providing for an effective date."
Department Position: Neutral

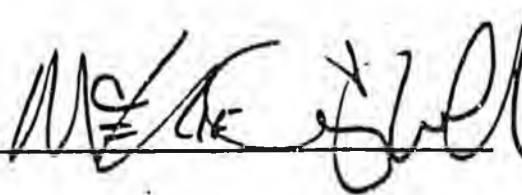
The Alaska limit on the length of purse seine vessels has been around for a long time. Prior to 1970, the limit was in regulation. In 1970, it was put into Alaska statute. The purpose of the limit was to exclude larger vessels from Puget Sound from participation in salmon fisheries in Alaska. The state of Washington has no limit on the length of salmon seine vessels.

At the time the limit was enacted, larger vessels were being constructed for use in the salmon fisheries in Washington State. Alaskan's were concerned about these vessels providing a competitive advantage to nonresidents participating in Alaska's fisheries.

The Division of Commercial Fisheries doesn't believe that the removal of the 58 foot would result in any negative impacts on the management of the salmon fisheries.

The department has one amendment to propose. The present draft of HB 218 would repeal the limit unless the Board of Fisheries choose to adopt the limit. The Board of Fisheries is on a three year cycle for taking up the various fishing regions of the state. It would be advisable to amend the legislation so that the 58 foot limit would remain in effect in an area until the Board has an opportunity to address whether or not to eliminate the limit in that area. The reason for this is that fishermen in some areas may support keeping the limit, while in other areas fishermen may want to have it repealed.

Dep.
Commissioner's Signature



Date: 3/25/73

ment for not more than six months, or by both. In addition, a person who violates this section is subject to a civil action by the state for the cost of replacing the salmon wasted. (§ 3 ch 99 SLA 1975; am § 18 ch 132 SLA 1984)

Revisor's notes. — This section was enacted in section 3 of both ch. 89 and ch. 99, SLA 1975. Chapter 99 had an immediate effective date (May 30, 1975), so the section was already in effect when ch. 89,

enacting identical language, took effect on August 20, 1975.

Collateral references. — 35 Am. Jur. 2d, Fish and Game, § 51.

Sec. 16.05.835. Maximum length of salmon seine vessels. A salmon seine vessel may not be longer than 58 feet overall length except vessels that have fished for salmon with seines in waters of the state before January 1, 1962, as 50-foot, official Coast Guard register length vessels. In this section, "overall length" means the straight line length between the extremities of the vessel excluding anchor rollers. (§ 1 ch 252 SLA 1970; am § 1 ch 24 SLA 1990)

Effect of amendments. — The 1990 amendment deleted "50 feet, official coast guard registered length, and" after "lon-

ger than" in the first sentence and added the second sentence.

Sec. 16.05.840. Fishway required. If the commissioner considers it necessary, every dam or other obstruction built by any person across a stream frequented by salmon or other fish shall be provided by that person with a durable and efficient fishway and a device for efficient passage for downstream migrants. The fishway or device or both shall be maintained in a practical and effective manner in the place, form, and capacity the commissioner approves, for which plans and specifications shall be approved by the department upon application to it. The fishway or device shall be kept open, unobstructed, and supplied with a sufficient quantity of water to admit freely the passage of fish through it. (§ 30 art I ch 94 SLA 1959)

Cross references. — See also AS 16.10.010 — 16.10.050.

NOTES TO DECISIONS

Stated in Southeast Alaska Conservation Council, Inc. v. State, 665 P.2d 544 (Alaska 1983).

Sec. 16.05.850. Hatchery required. If a fishway over a dam or obstruction is considered impracticable by the commissioner because of cost, the owner of the dam or obstruction, in order to compensate for the loss resulting from the dam or obstruction shall, at the owner's option



UNITED FISHERMEN OF ALASKA

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Testimony of Jerry McCune, President
United Fishermen of Alaska
on House Bill 218
before the
House Special Committee on Fisheries
Friday, March 26, 1993

Mr. Chairman and Members of the House Special Committee on Fisheries:

My name is Jerry McCune and I am President of United Fishermen of Alaska.

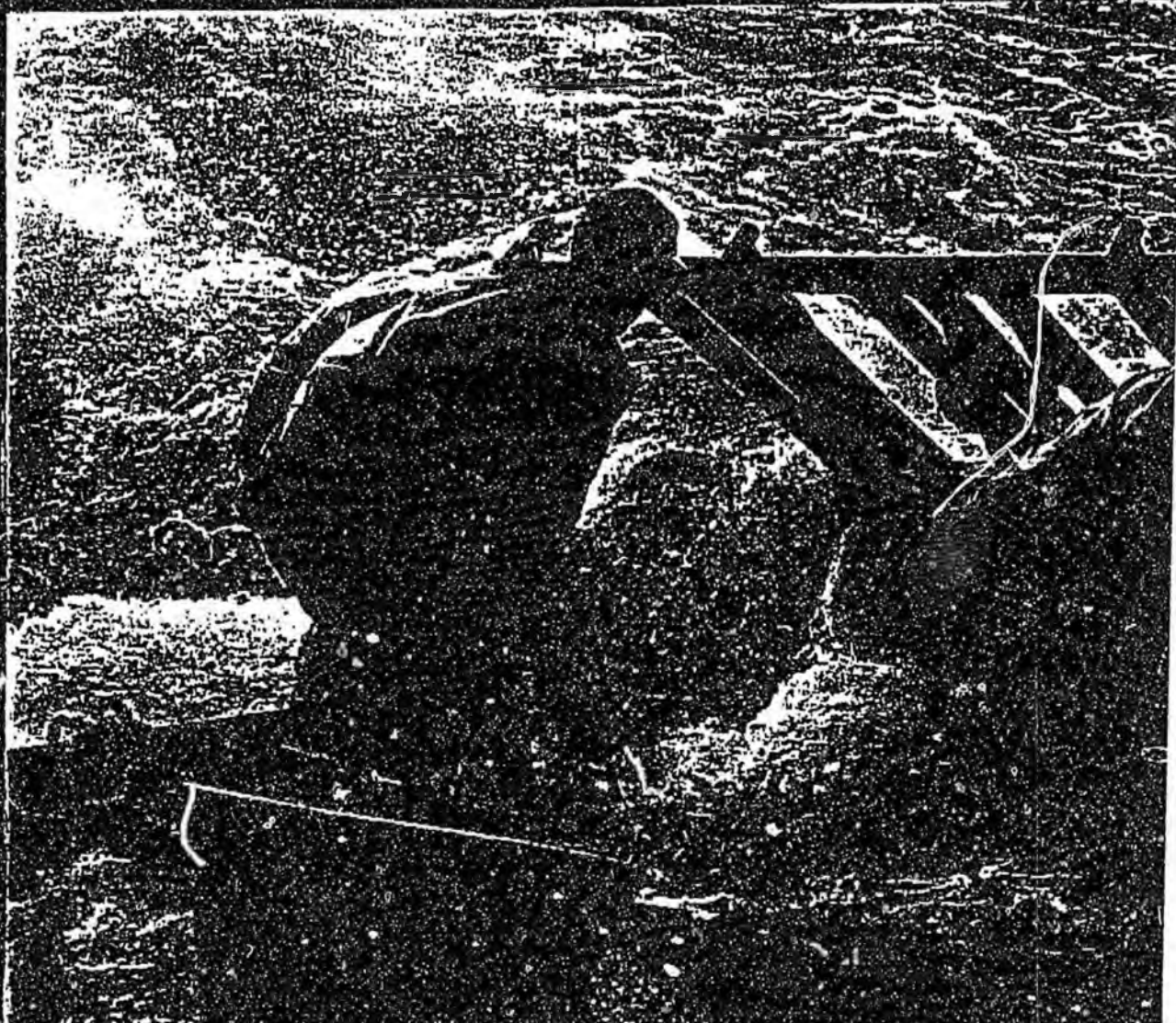
United Fishermen of Alaska has discussed House Bill 218 and has decided that if all the fishing organizations and fishermen agree to the repeal the 58-foot limit for seine vessels, UFA would support the portion of the bill that makes it clear that length restrictions for salmon seine vessels should be determined by the Board of Fisheries on a regional basis.

If House Bill 218 is repealed, then the Board of Fisheries will have to take some time to address this issue, so any one area would not be put at a disadvantage.

MEMBER ORGANIZATIONS

Alaska Crab Coalition • Alaska Longline Fisherman's Association • Alaska Trollers Association • Area K Seiners Association
Bering Sea Fishermen's Association • Bristol Bay Driftnetters Association • Concerned Area "M" Fishermen
Cook Inlet Aquaculture Association • Cordova District Fishermen United • Kenai Peninsula Fishermen's Association
North Pacific Fisheries Association • Northern Southeast Regional Aquaculture Association • Peninsula Marketing Association
Petersburg Vessel Owners Association • Prince William Sound Aquaculture Corporation • Seafood Producers Cooperative
Southeast Alaska Seiners Association • Southern Southeast Regional Aquaculture Association
United Cook Inlet Drift Association • Western Alaska Cooperative Marketing Association

*History, Spec
Gear & Proc*



WITH EDITORIAL ASSISTANCE
AND REVIEWS BY
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RICHARD J. PHILLIPS,
*Editor, Fishermen's News,
(formerly Pacific Editor, National Fisherman)*
The editorial staff of ALASKA magazine

by Robert J.

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for the mid-size class of combination vessels to be used by this country's fishermen in the North Pacific.

The *Sunset Bay* measured 108 feet long, with a beam of 28 feet, 11 inches (32.9 and 8.8 meters) and full-load draft of 14 feet, 6 inches (4.5 meters), with brake horsepower of 850 and a maximum speed of 11.5 knots.

The vessel was different from most of her contemporaries in one respect. She carried a stern ramp for future use as a trawler. The piping for the additional hydraulic winches needed when she was put into the drag fishery was already in place, thus requiring a minimum of conversion at that time. In anticipation of the greater power needed for towing a large net across the sea bottom, the vessel was fitted with a Kort nozzle propulsion system. This design develops greater propeller thrust for trawling, although it tends to lower vessel speed when running.

The *Sunset Bay* was built with three insulated, steel-lined fish holds, with a total space of 7,500 cubic feet (212.4 cubic meters). Other features included a system of loading hatches, fish gates and a fish elevator well for fish handling, as well as a chilled seawater system if the vessel were to be used as a salmon tender, a likely mission in years of heavy salmon runs to Western Alaska. The mast was strengthened to take the additional loads thrown upon it by trawling; the wheelhouse was extended on the starboard side to enclose the trawl control console from the weather and to permit a clear view of trawling operations. The *Sunset Bay* was the seventh combination crabber/trawler between 94 and 122 feet (28.7 and 37.2 meters) built and launched by the company during 1978, an optimistic assessment of the future of the North Pacific bottom fisheries.

The eighth of the class followed *Sunset Bay* into service just 45 days later. The vessel was *Discovery Bay*, of the same dimensions, but with differing gear. *Discovery Bay* was rigged first as a dragger, although she carried much of the equipment needed for crabbing and salmon carrying. The vessel did not enter the crab fishery like her sister-ships, but went right to work as a trawler based in Westport, Washington. For several months she was the largest stern ramp vessel working off the Washington and Oregon coasts.

During that same year, the first two vessels of the largest class projected at that time for use by United States fishermen in the bottom fisheries came closer to realization in Puget Sound yards. One was a 154-foot (46.9 meters) vessel, the *Jeffron*, built by Sea-Tac Alaska Corp., of Tacoma, Washington. The other was *American No. 1*, a 160-foot (48.8 meters) Marina Construction and Design Co., vessel. (Vessels of those sizes and similar capabilities began to appear in the North Pacific in 1978, but the handful of these that did

go to work were conversions from other craft, particularly navy hulls. All were of different design and, together, they did not constitute a "class" of vessels.)

The *American No. 1* was designed as the first of a new class of vessels with multi-purpose use a major consideration. Her maximum beam was designed at 41 feet, 2 inches (12.5 meters), with the maximum draft at 19 feet (5.8 meters). She was designed with two decks below the main deck, with a stateroom and galley deck above the fo'c'sie deck and a wheelhouse—with 360° vision—atop. Below the main deck, the upper hold deck allowed for a lazarette aft, an upper fish hold, a processing area and upper engine room. The lowest deck carried fuel tanks, water, the lower fish hold, a chilled holding area for fish awaiting processing and the main engine room. Stern gantries, a hydraulic crane almost amidships and booms swung from the mast characterized her profile. Her stern ramp was installed during building to allow quick conversion to trawling. She first crabbed in autumn 1979, then began dragging in the Bering Sea in February 1980.

The Alaska Limit

In the mid-1920's, the United States Bureau of Fisheries, predecessor agency to the National Marine Fisheries Service (in the interim, it was designated Bureau of Commercial Fisheries) and at that time overlord of Alaska fisheries, imposed something called the "Alaska Limit" on all vessels working in the Alaska salmon seine fishery.

As finally honed down, the regulation limited seine vessels to 58 feet (17.7 meters) overall length. The merits of the rule were debatable, but it stood and all who wished to seine for salmon in Alaska were forced to observe it or do their seining elsewhere. All the following years of experience with construction under the rule resulted in a compact boat as efficient as it could be under regulations meant to favor inefficiency. Development of the small western combination boat may have reached its finest state in this vessel in its varied configurations.

However, interest in the Alaska limit also began to dwindle during the 1970's, as attention—and money—began to be diverted into the shrimp and crab fisheries of Western Alaska where much larger vessels became the norm. Little that could be described as innovative went into the design and construction of the limit boats during the decade, and many designers ended their work on them altogether. Those designing smaller vessels tended to concentrate on boats of about 45 feet (13.7 meters) for the Western Alaska seine fisheries, because these small boats also were handy for one- or two-man operations in the inshore shrimp fishery or for use as trollers in Alaska and the lower coastal states.

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The first western boats were designed especially for the seine fishery and all other western boats stem from the seine boats. (British Columbia salmon seiners, unhampered by any length limit, have tended to settle for two sizes—one looking much like the Alaska-limit boat but reaching into the mid-60-foot (18-20 meters) length, the other resembling the old American sardine boat with a two-deck house and a length over 75 feet (22.9 meters). Vessels like these are also found on Puget Sound where no limit on length exists.) Over the years, designers have sweated over their boards to come up with the optimum combination of favorable characteristics. But the arbitrary maximum length of 58 feet (17.7 meters) imposes a certain limit on the talents of even the most ingenious designer and the only way to go is sideways. Thus, these latter-day limit boats tend to revert to a design popular about the time of Sir Francis Drake—short, wide and bluff-bowed. These boats of the 1970's and later do have somewhat better power than that enjoyed by Drake and his freebooters; so consequently, they make a bit better time through the water than those people did.

This trend toward wider and handsomer Alaska-limit boats can be illustrated by four vessels built between World War II and 1969. The first, *Ocean Mist* (launched as *Midway*), all wood, delivered in 1949, is 58 feet long (57 feet, 11 inches or 17.7 meters actually, to meet the technicalities of the regulations) with a beam of 15-1/2 feet (4.7 meters) and draft, light, of 6 feet (1.8 meters). The second, *Patty J*, delivered in 1957, wood also, is 58 by 16 by 7 feet (17.7 by 4.9 by 2.1 meters). The third, *Josie J*, welded aluminum (perhaps one of the first applications of this metal in American fishing vessels) measures 58 by 18-1/2 by 7-1/2 feet (17.7 by 5.6 by 2.3 meters). The fourth is *Jamie C*, welded steel, launched in 1969, with dimensions of 58 by 20-1/5 by 10 feet (17.7 by 6.2 by 3.0 meters).

The concurrent evolution of good looks in fishing vessel design is quickly apparent among these four boats. The *Ocean Mist*, first of the four, with her nearly-vertical stem and relative lack of curved lines through her bow, shows the influence of a design period when utility, not beauty, was the rule. But along those 20 years between *Ocean Mist* and *Jamie C*, a softening of angles crept through the drawings, a corollary, perhaps, of the increasing American concern with beauty and purity of environment. This interest in good looks was not universal when *Jamie C* was built. Another limit boat, laid down and launched almost simultaneously with the *Jamie*, resembles the *Ocean Mist* far more than she does the *Jamie*. Her hull is welded steel, too, but she measures only 56-1/2 by 16-1/2 by 6 feet (17.2 by 5 by 1.8 meters). Her bow lines are but slightly refined

from those of *Ocean Mist*, although her gunwale does run aft in a smooth, sweeping line. The *Jamie's* hull profile is easier to look at than that of the other boat, however, with its sharp break at the fore-deck and the long sweep aft. The vessel has scarcely a straight line in her except for the rectangular windows of the wheelhouse.

The *Jamie C*, after outfitting, represented the peak of limit boat design. No finer Alaska-limit vessel has been launched in the years since. She was built to the specifications of an experienced fisherman interested in more than summertime salmon seining. The vessel is quickly convertible to trawling, crabbing and albacore trolling. She has been equipped more elaborately than many owners are willing to finance or able to afford. Her complement of electronics gear is as nearly complete as that of the new king crabbers. She reportedly was the first fishing vessel in the United States to be built with a hold of stainless steel; more than 5 tons of that semi-precious metal were used. Her stanchions and pen boards are aluminum. Her refrigeration system allows for brine spray for salmon and circulating sea water for crab. Hold temperature and outside water temperature are recorded simultaneously on a 7-day graph on a monitor mounted on a galley bulkhead, a position where it is almost impossible to avoid an up-to-the-minute appraisal of the vital temperature of the hold. Stainless steel was not confined to the hold; the net shield and bulwarks to a point amidships are faced with it to reduce web chafing and the time spent patching it. She carries 5,200 gallons (almost 22,000 liters) of oil and 1,500 gallons (6,340 liters) of fresh water. Two 20-kilowatt auxiliaries supply electric power. Her wheel is stainless steel, 58 by 44 inches (1,473 by 1,118 mm).

The owners of vessels built as bulkily as the *Jamie C* necessarily have to pay something of a penalty when it comes to main engine power. It takes more horsepower to move these big boats at the accepted cruising speed of 10 knots or thereabouts. Bigger engines cost more going in and bigger engines use more oil per mile of travel. The *Patty J*, almost 13 years old when the *Jamie* went to work, cruises at a comfortable 10 knots with a 220-horsepower engine, one of the "Jimmies" so popular with West Coast fishermen. The *Jamie*, with her beam, needs a 472-horsepower engine of the same make to achieve a similar speed. Men experienced in the handling of vessels of similar beam and semi-cruiser stern report they steer awkwardly in a following sea of any size.

The *Jamie* and limit boats contemporary with her or later make older vessels of her kind look something very like slave ships. Just as some designers gave little thought to looks, good or awkward, neither did most owners pay much atten-

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don to crew comfort. Fo'c'sles were (and a lot still are, of course) cramped and crowded, uncomfortable the year-round—warm, stuffy and smelly in summer; cold damp and smelly in winter. Gear stowage was mostly nonexistent and the fo'c'sle deck seemed paved with boots. Living conditions were especially poor below decks in the boats that fished eight to 10 men in the days before the Puritic Block or the drum slimmed crews down to four to six men. Sanitary facilities were exceedingly primitive on older boats, and on some consisted of no more than a tin wash basin and a pail that doubled as deck bucket. Most boats built after World War II have sink and running water in the fo'c'sle, and some have showers. People playing around with design of these limit vessels might well show a bit more ingenuity in allotting position and reckoning size of the head, but here is a place where most seem to have developed a blind spot. In any event, though, even the simplest of heads is superior to the drafty bucket. A handful of newer vessels such as the *Josie J* have two staterooms on deck and enough bunk space for a four-man crew, if fishing with the drum.

No Limit

To the south of that Pacific Northwest area so much oriented to the salmon seine fishery, Oregonians and Californians build to the lengths they wish, free from restrictions imposed by the Alaska limit. Vessels designed for the fisheries of those states run well over the Alaska limit, because all fishing along that coast is offshore. All salmon seining from Puget Sound to Central Alaska takes place in usually sheltered waters. The only open water seining is done around Kodiak Island, Unimak Island and the south side of the Alaska Peninsula, although even there it still is a close-to-the-beach operation because of the salmon's preference for routes along the beaches after coming inshore on the spawning migration. But no matter the size of these southern vessels, they show the characteristics bequeathed them by their western combination ancestry.

In mid-California, however, there appeared smaller vessels with lines reflecting the Mediterranean inheritance of the men who fished them. These were the Monterey hulls with clipper bow, canoe stern and rakish lines that would look pretty much at home with a lateen sail rigged above them. This Monterey influence appeared in the north for the first time about 1966, when a big troller built at Moss Landing on Monterey Bay showed up in the Southeastern Alaska salmon fishery. Similarly, a stranger appeared on the Kodiak shrimp grounds in 1969, with the coming of a trawler built on Gulf of Mexico lines. This boat was built in Mobile, Alabama, and its proving out resulted in more construction orders for the same

firm, mostly because the vessels could be built in Alabama for less money than on the West Coast.

As for new-boat construction on the West Coast, Puget Sound yards built more boats through the 1960's and 1970's than California, Oregon and Alaska combined. This did not necessarily mean that Washington's fisheries were that much healthier than those of the other states. It merely indicated that the Puget Sound yards were building most of Alaska's boats as well as its own. Included in this construction was that for the distant water tuna fleet, based in Tacoma, where the first of the super-seiners, *Royal Pacific*, was launched in 1961. This trend toward distinctively bigger seine vessels was typified by the *Hornet* class of 167-foot (50.9 meters) seiners built since 1962 in Tacoma. The *Hornet*, when she was launched, was the largest tuna vessel in the world. She and her sisters had a beam of 35 feet (10.7 meters) and drew 21 feet (6.4 meters). They cruised at from 12-1/2 to 13 knots loaded. They carried from 750 to 800 tons of fish in 14 wells. In practical use, they were world-ranging. Bigger vessels have since been built. The largest was the 258-foot (78.6 meters) *Apollo*, designed to carry 2,000 tons of tuna.

The Pack Mule

One other big vessel, big at least as West Coast fishing and support vessels are counted, has played an important (but undramatic) part in development and supply of fisheries of the North Pacific, especially in the fisheries of British Columbia and Alaska. This vessel is the homely and humble power scow, the self-propelled pack mule of western fisheries, destined to spend its working days lifting bundles and toting bales from Puget Sound to the Bering Sea. The power scow does not even have the good looks of the least attractive fishing vessel; its profile is as unglamorous as any marine profile anywhere, with its two-deck house squatting on the stern and its deck running almost flatly forward to its snub nose. There is a minute rise only along the bulwarks from house to bow, its bottom is almost as flat as its deck and it waddles across the water as ungracefully as a duck on land. But it is a mule for work, comparatively inexpensive to build and blessed with a long working life.

The power scow comes in several sizes and a typical one measures 81 by 26 by 7.7 feet (24.7 by 7.9 by 2.3 meters), that draft being about that of the average Alaska-limit boat. This particular scow had twin 230-horsepower diesels, enough to move at about 7 or 8 knots with a following breeze. The scow is found wherever salmon are fished from Puget Sound north, as well as in a few other capacities where an inexpensive freight-hauler not needing licensed officers can be used. On Bristol Bay, a fleet of smaller scows works freight and packs salmon from

HB

230

(9) Date Referred: April 2, 1993 FURTHER REFERRALS: Finance

Date of Committee Action: 4/14/93

The RESOURCES Committee considered: HB 230

HOUSE BILL NO. 230 VESSEL FEES

"An Act relating to fees for commercial fishing licenses and permits."

RECOMMENDATIONS:
 be replaced with CS HB 230 (RES) the same title
 a new title

- have attached amendments(s)
- do pass
- do not pass
- no recommendations
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) APPROVES PREVIOUS: (Dept/Date)
 fiscal impact Fish & Game (CFEC) 4-14-93 fiscal note(s) Fish & Game 4/2/93
 zero fiscal note _____ zero fiscal note(s) _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Bill Hudson</i>	✓				
<i>John ...</i>	✓				
<i>David ...</i>	✓				
<i>Don Blunde</i>	✓				
<i>W.K. Williams</i>	✓				

W.K. Williams
 CHAIRMAN'S SIGNATURE

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO. CS HB230 (RES)

Revision Date: 4/14/93 Department Affected: Fish and Game
 Title: "An Act relating to fees for commercial fishing licenses" BRU: Commercial Fisheries (Limited) Entry Commission
 Component: Limited Entry Program Administration
 Sponsor: Representative Moses
 Requestor: House Resources Committee COMPONENT SERIAL NO 0 4 7 1

EXPENDITURES/REVENUES:(Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	16.6					
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	16.6	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE FUND SOURCE: 1005	913.1	913.1	913.1	913.1	913.1	913.1
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FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	16.6					
1006 GF/MHTIA						
Other						
TOTAL	16.6	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY	1					

Estimate of current year (FY93) impact: \$ 0.0

ANALYSIS: (Attach a separate page if necessary.) CFEC has simplified and automated the licensing process in response to continuing budget reductions and staff losses over the past several years. The current \$20 per vessel fee is automatically applied with minimal staff resources. The fiscal note is necessitated by the change in the licensing system which will require development of new annual licensing forms, collection and verification of data, response to public inquiry, and reprogramming of data processing. The existing skeletal staff will need to be supplemented for the first year until the new system becomes established. (See attachments)

Prepared By: Roger Kolden Phone: 789-6160
 Agency: Commercial Fisheries(Limited) Entry Commission / Date: 4/14/93

Approved by Commissioner: [Signature]
 Agency: Commercial Fisheries (Limited) Entry Commission Date: 4/14/93

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**HB230 Projected Revenue
Commercial Fisheries Entry Commission**

Vessel Length	Number Vessels	Proposed Fee	Projected Revenue	Percentage
000-025	6,797	20	135,940	39.5%
026-050	8,783	50	439,150	51.1%
051-075	795	100	79,500	4.6%
076-150	628	250	157,000	3.7%
151-250	167	500	83,500	1.0%
251-998	24	750	<u>18,000</u>	0.1%
Total	17,194		913,090	

MEMORANDUM

STATE OF ALASKA

TO: Commission

DATE: April 1, 1993

FILE NO:

TELEPHONE NO:

FROM: Chris Kelly *CK*
Licensing Project Leader
CFEC

SUBJECT: Impacts of Change
in Vessel Fees

I, and the staff in licensing, feel that further explanation of the impacts of the proposed legislation on licensing procedures and workload may be helpful in support of the request for an additional temporary licensing clerk during the first seven months of this transition.

Each fall we mail pre-printed renewal forms to all entities that licensed vessels in the current year. If the vessel owner also held fishing permits, the permit renewal form is printed on the other side of the vessel form. In most cases, very minor changes, if any, are needed on these forms and the license holder simply signs the form and submits the indicated fee. This simplified renewal process was first implemented in 1992 to minimize paper-handling and streamline the process for the fishermen and maximize the efficiency of the small staff available for licensing.

One negative aspect of the process is that less explanatory information can be included on the form. (The assumption is that a simplified form works for straight renewals because the license holders are presumably already familiar with the basic regulations and requirements.) However, the staff has found that license holders tend not to read the preprinted forms closely, they frequently overlook changes in fees even though they may be printed in BOLD print right on the face of the form. Like most people, fishermen are creatures of habit and they tend to sign the form and send it in with the same fee they've paid for years.

For example, in 1992 when these forms were first used, several individuals wrote or called to say that they had received their preprinted permit renewal forms and they really liked having all the permits listed on one form, but they didn't receive their vessel license renewal form(s). They were usually quite embarrassed when we asked them to turn the permit form over, and they found their vessel renewal(s) printed right on the other side!

With a change in the fee schedule, many vessel license applications will have processing delayed until additional fees are received. This

will also delay issuance of permits, since the permit cards cannot be issued until the associated vessels are actually licensed. This requires the staff to send letters explaining the problem and requesting additional fees and these letters must be maintained in a "suspense" file until the fees are received.

As you know, the impact will become greater the closer it gets to the fishing seasons. When license holders find themselves without the necessary permits or vessel licenses as the fishery is about to start, they get on the phone to licensing staff to find out how their licenses may be expedited, and/or to demand that staff make arrangements with local ADF&G offices to somehow enable them to commence fishing even if the licenses haven't been received yet. Each such instance may take 20-30 minutes of phone calls back and forth, and it is not uncommon for you and/or legislators to be dragged into the process.

The renewal forms will have to be modified to explain the new fee schedule and how to determine the vessel length, and to emphasize that the applicant must certify under penalty of perjury that the length information provided is correct. To the extent that we may not be able to list all of the licenses on a single page, this may result in some loss of the efficiencies we gained by introducing the new forms. We know from experience that any such change results in a great deal of confusion and numerous telephone calls from persons complaining about the higher rates and demanding to know how they were established. A significant amount of licensing staff time is taken up in attempting to respond to these inquiries.

These impacts will primarily be felt during the first year of implementation. The additional temporary employee will help to keep licensing productivity at an acceptable level even though the staff will be burdened with a greater than normal volume of telephone calls and correspondence. During the first year, fishermen and vessel owners will be made aware of the changes and the validity of data contained on the vessel license file will be improved. By the second year, the transition should be pretty much accomplished and any lingering impacts can be absorbed with existing permanent and seasonal staff.

Thank you for supporting this request.



HOUSE RESOURCES COMMITTEE

DATE: Wed. Apr. 14, 1993

PLACE: Capitol, Room 124

SUBJECT OF MEETING:
 HB 230 : Vessel Fees
 Game Bd. Confirmations

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?		WHAT SUBJECT/ WHICH BILL?
7 Margie Odland	Law					Y	N	Game Bd Confirmations
① Rep Moses						Y	N	HB 230
② FRANK HOMAN	CFEC	8800 Glacier Hwy Suite 109	99501-8079		789-6160	Y	N	HB 230
③ Jerry Luckhaupt	Leg. Legal	130 Seward Suite 409	99501-2105		2450	Y	N	Bd of Game
④ Margorie Celland		P.O. Box 110300	99501-0300		3600	Y	N	Bd. of Game
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	

HB

232

HOUSE COMMITTEE REPORT

(9)

Date Referred: March 16, 1993

FURTHER REFERRALS:

Finance

Date of Committee Action: 3/24/93

The RESOURCES Committee considered:

HB 232

HOUSE BILL NO. 232

BOW HUNTING STAMP & BOW HUNTING SAFETY

"An Act relating to a bow hunting tag and bow hunting safety; and providing for an effective date."

RECOMMENDATIONS: [] the same title
 be replaced with _____ [] a new title

[] have attached amendments(s)

do pass

[] do not pass

[] no recommendations

[] individual recommendations

[] additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal impact Fish and Game 3/23/93

[] fiscal note(s) _____

[] zero fiscal note _____

[] zero fiscal note(s) _____

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Bill Hudson</i>	✓	<i>John K. ...</i>		✓	
<i>Joseph ...</i>	✓	<i>John W. ...</i>		✓	
<i>Marionette James</i>	✓				
<i>David ...</i>	✓				
<i>Don Bunde</i>	✓				
<i>W.R. William</i>	✓				
<i>Edon ...</i>	✓				

W.R. William
 CHAIRMAN'S SIGNATURE



House of Representatives

SPONSOR STATEMENT
House Bill 232

HB 232 creates a bow hunting tag that will be sold with a hunting license for a \$7.00 additional fee. The proceeds from the sale of the bow hunting tag would become part of the fish and game fund.

The Department of Fish and game shall use the funds from the fish and game fund to :

- 1) assist in developing and coordinating activities involving private organizations relating to shooting and firearms;
- 2) develop a hunting safety program, including bow hunting safety, for the people of the state;
- 3) establish a program to assist in the planning, construction, and operation of public shooting ranges;
- 4) make grants for education and training in the safe use of hunting bows.

This bill will take effect January 1, 1994

DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101


130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

March 22, 1993

SUBJECT: Sectional Summary of HB 232; An Act relating to a bow hunting tag and bow hunting safety.

TO: Representative Con Bunde

FROM: George Utermohle 
Legislative Counsel

You have requested a sectional summary of HB 232; An Act relating to a bow hunting tag and bow hunting safety.

A sectional summary of a bill is not an authoritative interpretation of the bill. The bill itself is the best statement of its contents.

Section 1 of the bill amends AS 16.05.110 to provide that the proceeds from the sale of bow hunting tags are deposited into the fish and game fund.

Section 2 of the bill amends AS 16.05.340(a) to establish the bow hunting tag fee and to provide exemptions from the requirement to possess a bow hunting tag.

Section 3 of the bill amends AS 16.55.010 to require that the Department of Fish and Game include bow hunting safety in its hunting safety program.

Section 4 of the bill amends AS 16.55.020 to provide that the Department of Fish and Game may make grants for education and training in the safe use of hunting bows.

Section 5 of the bill provides that the bill takes effect January 1, 1994.

If I may be of further assistance, please advise.

GU:mi
93-047.mai

DEPARTMENT OF FISH AND GAME
POSITION PAPER

Bill No: HB 232 (3/16/93)

Sponsor: Representative Bunde

Division: Wildlife Conservation

Bill Title: An Act relating to a bow hunting tag and bow hunting safety; and providing for an effective date.

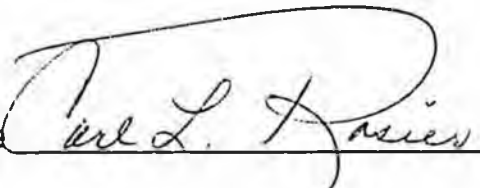
Department Position: Support

Background/Legislative Intent: This bill would establish a new license fee for bow hunters, over and above the current hunting license fee. The legislation apparently is designed to raise revenue for the purpose of providing additional funding for bow hunting education/safety courses.

Analysis of Bill/Program Effects: This bill apparently has wide support among Alaskan bowhunters, and the sales of bow hunting tags would produce a modest revenue stream to the Fish and Game Fund. At estimated sales of 5000 tags/annum, approximately 1/3 of total revenues will be needed to cover program operating costs.

If estimates are correct, this bill could provide additional revenue to the department for bow hunter education/safety programs. Bowhunters, as a result of paying an additional license fee, may be able to justify regulatory proposals to the Board of Game for the establishment of additional "bow only" hunting areas or special "bow only" seasons, distinct from general firearm seasons. Depending on the board response to such proposals, there could be an impact on hunting opportunities for non-bow hunters.

Amendments Proposed: None.

Commissioner's Signature  Date 3/23/93

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO. HB 232

Revision Date: _____

Department Affected: Fish and Game

Title: An Act relating to a bow hunting tag and
bow hunting safety

BRU: Wildlife Conservation, Administration

Component: Wildlife Conservation

Sponsor: Representative Bunde

Requestor: House Resources

COMPONENT SERIAL NO. 0473, 0479

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	2.0	2.0	2.0	2.0	2.0	2.0
TRAVEL						
CONTRACTUAL	9.1	9.1	9.1	9.1	9.1	9.1
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	11.1	11.1	11.1	11.1	11.1	11.1

CAPITAL						
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REVENUE FUND SOURCE: 1024	35.0	35.0	35.0	35.0	35.0	35.0
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FUNDING:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	5.0	5.0	5.0	5.0	5.0	5.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other (1024 Fish & Game Fund)	6.1	6.1	6.1	6.1	6.1	6.1
TOTAL	11.1	11.1	11.1	11.1	11.1	11.1

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY	1	1	1	1	1	1

Estimate of current year (FY93) impact: \$ 0

ANALYSIS: (Attach a separate page if necessary.)

See attached page 2

Prepared By: Phil Koehl and Kristin Wright

Phone: 465-4190

Division: Wildlife Conservation Administration

Date: 3/22/93

Approved by Commissioner: Carl H. Francis

Agency: Department of Fish and Game

Date: 3/23/93

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

Assumptions:

1. Approximately 5,000 bow hunting tags will be sold per annum. This estimate is based on the number of individuals who have been certified through the state bow hunter education program. The number is not expected to change unless more hunters are encouraged to hunt with bows as a result of regulatory changes by the Board of Game (e.g., establishment of more archery only hunting areas or exclusive bow hunting seasons).
2. \$2.0 in personal services for a non-permanent Data Processing Clerk I (range 8) for 1 month to assist in mailouts of supplies and data entry of stamps issued, sold, and returned.
3. Contractual costs include cost of printing, postage, and compensation to vendors. Compensation to vendors is in two components: 5.0 (\$1/stamp sold) from the General Fund and 1.8 (5% of tag fee) from the Fish and Game Fund.

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. HB 232

Revision Date: 12/17/93
 Title: An Act relating to a bow hunting tag and bow hunting safety
 Sponsor: Representative Bunde
 Requestor: House Resources

Dept. Affected: Fish and Game
 BRU: Wildlife Conservation
 Component: Wildlife Conservation
 COMPONENT SERIAL NO. 0473.0479

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES	2.0	2.0	2.0	2.0	2.0	2.0
TRAVEL						
CONTRACTUAL	9.1	9.1	9.1	9.1	9.1	9.1
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	11.1	11.1	11.1	11.1	11.1	11.1
CAPITAL EXPENDITURES						
CHANGE IN REVENUES (1024)	35.0	35.0	35.0	35.0	35.0	35.0

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other (1024 Fish & Game Fund)	11.1	11.1	11.1	11.1	11.1	11.1
TOTAL	11.1	11.1	11.1	11.1	11.1	11.1

Estimate of any current year (FY 94) cost: \$ 0.0

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY	1	1	1	1	1	1

ANALYSIS: (Attach a separate page if necessary)

See attached page.

Prepared By: Phil Koehl and Kristin Wright
 Division: Wildlife Conservation Administration
 Approved by Commissioner: [Signature]
 Agency: Alaska Department of Fish and Game

Phone: 465-4190 and 465-6091
 Date: 12/17/93
 Date: 12/20/93

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES OF GOVERNOR'S LEGISLATIVE OFFICE
 For further distribution information, call the Governor's Legislative Office

Assumptions:

1. Approximately 5,000 bow hunting tags will be sold per annum. This estimate is based on the number of individuals who have been certified through the state bow hunter education program. The number is not expected to change unless more hunters are encouraged to hunt with bows as a result of regulatory changes by the Board of Game (e.g., establishment of more archery only hunting areas or exclusive bow hunting seasons).
2. \$2.0 in personal services for a non-permanent Data Processing Clerk I (range 8) for 1 month to assist in mailouts of supplies and data entry of stamps issued, sold, and returned.
3. Contractual costs include cost of printing, postage, and compensation to vendors. Compensation to vendors consists of two components: 5.0 (\$1/stamp sold) plus 1.8 (5% of tag fee) from the Fish and Game Fund.

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO. HB 232

Revision Date: _____

Department Affected: Fish and Game

Title: An Act relating to a bow hunting tag and
bow hunting safety

BRU: Wildlife Conservation, Administration

Sponsor: Representative Bunde

Component: Wildlife Conservation

Requestor: House Resources

COMPONENT SERIAL NO. 0473, 0479

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	2.0	2.0	2.0	2.0	2.0	2.0
TRAVEL						
CONTRACTUAL	9.1	9.1	9.1	9.1	9.1	9.1
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	11.1	11.1	11.1	11.1	11.1	11.1

CAPITAL						
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REVENUE FUND SOURCE: 1024	35.0	35.0	35.0	35.0	35.0	35.0
---------------------------	------	------	------	------	------	------

FUNDING:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	5.0	5.0	5.0	5.0	5.0	5.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other (102 Fish & Game Fund)	6.1	6.1	6.1	6.1	6.1	6.1
TOTAL	11.1	11.1	11.1	11.1	11.1	11.1

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY	1	1	1	1	1	1

Estimate of current year (FY93) impact: \$ 0

ANALYSIS: (Attach a separate page if necessary.)

See attached page.

Prepared By: Phil Koehl and Kristin Wricat

Phone: 485-4190

Division: Wildlife Conservation Administration

Date: 3/22/93

Approved by Commissioner: Carl J. Francis

Agency: Department of Fish and Game

Date: 3/23/93

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

FISCAL ANALYSIS OF HB 232

Page 2 of 2

Assumptions:

1. Approximately 5,000 bow hunting tags will be sold per annum. This estimate is based on the number of individuals who have been certified through the state bow hunter education program. The number is not expected to change unless more hunters are encouraged to hunt with bows as a result of regulatory changes by the Board of Game (e.g., establishment of more archery only hunting areas or exclusive bow hunting seasons).
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3. Contractual costs include cost of printing, postage, and compensation to vendors. Compensation to vendors is in two components: 5.0 (\$1/stamp sold) from the General Fund and 1.8 (5% of tag fee) from the Fish and Game Fund.



GOLDEN NORTH ARCHERY ASSOCIATION

Box 70254
Fairbanks, Alaska
99707

CHARTERED BY: NATIONAL FIELD ARCHERY ASSOCIATION AND ALASKA STATE ARCHERY ASSOCIATION

March 22, 1993

Representative Con Bunde
Room 112
Alaska Capitol Building
Juneau, Alaska 99801-1182

RE: House Bill 232.

Dear Representative Bunde:

The Golden North Archery Association, made up of over 300 members, is in strong support of Bill 232. We have been in favor of such a bill for many years and certainly welcome its introduction.

We see Bill 232 having a very positive effect on hunting and wildlife conservation in general. We also feel it will be equally beneficial in regards to archery related issues.

We encourage the legislature to look favorably on this bill and promote its timely passage.

Sincerely,

Ken Vorisek
Legislative Action Committee,
Chairman



THE ALASKAN BOWHUNTERS ASSOCIATION, INC.
P.O. Box 770189 • Eagle River, Alaska 99577-0189

3/22/93
Post-It™ brand fax transmittal memo 7671

of pages • 5

To	Rep. Con Bunde	From	ABA, et al
Co.		Co.	
Dept.		Phone #	456-1569
Fax #	465-3871	Fax #	456-1569

March 22, 1993

Representative Con Bunde
Room 112
Alaska Capitol Building
Juneau, Alaska 99801-1182

RE: House Bill 232.

Dear Representative Bunde:

At our recent general membership meeting the membership voted overwhelmingly to support a requirement for a statewide bowhunting tag. This issue was also brought before our board of directors the following day. They also voted overwhelmingly to support this issue. The results of these actions have been recorded in the meeting minutes.

We strongly support Bill 232 because it will:

- 1) Generate additional funds that may be appropriated to Fish and Game.
- 2) Mandate bowhunting safety programs while providing a source for funding.
- 3) Allow for an accurate statewide count of bowhunting participants.
- 4) Provide information that will better facilitate Fish and Game in its management efforts in regards to bowhunting issues.

Thank you for your support on Bill 232, and we look forward to its passage.

Sincerely,

Ken Vorisek
LAC Committee, ABA
Northern Representative
427 Crestmont Dr.
Fairbanks, Alaska 99709
PH# 479-3075
FAX 479-5605

PRESIDENT

Don Pooln
P.O. Box 2200
Soldotna, AK 99669
262-7541/262-7542

VICE-PRESIDENT

Rick Schikora
1416 Gilliam
Fairbanks, AK 99701
438-1724

LEGISLATIVE

VICE-PRESIDENT

Sam Weatherford
HC 78 2458
Chugiak, AK 99567
888-9528

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Mike Schneider
880 N. St. Sune 220
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277-4551

Maxwell O. Jackson
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Anchorage, AK 99503
561-7123

Gary Wall
P.O. Box 5-373
Pt. Richardson, AK 99505
428-2042

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683 Sparrow Ct.
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Southeastern

Marvin Walter
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788-0942

Kodiak/Kenai Peninsula

Daniel Haskins
P.O. Box 187
Anchor Point, AK 99666
235-2502

Met-Su

Pat McCabe
SRA 6757 A
Palmer, AK 99645
745-8385

PAST PRESIDENT

Denna Smythe
4310 Dorothy Cr.
Anchorage, AK 99504
333-4310

SECRETARY/TREASURER

Janet Toones
1560 Eagle River Rd.
Eagle River, AK 99577
834-3931

March 22, 1993

Mr. Con Bunde
Alaska Capitol Building
Juneau, Alaska 99801-1182

Dear Mr. Bunde:

I like House Bill 232. It is a good bill long overdue. I hope it does not get bogged down in the political process.

Thanks for its introduction, if I can be of any help please let me know.

Gratefully,

Garry Thoms
P.O. BOX 72544
FAIRBANKS, AK.
99707

GARRY THOMS

Rick Schikora
1416 Gillam Way
Fairbanks, Alaska 99701
456-1566 work, 488-1724 home

March 22, 1993

Representative Con Bunde
Room 112
Alaska Capital Building
Juneau, Alaska 99801-1182

RE: House Bill 232

Dear Representative ^{Con}~~Bunde~~:

I appreciate your introducing a bill to implement an archery stamp in the state. I believe that paying the extra fee will allow ADF&G to gather numbers which will show the extent of bowhunting in Alaska. Further, all archers and hunters in general will benefit because additional monies will be available for archery education. I believe we need to use education to reinforce what all hunters know now, that is the wise use of our resources. We need to impress upon them that image is just about everything. Hunters in Alaska have a good image and we need to keep it that way. Especially for bowhunting.

Thanks for your work on this matter. Count on me for support, should you need it.

Sincerely,



Rick Schikora

March 22, 1993

Representative Con Bunde
Room 112
Alaska Capitol Building
Juneau, Alaska 99801-1182

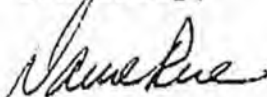
Dear Representative Bunde:

I have been hunting with a bow for a number of years. I would like to see Bill 232 passed. It may cost me an extra \$7.00 a year but it should encourage Fish and Game to better provide for this low impact use of the resource.

Since archery success rate is very low I would like to see additional opportunity for bowhunting. It would provide for more recreational and subsistence use.

Thanks for you consideration in this matter.

Sincerely,



Dave Rue
Box 7
Ambler, Alaska 99786

Frank & Lorraine Campbell
P.O. Box 80525
Fairbanks, AK 99707

March 23, 1993

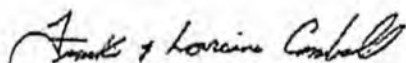
Representative Con Bunde
Room 112
Alaska Capitol Building
Juneau, AK 99801-1182

Honorable Con Bunde:

We wish to express our support for House Bill 232. We don't feel the modest fee for an archery stamp would be a deterrent to anyone wishing to hunt with a bow. In fact, the benefits derived from accurate information about participation should outweigh any detractions.

Thank you for your support of archery.

Sincerely,



Frank & Lorraine Campbell



THE ALASKAN BOWHUNTERS ASSOCIATION, INC.
P.O. Box 770189 • Eagle River, Alaska 99577-0189

March 23, 1993

Representative Con Bunde
Room 112
Alaska Capitol Building
Juneau, AK 99801-1182

RE: House Bill #232

Dear Representative Bunde:

Per our prior discussion during the Alaskan Bowhunters banquet in February of this year I want to re-confirm my request that everything possible be done to pass this bill.

This will provide the means for funding for various projects and will provide myself and others the accurate number of hunters that use archery equipment in Alaska for taking game.

The Alaskan Bowhunters Association congratulates you on the excellent job done on this proposal and hopes that it will pass. If this proposal does not pass this legislature year as worded, I would like to discuss with you any revisions necessary to make it pass next legislative session.

Sincerely

Sam Weatherford
Alaskan Bowhunters Association
Legislative Vice President

PRESIDENT

Don Poole
P.O. Box 2200
Goldena, AK 99569
262-7541/282-7542

VICE-PRESIDENT

Rick Schikora
1418 Gilliam
Fairbanks, AK 99701
400-1724

LEGISLATIVE

VICE-PRESIDENT

Sam Weatherford
14C 7B 2468
Chugiak, AK 99567
688-9528

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Anchorage, AK 99503
651-7129

Gary Wall
P.O. Box 6-373
Pt. Richardson, AK 99505
428-2042

REGIONAL DIRECTORS

Northern

Pat Campanella
693 Sparrow Ct.
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479-8503

Southcentral

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Southeastern

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Kodiak/Aleut Peninsula

Daniel Maskins
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Anchor Point, AK 99556
235-2502

Met-Bu

Pat McCabe
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Palmer, AK 99645
745-8265

PAST PRESIDENT

Dennis Brythe
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Anchorage, AK 99504
333-4310

SECRETARY/TREASURER

Janet Toones
1680 Eagle River Rd
Eagle River, AK 99577
694-3931

7 Craig Tilley AG's Office

TCN = 30418

8 Staff Division



HOUSE RESOURCES COMMITTEE

DATE: Wed Mar 24, 1993

PLACE: Capitol, Room 124

SUBJECT OF MEETING:
HB 232 Bow Hunting Stamp/Safety
HB 238 Oil/Hazardous Substance Release Response Fund

NAME	<u>Please Print</u> REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
2) Steve Peterson	ADFEG	PO Box #25526	99501		6195	(Y) N	HB 232
Louis Gjovand	Rep Phillip	Box 649	99663			Y (N)	HB 238
Bill Glucko	Your Conscience	PO Box 22316 JUN	99802	586-5606	same	(Y) N	HB 238
9) JOHN RINGSTAD	BP	119 1/2 2nd JUNEAU	99901		963-5262	(Y) N	HB 238
ERNEST PIFER	Citizen's Right	3111 C ST #200 ANCH		461-2161	694-6472	(Y) N	HB 238
Russell Math	ALASKA ENVIRONMENTAL LOBBY	PO Box 22151 JUNEAU	99802	586-1841	463-3366	(Y) N	HB 238
Riki Ott	Oil Reform Alliance	Box 1430 CORDOVA	99574	586-2820 424-3915	→	(Y) N	HB 238
Ann Malone	UFA	211 Fourth Street apt 112 JUNEAU 99801	99801	586-2820	" "	(Y) N	HB 238
Douglas MERTZ	self	319 Seward, JUN			6-4004	(Y) N	HB 238
Larry Fanning	ALASKA FIRE CROTS	826 Glacier Ave JUNEAU AK 99801		586-5322		(Y) N	HB 238
Toby Wheeler	Self	POB 20063 JUN	99802	463-3019		Y (N)	

6) Janice Adair DEC



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.

Jerry Duncan
Signature of Camera Operator

10/1/97
Date

HB

238

Alaska House of Representatives



Special Committee on Oil & Gas

Joe Green, Chairman

Sponsor Statement for HB 238

Past legislatures, partly out of foresight and partly in response to the Prince William Sound oil spill, decided that it was important to have a readily available fund for emergency first response to releases and threatened releases of oil and hazardous substances. HB 238 is an endorsement of those important decisions.

In the past few years, the fund created to allow "emergency first response" has become a funding source for capital projects, travel, and to clean up releases that occurred before statehood. It is the intent of HB 238 to clarify legislative intent as to the scope of acceptable expenditures - the flow of money - from the fund.

HB 238 also addresses the financing of the fund. Over the past three years nearly \$100 million - a nickel at a time - has gone into the fund. Yet, auditing indicates that a majority of the fund has been spent for non-spill uses, creating inadequate balances.

Alaskans deserve a fund that will protect our environment. In order to do this the fund cannot continue to be all things to all people. Its role must be clarified, with emergency response as the top priority.

DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

(907) 465-3867 or 465-2450
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Juneau, Alaska 99801-2105

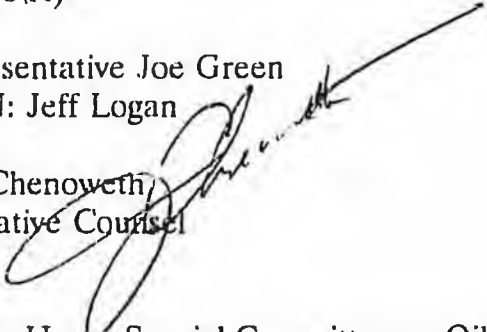
MEMORANDUM

March 19, 1993

SUBJECT: House Bill 238, amending the oil and hazardous substance release response fund ("470 Fund") and making additions and changes to related matters -- sectional analysis (Work Order 8-LS0676\R)

TO: Representative Joe Green
ATTN: Jeff Logan

FROM: Jack Chenoweth
Legislative Counsel



The measure, offered by the House Special Committee on Oil and Gas, amends the purposes for which the oil and hazardous substance release response fund ("470 Fund") may be expended and makes a series of related changes.

Amendments related directly to the fund:

A principal provision of the measure is **bill section 12**. The amendments made by this section to AS 46.08.040(a) eliminate as objectives for which money in the oil and hazardous substance release response fund may be spent, all the purposes **except** activity directly related to a release or threatened release and use of the fund balance to match federal cleanup activities or those identified in the federal Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA).

The related section is **bill section 25**, a transitional provision. While the amendments to AS 46.08.040(a) would eliminate a number of the objectives for which money in the oil and hazardous substance release response fund may be expended, bill section 25 provides for a two-year transition before use of the fund for those purposes totally ceases. Under bill section 25, for the uses and purposes enumerated there, during FY 94 two-thirds of the estimated expenses associated with those uses and purposes may be drawn from the fund; for FY 95, one-third of the estimated expenses associated with those uses and purposes may be drawn from the fund.

The repealer sections, set out in **bill section 24**, are important. Specifically, the oil and hazardous substance release response fund would not be available to support the following activities:

- ferry construction (authorization to use the fund to build one or more new ferries would be terminated by repeal of AS 19.65.025 and AS 46.08.040(d)); and
- the state program of municipal assistance for certain oil and hazardous substance cleanup activities (the fund would be eliminated by the repeal of the sections identified in AS 29.60).

Bill section 10 amends the statement of purpose underpinning the oil and hazardous substance release response fund chapter by restating the chapter's purpose in light of the amendments made to the chapter and to related provisions.

The amendment made in **bill section 11** reflects the repeal of AS 46.08.040(d)--construction of ferries--elsewhere in the bill.

The change made by **bill section 13** reflects other amendments made by the bill. Under the bill section as amended, an appropriation from the oil and hazardous substance release response fund would still be required before money could be used for federal match or CERCLA purposes.

The measure seeks to provide consistency of treatment in its use, in AS 46.08, of the terms "release" and "threatened release." **Bill section 18** provides a technically revised definition of "release" and **bill section 19** substantively amends the definition of "threatened release." Conforming changes that reflect the revised definitions are made by **bill sections 14 and 15**.

Related matters:

Amendments relating to preparation of statewide and regional contingency plans:

Bill section 4: The amendment to AS 46.04.200(a) retains the requirement of annual review of the statewide prevention and contingency plan but removes from current law the requirement of annual revision of the plan and substitutes revision at the discretion of the commissioner of environmental conservation but not more often than once a year.

Bill section 5: The section, amending AS 46.04.200(c), deletes from current law the explicit requirements that, as part of the annual review of the state master plan, the proposed draft revisions of the state master plan be offered for public review and comment, for legislative review, and for review by the state emergency response commission (AS 46.13.010).

Bill section 6: In line with the changes made in the preceding bill section, bill section 6 restates the requirements applicable to a plan revision, directing submission of the proposed revised master plan to the same three groups.

Bill sections 7 and 8: The changes and addition made by these two bill sections, applicable to regional prevention and contingency master plans, parallel those with respect to the state plan as set out in bill sections 5 and 6.

Amendments made to the standards applicable to "containment and cleanup" of pollutants:

Three provisions--**bill sections 9, 17, and 21**--eliminate from the definition of "containment and cleanup" the element of the definition that extends its operation to "restoration of the environment."

Modeled after the revision of the definition made in bill section 19 mentioned earlier, **bill section 22** revises the definition of the term "threatened release" applicable to AS 46.09.

Other amendments and changes:

Bill section 1: This provision amends a provision of law that determines the conditions in which the severance tax surcharge, the "nickel per barrel" increment to the severance tax, shall be suspended or reimposed. It alters one of the factors that triggers levy and collection of the surcharge. For purposes of determining whether the tax shall apply, the calculation of the income stream is amended to include amounts previously expended from the oil and hazardous substance release response fund that have been recovered and redeposited into the mitigation account.

A related provision of the bill, **bill section 26**, is inserted by way of clarification of how appropriations, if any, made to the spill reserve fund, mentioned within the text of former AS 29.60.510(b), are to be treated for purposes of determining whether they are to be treated as expenditures from the oil and hazardous substance release response fund in conjunction with the factors applicable to suspension or reimposition of the severance tax conservation surcharge. Since the subsection incorporating that reference is proposed to be repealed, the provision is drafted as an uncodified, temporary law section with a limited applicability.

*

Bill section 2: To the section on collection of fees by the Department of Environmental Conservation is added a directive that the agency shall prescribe and collect fees to recover the costs of completing oil discharge financial responsibility approvals and oil discharge contingency plan reviews.

Representative Joe Green

March 19, 1993

Page 4

A related amendment is made in **bill section 24**. Since, in the section referenced immediately above, the department is directed to impose and collect fees for certain services, the inclusion in this bill section of references to "AS 44.46.025(a)(5)" and "AS 44.46.025(a)(6)" delete authority by which the department may adopt regulations to cover collection of fees.

*

Bill section 3: Under current law relating to state recovery from pollution violators, the state may recover from a responsible party, among other things, the full amount of actual damages caused to the state for restoration of the environment to "its former state." The first part of the amendment made by this bill section would substitute for that standard reference to damages caused to the state for restoration of the environment to "a condition as near to the original condition as feasible."

Because the state's program of oil and hazardous substance municipal impact assistance under AS 29.60 is terminated by other provisions of the bill, the second part of the amendment deletes from the list of things for which the state is entitled to seek and obtain recovery, reference to those grants.

Bill section 16 eliminates the ability of the Oil and Hazardous Substance Response Office to conduct certain spill technology research.

Bill section 20 revises, for purposes of AS 46.08, the definition of "village" to remove cross-references and language making references to the state program of municipal assistance for certain oil and hazardous substance cleanup activities. That program is eliminated by the repeal of sections identified in AS 29.60 referred to elsewhere in the bill.

Bill section 23 annuls a portion of a regulation applicable to guide use of the proceeds of the storage tank assistance fund that would allow use of the fund to restore a site to its original condition.

JBC:pl:mi
93-218.plm

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO. HB 238

Revision Date: 24-Mar-93
Title: An Act relating to the oil and hazardous substance release response fund.
Sponsor: Green
Requestor: _____

Department Affected: Environmental Conservation
BRU: Spill Prevention and Response
Component: Response Fund Administration

COMPONENT SERIAL NO.

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EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND&STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS,CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	23516.1	16016.1	16016.1	16016.1	16016.1	16016.1

CAPITAL						
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REVENUE						
FUND SOURCE:						

FUNDING:

1002 FEDERAL RECEIPTS	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF MATCH	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	15443.5	9476.2	13287.0	13287.0	13287.0	13287.0
1005 GF/PROGRAM RECPT	0.0	2563.9	2563.9	2563.9	2563.9	2563.9
1006 GF/MHTLA	0.0	0.0	0.0	0.0	0.0	0.0
OTHER -1052 Oil Fund	8072.6	3976.0	165.2	165.2	165.2	165.2
TOTAL	23516.1	16016.1	16016.1	16016.1	16016.1	16016.1

POSITIONS: NONE

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: \$ NONE

ANALYSIS: (Attach a separate page if necessary.)

See Attached Narrative

Prepared by: Michael A. Conway
Division: Spill Prevention and Response

Phone: 465-5250
Date: 3/24/93

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

Date: 3/24/93

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

HB 238 FISCAL NOTE ANALYSIS
(all numbers in thousands)

As a result of the Exxon Valdez oil spill, Alaska's Legislature passed a number of laws to require additional oil and hazardous spill prevention measures, and increase the level State and local community spill response preparedness. The legislature also authorized using the oil and hazardous substance spill response fund to pay for improvements to Alaska's spill prevention and response preparedness programs. HB 238 would not repeal the existing legislative mandates for the State's spill prevention and response preparedness programs. However, HB 238 would repeal the current authorized uses of the Response Fund for these same prevention and preparedness programs.

Currently, Response Funds are appropriated by the Legislature to the Department of Environmental Conservation (DEC) to pay for the expenses of DEC, other State agencies, and local communities to prevent, and be prepared to respond to oil and hazardous substance spills. DEC distributes specific Response Fund appropriations to other State agencies under reimbursable services agreements and to local communities under memorandums of agreement.

Fiscal Year 1994:

HB 238, Section 25, would allow the Commissioner to use the Response Fund to "pay not more than two-thirds of the estimated annual expenses" for a number of specific spill prevention and preparedness programs. The Governor's proposed FY 94 operating budget for the Response Fund is \$ 23,753.4 which includes the following expenditures excluded from the FY 94 calculation under HB 238:

Marine Highway Ferry	\$ 7,500.0
Contaminated Sites Remediation	\$ 3,619.5
Citizens' Oversight Council	\$ 237.3
International Spill Prevention	\$ 117.0
Pollution Prevention	\$ 123.0
Storage Tank Assistance Program	\$ 108.0
Total	\$ 11,704.8

The two-thirds of the total estimated "HB 238 allowable" expenses (\$12,048.6) for the Response Fund in FY 94 is \$ 8,072.6. The remaining one-third (\$ 3,976.0) in currently authorized Response Fund eligible activities, in addition to the currently authorized activities excluded from HB 238 (\$ 11,467.5) would be shifted to State General Funds in FY 94. Funding for the Citizens' Oversight Council is excluded from the amount shifted to State general funds in FY 94 since it is administered by the Legislative Council and not DEC.

Fiscal Year 1995:

HB 238, Section 25, would allow the Commissioner to use the Response Fund to pay up to one-third (\$ 3,976.0) of the estimated annual expenses for "allowable" uses in FY 95. In addition, HB 238 directs the Department to adopt regulations to collect fees to cover the costs of approving oil discharge contingency plans and financial responsibility certifications. Beginning in FY 95 the Department would seek authority to receive \$ 2563.9 in program receipts to review and approve contingency plans and financial responsibility applications. The level of estimated program receipts is based on 187 contingency plans and financial responsibility applications submitted to DEC each year for approval, with an average fee level of \$ 13.7. Further analysis will be needed to determine a variable fee structure based on the size and complexity of the regulated facility, vessel, or pipeline.

The remaining annual spill prevention and response program costs (\$ 9,476.2) would be requested from State general funds. Since funding for the marine highway ferry was only proposed for FY 93 and FY 94, it is excluded from the annual spill prevention and response costs beginning in FY 95. Consistent with FY 94, funding for the Citizens' Oversight Council is also excluded from DEC's annual spill prevention and response program costs.

Fiscal Year 1996 - 99:

DEC's annual operating costs for spill prevention and response programs would be funded by State general funds (\$ 13,452.2) and program receipts (\$ 2563.9). Consistent with the allowable appropriations under HB 238, Response Fund expenditures would be limited to provide matching funds for federal grants (\$ 165.2), and for first response activities to specific emergency spill incidents.



Department of Environmental Conservation

Position Paper

Bill No: House Bill 238

Approved: _____

Name: John A. Sanior *for*

Title: Commissioner

Bill Title: Use of the Response Fund

Date: March 24, 1993

The Department of Environmental Conservation does not support this legislation. After the Exxon Valdez accident in 1989, the State of Alaska moved quickly to strengthen its laws relating to oil and other hazardous substance release prevention and response. The funding source for all of these programs was the Oil Surcharge Account, also created in 1989 with the passage of SB 260. It established a nickel-a-barrel charge on all Alaska produced crude oil. Through appropriation to the Oil and Hazardous Substance Release Response Fund, this surcharge was intended to be the principal source of revenue for prevention, planning and response efforts in order to ensure these state programs had adequate funding regardless of the State of Alaska's other year-to-year cash flow problems. HB 238 would, over two years, phase out the State's ability to use the Response Fund as the funding source for the spill programs.

The programs passed by the Legislature in 1989 and 1990 authorized the department to:

- establish and maintain the oil and hazardous substance response office (1989 - SB 264);
- review industry contingency plans (1990 - HB 567);
- conduct training, response exercises, inspection, and tests in order to verify equipment inventories and ability to prevent and respond to releases, and to undertake other activities intended to verify or establish the preparedness of the state, a municipality, or a party required to file contingency plans (1990 - HB 567);
- verify or establish proof of financial responsibility (1990 - HB 567);
- pay the costs of DMVA for the establishment and maintenance of response depots and corps (1989 - SB 264);
- prepare, review and revise state and regional master oil and hazardous substance contingency plans (1989 - SB 261); and

- restore the environment by addressing the effects of an oil or hazardous substance release (1989 - SB 261);

The Legislature also passed laws creating the Citizen's Oversight Council on Oil and Other Hazardous Substances in the Legislative branch (1990 - HB 578); municipal Impact grants program in the Department of Community and Regional Affairs (1991 - SB 25); and allowed for marine highway vessels with response capabilities within the Department of Transportation (1991 - SB 165).

The goal of the Fund was and remains threefold: to have adequate release response capability for both oil and other hazardous substance without complete reliance on industry's own preparedness by adequately funding the state's response and prevention programs, enable DEC to verify the adequacy of the industry's preparedness, and to have a readily available fund to mobilize a response.

The surcharge by law suspends if and when the balance of the appropriations to the Response Fund from the surcharge minus the appropriations from the Response Fund equal \$50 million. At the time of SB 260, it was estimated that the surcharge would equal about \$32 million annually. Its highest level has been \$28 million. There is currently over \$23 million in the Spill Reserve, which is the money available for use for an emergency response.

This bill also redefines "cleanup and containment" to remove the requirement to restore the environment. Under this definition, the bill would remove the duty of a polluter to restore the environment after the release of oil or a hazardous substance. This is at the very heart of Alaska's environmental protection statutes. Not only would the change eliminate a polluter's obligation to restore the environment but would also remove DEC's authority to undertake restoration itself under the oil and hazardous substance pollution statutes. In a state with high reliance on subsistence, this is unacceptable.

Within the civil penalties statutes, HB 238 would limit the state to seeking damages for restoration of the environment to only a condition as near to the original condition as feasible. This "condition" would necessarily be determined on a case-by-case basis, and would likely result in numerous lawsuits, where funds would be spent on attorneys and court cases, rather than on restoring the environment.

For further information contact: **Janice Adair**
Assistant Commissioner/Legislative Liaison
485-5010

FISCAL NOTE

LAA

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO: HB238

Revision Date: _____
Title: "An Act relating to the oil and hazardous
substance release response fund. repealing ..."
Sponsor: House Sp. Comm on Oil & Gas
Requestor: House Resources

Department Affected: Legislative Affairs Agency
BRU: Legislative Council
Component: Council & Subcommittees

COMPONENT SERIAL NO:

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE FUND SOURCE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	237.3	237.3	237.3	237.3	237.3	237.3
FEDERAL FUNDS						
OTHER FUND SOURCE	-237.3	-237.3	-237.3	-237.3	-237.3	-237.3
TOTAL	0.0	0.0	0.0	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

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary)

HB 238 repeals the reference for the Alaska Legislative Council to request ~~4070~~ funds for the operation of the Citizens' Oversight Council on Oil and Other Hazardous Substances. This fiscal note reflects a switch in funding sources. The Citizens' Oversight Council would need to request general funds for their operations from Legislative Council not 4070 funds if AS 46.08.040(d) is repealed.

Prepared By: Pamela A. Stoops, Director
Division: Administrative Services

Pamela A. Stoops

Phone: 465-3850
Date: 3/23/93

Approved By: Warren W. Endicott, Executive Director
Agency: Legislative Affairs Agency

Warren W. Endicott

Date: 3/23/93

Distribution (by preparer): Leg. Finance, Legislative Sponsor, Requestor, OMB, Gov. , & Impacted Agency(ies).



Official Business

Alaska State Legislature

HOUSE RESOURCES COMMITTEE

State Capitol

Juneau, Alaska 99801-1182

Released by Rep. Bill Williams
April 8, 1993

PUBLIC HEARING ANNOUNCED ON HOUSE BILL 238: OIL AND HAZARDOUS SUBSTANCE RELEASE RESPONSE FUND

The House Resources Committee has scheduled a statewide teleconference hearing to take public testimony on House Bill 238, relating to the oil and hazardous substance release response fund.

The hearing is scheduled for Saturday, April 17 from 10:00 a.m. until 2:00 p.m. The committee will be meeting in room 124 of the capitol building in Juneau, and the public may participate at teleconference sites throughout the state.

House Bill 238, which proposes changes to the so-called "470 Fund," and other statutes relating to oil spills and hazardous substance releases, was introduced by Rep. Joe Green (R-Anchorage).

The House Resources Committee held its first hearing on the bill on March 24. Following that hearing, Chairman of the Committee, Rep. Bill Williams (D-Saxman) announced that he would schedule a teleconference on a Saturday to facilitate public participation.

"The issues addressed in HB 238 are complex and important, and Alaskans have very strong feelings about them," stated Rep. Williams, "I am committed to providing for careful analysis and full public process before any action takes place."

Rep. Green is working on a revised version of his bill. When that draft is complete, copies of it will be available from his office (phone 465-4931) or from legislative information offices.

Regarding the April 17 teleconference, Williams said today, "The committee will welcome comments on Rep. Green's original bill and his new proposed substitute version, and on the bigger picture. That is, we need to understand whether there really are problems with the 470 Fund and the other matters addressed in House Bill 238. If there are, we will be looking for the best possible solutions."

With so many people anxious to participate, Rep. Williams expressed his hope that those testifying will make every effort to keep their comments specific, brief, and constructive.

For further information about the April 17 hearing, please contact your local legislative information office, or Rep. Williams' office at 465-3715.

State Fees on Oil for Spill Response and Administration Costs*, continued

State	Fee**	Who Must Pay	Where the Money Goes
New York	Currently at cents per barrel for major facility owners	The major facility owner at the point of import or receipt	The NY Environmental Protection and Spill Compensation Fund (now at about \$17 million; capped at \$25 million)
North Carolina	None	—	—
North Dakota	None	—	—
Ohio	None	—	—
Oklahoma	1 cent per gallon	The fuel distributor	The OK Petroleum Underground Release Indemnity Fund (now at about \$6-\$7 million; no cap)
Oregon	\$650 per trip for tank vessels; \$28 per trip for barges; and 25 per trip for cargo vessels (facilities must pay \$3,000 per year)	All vessels and facilities	The Oil Spill Prevention Fund (capped at \$153,600)
Pennsylvania	None	—	—
Rhode Island	None (There is an Oil Release Response Fund)	—	—
South Carolina	1/2 cent per gallon on all petroleum	The refiner or tank owner that first sells the oil in the state	The State Underground Petroleum Response Bank (capped at \$15 million)
South Dakota	1 cent per gallon	The oil distributors	The SD Petroleum Release Compensation Fund (now at about \$100,000; capped at \$5 million)
Tennessee	None	—	—
Texas	2 cents per barrel	Every person owning crude oil in a vessel at the time such crude oil is transferred to or from a marine terminal	The Coastal Protection Fund (now at about \$20 million; capped at \$25 million)
Utah	None	—	—
Vermont	1 cent per gallon	Motor fuels distributors	The Vermont Petroleum Cleanup Fund
Virginia	1/5 of a cent per gallon	Any importer of gasoline, special fuels, and heating oil	The VA Petroleum Storage Tank Fund (now at about \$17 million; no cap)
Washington	5 cents per barrel	The owner of the crude oil or petroleum product immediately after receipt into a storage tank of a marine terminal from a vessel	The State Oil Spill Response Account (now at about \$4.5 million; capped at \$25 million and the Administration's Account (no cap)
West Virginia	None	—	—
Wisconsin	1.4 cents of every 2 cents per gallon collected	—	The Petroleum Environmental Cleanup Fund
Wyoming	1 cent per gallon	Fuel consumers	The State Corrective Account (now at about \$1.5 million) and the State Financial Responsibility Account (now at about \$6.2 million); there must be a total of \$20 million in both accounts before the fee is shut off

*This does not refer to small one-time fees (e.g., for registration or licensing); only per-gallon, per-barrel, or per-trip fees.

**Fees are assessed only once for the same oil.

State Fees on Oil for Spill Response and Administration Costs*, continued

State	Fee**	Who Must Pay	Where the Money Goes
Maine	4 cents per barrel for coastal and inland cleanup; 44 cents (gasoline), 25 cents (#2, kerosene, jet fuel, and diesel), and 10 cents (#6) per barrel for groundwater cleanup	For coastal and inland cleanup: every person that first transports oil in Maine. For groundwater cleanup: terminal facilities that first transfer the products and any person that first transports oil into the state (no fee on exports)	The Maine Coastal and Inland Surface Oil Cleanup Fund (now at about \$4 million; capped at \$6 million), and the Groundwater Oil Cleanup Fund (now at about \$12 million; capped at \$15 million)
Maryland	3/4 of a cent per barrel for cleanup; 5 cents per barrel for upgrading underground storage tanks	The tank owner	The Maryland Oil Disaster Containment, Cleanup, and Contingency Fund (capped at \$5 million), and the Underground Storage Tank Upgrade and Replacement Fund (now at about \$4.5 million; capped at \$5 million)
Massachusetts	None	—	—
Michigan	7/8 of a cent per gallon of petroleum products	All those selling refined oil for resale	The MI Underground Storage Tank Financial Assurance Fund (now at about \$52 million; no cap)
Minnesota	None	—	—
Mississippi	None	—	—
Missouri	\$25 per 8,000 gallons	The tank owner upon delivery of gasoline	The Underground Storage Tank Insurance Fund (capped at \$8 million)
Montana	3/4 of a cent per gallon (the fee is currently shut off until the fund drops below \$4 million)	The gasoline distributor	The Petroleum Tank Release Cleanup Fund (now at about \$5 million; capped at \$8 million)
Nebraska	3/10 of a cent per gallon on motor fuels (although now it is at 9/10 of a cent per gallon on motor fuels plus 1/10 of a cent per gallon on all other petroleum since the fund dropped down to \$2 million; the fee will return to 3/10 of a cent when the fund reaches \$4 million)	The refiner, importer, or distributor that first sells within the state	The Petroleum Release Remedial Action, and Reimbursement Fund (now at about \$3.1 million; capped at \$5 million)
Nevada	9/10 of a cent per gallon on most petroleum products	The refiner or importer	The State Petroleum Fund (now at about \$4 million; capped at \$7.5 million)
New Hampshire	6/10 of a cent per gallon for the ODD Fund; 1/10 of a cent per gallon for the OPC Fund	The distributor of motor fuels at the time of sale (for the 6/10 of a cent fee); the distributor of all oil at the time of sale (for the 1/10 of a cent fee)	The Oil Discharge, Disposal, and Cleanup Fund (the ODD Fund: now at about \$9.1 million; capped at \$10 million); The Oil Pollution Control Fund (the OPC Fund: now at about \$3.5 million; capped at \$5 million)
New Jersey	1 1/2 cents per barrel for major facility owners	The operator or owner of the receiving or transferring major facility	The NJ Spill Compensation Fund (now at about \$72 million; no cap)
New Mexico	None	—	—

*This does not refer to small one-time fees (e.g., for registration or licensing); only per-gallon, per-barrel, or per-trip fees.
 **Fees are assessed only once for the same oil.

State Fees on Oil for Spill Response and Administration Costs*

State	Fee**	Who Must Pay	Where the Money Goes
Alabama	None	---	---
Alaska	5 cents per barrel	Every oil producer in the state	The Oil and Hazardous Substance Release Response Fund (now at about \$40 million; capped at \$50 million)
Arizona	1 cent per gallon of gasoline (all kinds), diesel, and kerosene	The UST owner when oil is purchased or when the annual tax return is due	10% goes into a Loan Account, the rest goes into the State Assurance Fund (now at about \$40 million; no cap)
Arkansas	None	---	---
California	25 cents per barrel for response (this has not been collected since Feb 1991 when the fund reached its cap); 4 cents per barrel for administration (this may be reduced by the administrator in future years)	Every marine terminal operator for oil delivered through the terminal; every pipeline operator for oil transported into the state; and just the 25-cent fee for refinery operators for crude oil received at the refinery	The Oil Spill Response Trust Fund (\$50 million) and the Oil Spill Prevention and Administration Fund (meant to generate about \$20 million annually)
Colorado	None	---	---
Connecticut	None	---	---
Delaware	1/40 of a % of the gross receipts tax	The wholesaler of petroleum and petroleum products (an exemption is allowed for crude oil)	The DE Hazardous Substance Cleanup Act Fund (now at about \$4 million; no cap)
Florida	2 cents per barrel	Any person who engages in the production or importation of oil	The Coastal Protection Trust Fund (now at about \$18 million; capped at \$50 million)
Georgia	None	---	---
Hawaii	None	---	---
Idaho	1 cent per gallon	The first licensed distributor who transfers a petroleum product to another legal entity within the state	The Petroleum Clean Water Storage Tank Trust Fund (now at about \$20 million; capped at \$30 million)
Illinois	None	---	---
Indiana	None	---	---
Iowa	None	---	---
Kansas	16 cents per barrel	The first purchaser of the oil	A portion funds the conservation division of the Kansas Corporation Commission, and the rest goes into the Conservation Fee Fund (now at least \$500,000; capped at \$1 million)
Kentucky	None	---	---
Louisiana	2 cents per barrel	Every person owning crude oil in a vessel at the time the oil is transferred to a marine terminal within the state (except for at LOOP)	The Oil Spill Contingency Fund (now at about \$10-12 million; capped at \$15 million, but only if that amount is reached through the collection of fees)

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March 1993

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Alaska House of Representatives



Special Committee on Oil & Gas

Joe Green, Chairman

PRESS RELEASE

3/19/93

FOR IMMEDIATE RELEASE

CONTACT: REPRESENTATIVE JOE GREEN 465-6835

HOUSE COMMITTEE INTRODUCES BILL TO
PROTECT SPILL FUND

Legislation to protect the Oil & Hazardous Substance Release Response Fund was introduced today by the House Oil & Gas Committee. The response fund is also known as the "470 fund" after the house bill number that created it in 1986. After the 1989 oil spill in Prince William Sound the legislature established a tax of 5-cents per barrel of oil to finance the fund.

In the past few years money from the fund, which is administered by DEC, has increasingly been used to finance non-spill related projects. Performance audits done by the DEC itself state that the money spent can not be accounted for. Governor Hickel's Organizational Efficiency Task Force reported that "The liberal use of the Fund appears to be driving up total state spending, with little concern for efficiency."

Representative Joe Green (R) Anchorage, the Chairman of the Oil & Gas Committee said "The intent of the fund was to have money available to respond to a spill. We've put approximately \$100-million into this thing, but we sure don't have \$100 million worth of spill readiness."

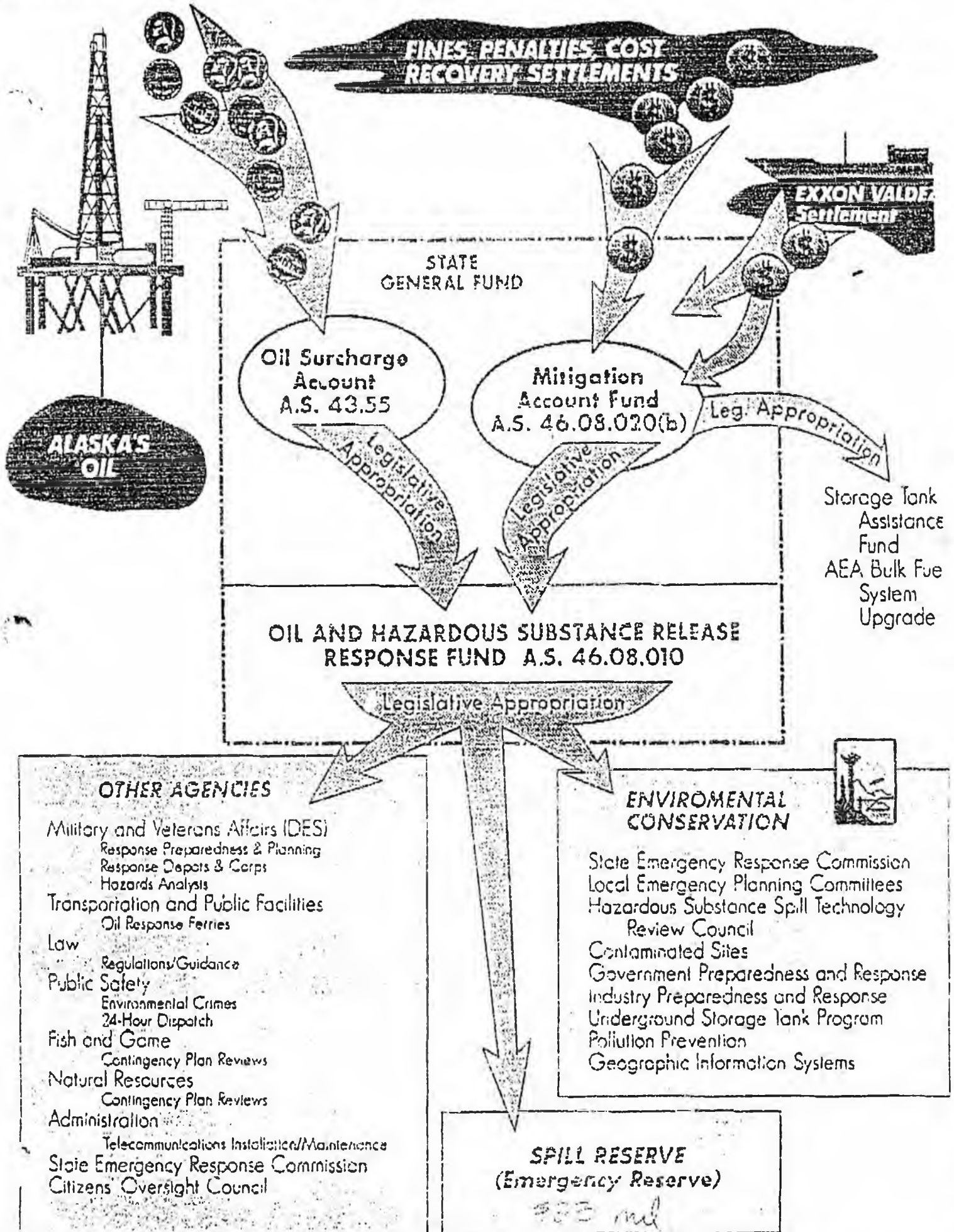
- more -

For Immediate Release 3/19/93
HB 238

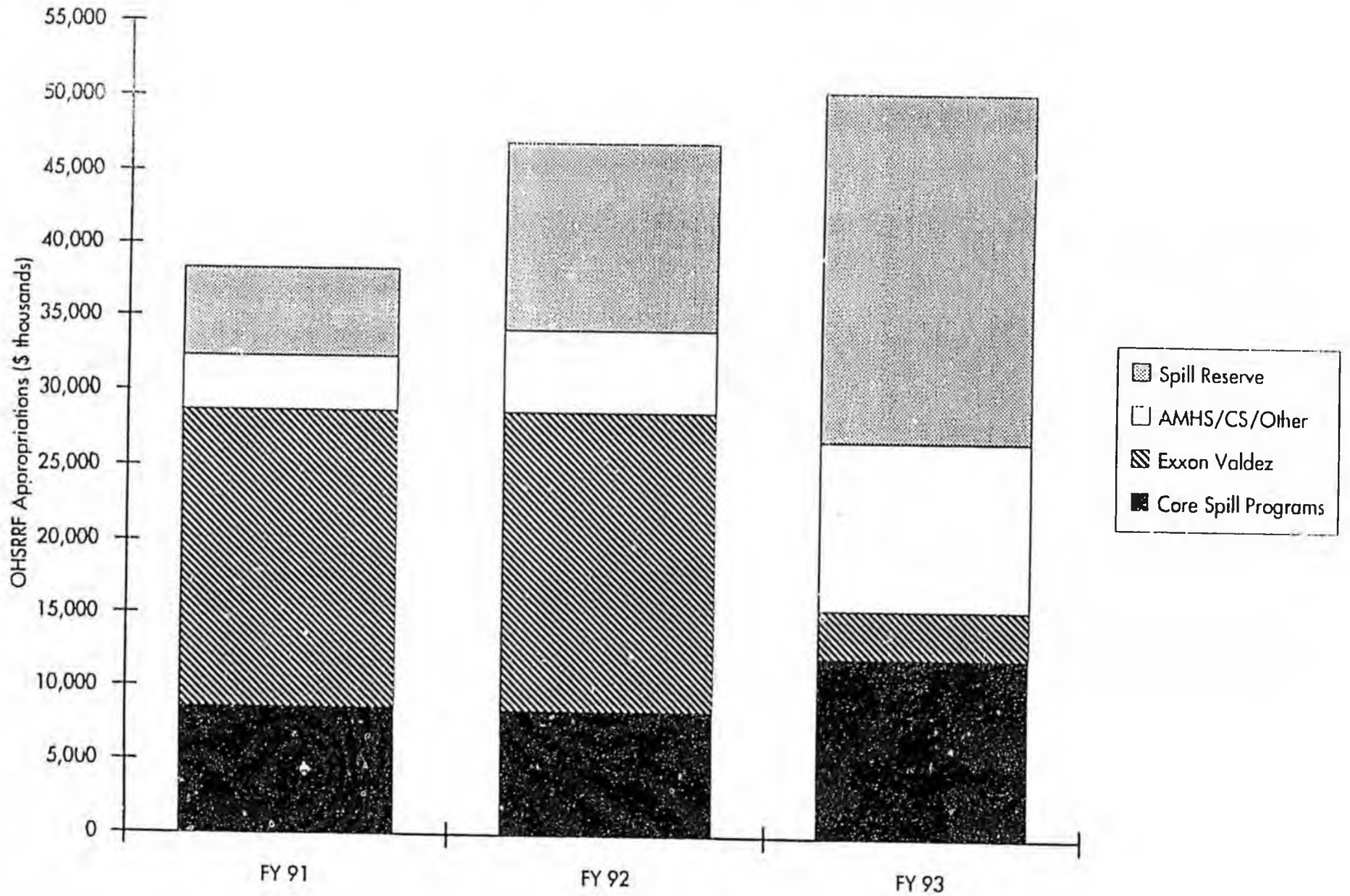
Page 2-2-2

The bill requires DEC to charge "user fees" for processing oil spill contingency plan applications, repeals the municipal impact assistance program, prohibits the fund from paying for a new state ferry and limits DEC's ability to transfer money from the fund to other state agencies.

The bill, HB 238, is scheduled to be heard for the first time in the House Resources Committee on Wednesday, March 24. Green stated that "the bill may not be perfect, but we want to get something on the table, hear what the public has to say, and hopefully plug some of these leaks."



Annual OHSRRF Appropriations FY 91 - FY 93



State Fees on Oil for Spill Response and Administration Costs*

State	Fee**	Who Must Pay	Where the Money Goes
Alabama	None	—	—
Alaska	5 cents per barrel	Every oil producer in the state	The Oil and Hazardous Substance Release Response Fund (now at about \$40 million; capped at \$50 million)
Arizona	1 cent per gallon of gasoline (all kinds), diesel, and kerosene	The UST owner when oil is purchased or when the annual tax return is due	10% goes into a Loan Account, the rest goes into the State Assurance Fund (now at about \$40 million; no cap)
Arkansas	None	—	—
California	25 cents per barrel for response (this has not been collected since Feb 1991 when the fund reached its cap); 4 cents per barrel for administration (this may be reduced by the administrator in future years)	Every marine terminal operator for oil delivered through the terminal; every pipeline operator for oil transported into the state; and just the 25-cent fee for refinery operators for crude oil received at the refinery	The Oil Spill Response Trust Fund (\$50 million) and the Oil Spill Prevention and Administration Fund (meant to generate about \$20 million annually)
Colorado	None	—	—
Connecticut	None	—	—
Delaware	1/10 of a % of the gross receipts tax	The wholesaler of petroleum and petroleum products (an exemption is allowed for crude oil)	The DE Hazardous Substance Cleanup Act Fund (now at about \$4 million; no cap)
Florida	2 cents per barrel	Any person who engages in the production or importation of oil	The Coastal Protection Trust Fund (now at about \$18 million; capped at \$50 million)
Georgia	None	—	—
Hawaii	None	—	—
Idaho	1 cent per gallon	The first licensed distributor who transfers a petroleum product to another legal entity within the state	The Petroleum Clean Water Storage Tank Trust Fund (now at about \$20 million; capped at \$30 million)
Illinois	None	—	—
Indiana	None	—	—
Iowa	None	—	—
Kansas	16 cents per barrel	The first purchaser of the oil	A portion funds the conservation division of the Kansas Corporation Commission, and the rest goes into the Conservation Fee Fund (now at least \$500,000; capped at \$1 million)
Kentucky	None	—	—
Louisiana	2 cents per barrel	Every person owning crude oil in a vessel at the time the oil is transferred to a marine terminal within the state (except for at LOOP)	The Oil Spill Contingency Fund (now at about \$10-12 million; capped at \$15 million, but only if that amount is reached through the collection of fees)

*This does not refer to small one-time fees (e.g., for registration or licensing); only per-gallon, per-barrel, or per-trip fees.
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March 1993

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State Fees on Oil for Spill Response and Administration Costs*, continued

State	Fee**	Who Must Pay	Where the Money Goes
Maine	4 cents per barrel for coastal and inland cleanup; 44 cents (gasoline), 25 cents (#2, kerosene, jet fuel, and diesel), and 10 cents (#6) per barrel for groundwater cleanup	For coastal and inland cleanup: every person that first transports oil in Maine. For groundwater cleanup: terminal facilities that first transfer the products and any person that first transports oil into the state (no fee on exports)	The Maine Coastal and Inland Surface Oil Cleanup Fund (now at about \$4 million; capped at \$6 million), and the Groundwater Oil Cleanup Fund (now at about \$12 million; capped at \$15 million)
Maryland	3/4 of a cent per barrel for cleanup; 5 cents per barrel for upgrading underground storage tanks	The tank owner	The Maryland Oil Disaster Containment, Cleanup, and Contingency Fund (capped at \$5 million), and the Underground Storage Tank Upgrade and Replacement Fund (now at about \$4.5 million; capped at \$5 million)
Massachusetts	None	—	—
Michigan	7/8 of a cent per gallon of petroleum products	All those selling refined oil for resale	The MI Underground Storage Tank Financial Assurance Fund (now at about \$52 million; no cap)
Minnesota	None	—	—
Mississippi	None	—	—
Missouri	\$25 per 8,000 gallons	The tank owner upon delivery of gasoline	The Underground Storage Tank Insurance Fund (capped at \$8 million)
Montana	3/4 of a cent per gallon (the fee is currently shut off until the fund drops below \$4 million)	The gasoline distributor	The Petroleum Tank Release Cleanup Fund (now at about \$5 million; capped at \$8 million)
Nebraska	3/10 of a cent per gallon on motor fuels (although now it is at 9/10 of a cent per gallon on motor fuels plus 1/10 of a cent per gallon on all other petroleum since the fund dropped down to \$2 million; the fee will return to 3/10 of a cent when the fund reaches \$4 million)	The refiner, importer, or distributor that first sells within the state	The Petroleum Release Remedial Action, and Reimbursement Fund (now at about \$3.1 million; capped at \$5 million)
Nevada	9/10 of a cent per gallon on most petroleum products	The refiner or importer	The State Petroleum Fund (now at about \$4 million; capped at \$7.5 million)
New Hampshire	9/10 of a cent per gallon for the ODD Fund; 1/10 of a cent per gallon for the OPC Fund	The distributor of motor fuels at the time of sale (for the 9/10 of a cent fee); the distributor of all oil at the time of sale (for the 1/10 of a cent fee)	The Oil Discharge, Disposal, and Cleanup Fund (the ODD Fund; now at about \$9.1 million; capped at \$10 million); The Oil Pollution Control Fund (the OPC Fund; now at about \$3.5 million; capped at \$5 million)
New Jersey	1 1/2 cents per barrel for major facility owners	The operator or owner of the receiving or transferring major facility	The NJ Spill Compensation Fund (now at about \$72 million; no cap)
New Mexico	None	—	—

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State Fees on Oil for Spill Response and Administration Costs*, continued

State	Fee**	Who Must Pay	Where the Money Goes
New York	Currently at cents per barrel for major facility owners	The major facility owner at the point of import or receipt	The NY Environmental Protection and Spill Compensation Fund (now at about \$17 million; capped at \$25 million)
North Carolina	None	—	—
North Dakota	None	—	—
Ohio	None	—	—
Oklahoma	1 cent per gallon	The fuel distributor	The OK Petroleum Underground Release Indemnity Fund (now at about \$6-\$7 million; no cap)
Oregon	\$650 per trip for tank vessels; \$20 per trip for barges; and 25 per trip for cargo vessels (facilities must pay \$3,000 per year)	All vessels and facilities	The Oil Spill Prevention Fund (capped at \$153,600)
Pennsylvania	None	—	—
Rhode Island	None (There is an Oil Release Response Fund)	—	—
South Carolina	1/2 cent per gallon on all petroleum	The refiner or tank owner that first sells the oil in the state	The State Underground Petroleum Response Bank (capped at \$15 million)
South Dakota	1 cent per gallon	The oil distributors	The SD Petroleum Release Compensation Fund (now at about \$100,000; capped at \$5 million)
Tennessee	None	—	—
Texas	2 cents per barrel	Every person owning crude oil in a vessel at the time such crude oil is transferred to or from a marine terminal	The Coastal Protection Fund (now at about \$20 million; capped at \$25 million)
Utah	None	—	—
Vermont	1 cent per gallon	Motor fuel distributors	The Vermont Petroleum Cleanup Fund
Virginia	1/5 of a cent per gallon	Any importer of gasoline, special fuels, and heating oil	The VA Petroleum Storage Tank Fund (now at about \$17 million; no cap)
Washington	5 cents per barrel	The owner of the crude oil or petroleum product immediately after receipt into a storage tank of a marine terminal from a vessel	The State Oil Spill Response Account (now at about \$4.5 million; capped at \$25 million and the Administration's Account (no cap)
West Virginia	None	—	—
Wisconsin	1.4 cents of every 2 cents per gallon collected	—	The Petroleum Environmental Cleanup Fund
Wyoming	1 cent per gallon	Fuel consumers	The State Corrective Account (now at about \$1.5 million) and the State Financial Responsibility Account (now at about \$6.2 million); there must be a total of \$20 million in both accounts before the fee is shut off

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- restore the environment by addressing the effects of an oil or hazardous substance release (1989 - SB 261);

The Legislature also passed laws creating the Citizen's Oversight Council on Oil and Other Hazardous Substances in the Legislative branch (1990 - HB 578); municipal impact grants program in the Department of Community and Regional Affairs (1991 - SB 25); and allowed for marine highway vessels with response capabilities within the Department of Transportation (1991 - SB 165).

The goal of the Fund was and remains threefold: to have adequate release response capability for both oil and other hazardous substance without complete reliance on industry's own preparedness by adequately funding the state's response and prevention programs, enable DEC to verify the adequacy of the industry's preparedness, and to have a readily available fund to mobilize a response.

The surcharge by law suspends if and when the balance of the appropriations to the Response Fund from the surcharge minus the appropriations from the Response Fund equal \$50 million. At the time of SB 260, it was estimated that the surcharge would equal about \$32 million annually. Its highest level has been \$28 million. There is currently over \$23 million in the Spill Reserve, which is the money available for use for an emergency response.

This bill also redefines "cleanup and containment" to remove the requirement to restore the environment. Under this definition, the bill would remove the duty of a polluter to restore the environment after the release of oil or a hazardous substance. This is at the very heart of Alaska's environmental protection statutes. Not only would the change eliminate a polluter's obligation to restore the environment but would also remove DEC's authority to undertake restoration itself under the oil and hazardous substance pollution statutes. In a state with high reliance on subsistence, this is unacceptable.

Within the civil penalties statutes, HB 238 would limit the state to seeking damages for restoration of the environment to only a condition as near to the original condition as feasible. This "condition" would necessarily be determined on a case-by-case basis, and would likely result in numerous lawsuits, where funds would be spent on attorneys and court cases, rather than on restoring the environment.

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Assistant Commissioner/Legislative Liaison
465-5010

Revenue enhancement through user fees should be elevated to a higher priority by the assigning a task force of professional staff from throughout the department to explore additional fee opportunities.

10. The department's innovative Cooperative Community Environmental Agreements should be a matrix organization that links all of the DEC "local community-building" and "local community-enhancement" activities and programs in a single community focus. A community-centered matrix organization should also include formal relationships with other departments.

These departments include: Military and Veterans Affairs/Emergency Services, Community and Regional Affairs, Commerce and Economic Development, Education, Public Safety, Transportation and Public Facilities, and Health and Social Services. Service to communities will be enhanced and productivity raised through such team efforts.

11. All DEC managerial spans of control should be carefully reviewed to determine whether

some should be expanded further.

With perhaps two exceptions, the Commissioner and the South Central Regional Manager, there do not appear to be any managerial or supervisory spans of control that are too broad, and many that may be too narrow.

Cost savings through reductions of supervisory personnel should be achieved.

12. The Department should conduct a policy analysis of two related subject areas concerning the Oil and Hazardous Substance Release Response Fund:

A. How much spill reserve is enough?

The original intent of the legislation establishing the five cents per barrel oil production surcharge appears to have been to establish a \$50 million spill reserve to prepare the state for expenditures which may be required to respond to a release the magnitude of the March 1989 Exxon Valdez spill. The fund balance has apparently stabilized at about \$20 million, because most revenues collected to date have been expended on operations related to the aftermath of the Exxon

Valdez spill, and a variety of other spills.

Assistance should be consolidated.

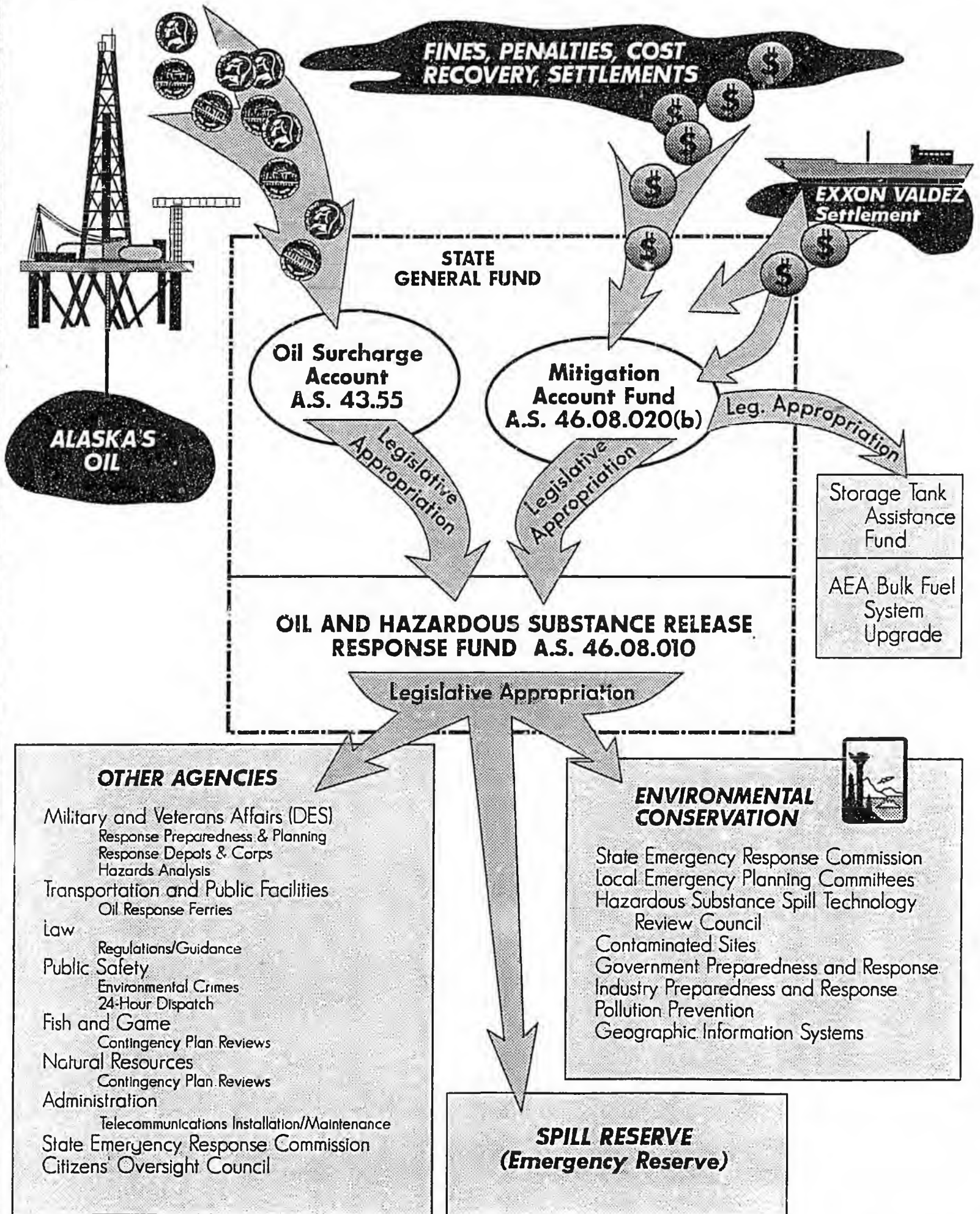
B. What are appropriate expenditures from the fund?

Chapter 112 SLA 1989 indicated two relatively limited and specific purposes for the Fund. Both related to "future discharges of oil or a hazardous substance that present a grave and substantial threat to the economy and the environment of the state."

Since then, the number and scope of uses of the surcharge have expanded to include virtually all past, present, and future spills of oil or hazardous substances. It appears timely to review the present policy and intentions for the use of these funds.

The liberal use of the Fund appears to be driving up total state spending, with little concern for efficiency.

13. **The Spill Prevention, Planning and Management section and the Spill Response Office have overlapping functions and should be consolidated.**
14. **The separate staff for the State Underground Storage Tank program and the staff to the Board of Storage Tank**



Oil and Hazardous Substance Release Response Fund
("Response Fund" or "470 Fund")

Created in 1986 (HB 470). Stated purpose:

(1) contain, clean up, and take other necessary action, such as monitoring, assessing, investigating, and evaluating the release or threatened release of oil or a hazardous substance that poses an imminent and substantial threat to the public health or welfare, or to the environment;

(2) provide matching funds for CERCLA (federal Superfund); and

(3) recover the cost to the state or to a municipality of a containment or cleanup resulting from the release or threatened release of oil or a hazardous substance.

The fund received about \$500,000 a year from the general fund by legislative appropriation.

1989 - Exxon Valdez.

A package of spill bills were introduced during that Legislature including SB 260 which established the nickel-a-barrel "conservation surcharge" on all crude oil produced in Alaska. All spill bills were shown as being funded by the Response Fund, and amendments were made in the statutory purposes of the Fund to include the costs of:

establishing and maintaining the oil and hazardous substance response office (SB 264);

review contingency plans (HB 567);

conduct training, response exercises, inspection, and tests in order to verify equipment inventories and ability to prevent and respond to releases, and to undertake other activities intended to verify or establish the preparedness of the state, a municipality, or a party required to file contingency plans (HB 567);

verify or establish proof of financial responsibility (HB 567);

response depots and corps (SB 264);

prepare, review and revise state and regional master oil and hazardous substance contingency plans (SB 261);

restore the environment by addressing the effects of an oil or hazardous substance release (SB 261);

Citizens Oversight Council on Oil and Other Hazardous Substances (HB 578).

In 1991, two other bills were passed that further expanded the use of the Fund:

municipal impact grants (so-call Oiled Mayors Program) (SB 25); and

ferries with response capabilities (SB 165).

Under HB 238, all of these programs would be eliminated from the uses of the Fund with the exception of (1) providing for an emergency first response; and (2) matching federal funds for CERCLA or federal oil discharge cleanup activities. The State's general fund would become the funding source for the other requirements under law being removed from the purposes for which the Fund may be used.

In addition, the bill changes how the accounting of the Fund cap would be calculated (see below), changes the definition of "containment and cleanup" to remove restoring the environment, prevents DEC from placing a lien on a responsible party's assets in order to recover state costs from any funding source, and requires that DEC levy fees on parties required under law to have contingency plans and financial responsibility verifications for the Department's review and approval of same.

Fund Accounting.

Under current law, at AS 46.08.020, many other sources of funding may be appropriated to the Response Fund other than from the nickel-a-barrel fee (Oil Surcharge Account)- in particular, costs recovered by the state from responsible parties for state-lead cleanups, and fines, penalties or damages for costs incurred by the state as a result of a release or threatened release. These funds go into a "Mitigation Account" which has normally been appropriated into the Response Fund.

Under current law, only the amount appropriated into the Response Fund that is attributable to the nickel-a-barrel fee counts toward the \$50 million cap. This recognizes that the monies coming into the Mitigation Account may not be attributable to expenditures from the nickel-a-barrel fee.

Under HB 238, *all* appropriations to the Fund, including the Mitigation Account, count toward the cap. HB 238 would still require these costs recoveries, fines, penalties or damages collected by the state be deposited in the Mitigation Account, and the Mitigation Account may still be appropriated to the Response Fund. However, the Response Fund would not be able to be used as a funding source for the activities resulting in these recoveries, fines, penalties or damages.

The State has appropriated over \$48 million into the Response Fund that did not come from the Oil Surcharge Account. In fact, only about 1/2 of the money that has been appropriated to the Response Fund has come from the nickel-a-barrel fee.

Table 3
Summary of OHSRRF Funding Sources and Deposits to Oil Surcharge Account
1988-1992
(In Thousands)

Response Fund Source of Funding

Fiscal Year	General Fund Program Receipts	General Fund Mitigation Revenue	Oil Surcharge Revenue	Other General Fund	Total
FY 87		158.7		522.0	680.7
FY 88		304.3		825.0	1,129.3
FY 89	10,000.0	138.5		10,500.0	20,638.5
FY 90	20,000.0	197.6		32,600.0	52,797.6
FY 91		1,695.1	27,000.0		28,696.1
FY 92		30.1	28,500.0		28,530.1
FY 93		1,823.3	27,000.0		28,823.3
Total:	30,000.0	4,346.6	82,500.0	44,447.0	181,293.6

Revenue Collected Oil Surcharge Account

FY 90	26,932.4
FY 91	27,965.2
FY 92	<u>28,669.0</u>
Total:	<u>83,566.6</u>

Spill Reserve

FY 88	\$ 70,888
FY 89	\$ 74,552
FY 90	\$ 198,500
FY 91	\$ 5,949,371
FY 92	\$12,482,127
FY 93	\$23,506,365
FY 94	\$25,091,900 (est)

Industry Preparedness Program



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Mike Conway
Director, Division of
Spill Prevention and
Response

Mike Mansker
Chief, Industry
Preparedness and
Response Program
456-5250

Goal

To safeguard the environment by ensuring that oil industry operators take specific steps to prevent and respond to releases or threatened releases of oil.

Program Background

Title 46 of the Alaska Statutes and Title 18, Chapter 75 of the Alaska Administrative Code set forth requirements for oil spill prevention, financial responsibility and oil discharge prevention and contingency planning for the oil industry. The requirements apply to oil terminal facilities, oil tank vessels and barges, crude oil pipelines and onshore and offshore oil exploration and production facilities throughout the state. The Department of Environmental Conservation, through the Industry Preparedness Program, applies and enforces these statutes and regulations. Primary program services include administration and development of the oil discharge prevention and contingency plan review program, facility and vessel spill drill and inspection programs, and a financial responsibility program.

Issues

The effective implementation of revised statutes and regulations relating to oil pollution prevention and response is a continuing program priority. Regulations are being written to implement and administer a Response Action Contractor Registration Program mandated by House Bill 540 (1992). The final adoption of revised 18 AAC 75 regulations has compelled development of comprehensive new guidelines to prepare, apply for and review oil discharge prevention and contingency plans. New requirements for these industry-prepared plans ensure that industry has taken proper steps to prevent oil spills and is sufficiently prepared to respond in the event of a spill. Changes in the financial responsibility requirements have resulted in the need for rigorous review of existing and proposed insurance policies to ensure that they meet new and stricter requirements.

Major Features

- Provide technical assistance, conduct program development and monitoring, and ensure statewide consistency in:
 - ◆ the review by regional office staff of approximately 175 oil discharge prevention and contingency plans for oil operations statewide;
 - ◆ facility and vessel inspections and spill drills, including participation in major Department- and industry-initiated drills; and
 - ◆ the application of prevention requirements to oil industry operations and the use of prevention credits to modify the response planning standard for contingency plan holders.
- Administer the statewide Financial Responsibility program to ensure that oil operators in the state demonstrate sufficient proof of financial resources to respond to releases or threatened releases of oil.
- Provide interagency coordination in activities relating to oil pollution control, including implementation of the Federal Oil Pollution Act of 1990, cooperative review of

contingency plans with other State and federal resource agencies, monitoring of the activities of citizens' advisory councils and oil spill response cooperatives, and other concerns.

Program Benefits _____

By upgrading the state's regulation and inspection of oil and hazardous substances facilities, and review of industry contingency plans, the program can prevent spills, improve response and reduce cleanup costs.

Alaska Department of Environmental Conservation
Division of Spill Prevention and Response

Government Preparedness and Response



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Preparedness and
Response Program
456-5220

Goal

To protect public health and the environment by ensuring a planned and safe response to releases or threatened releases of oil or hazardous substances.

Program Background

The Alaska Department of Environmental Conservation (DEC) is responsible for responding to all oil and hazardous substance spills and ensuring their containment, control and cleanup. DEC also defines the extent of contamination and assesses damages and recovery of costs to the state. Title 46 of the Alaska Statutes and Title III of the federal Superfund Amendments and Reauthorization Act (SARA) tasked DEC with facilitating local, regional and statewide response preparedness for oil and hazardous substance releases in order to minimize the impact on human health and the environment. DEC's Government Preparedness and Response program facilitates this planning and also prepares, reviews and revises the state and regional plans for oil and hazardous substance discharge prevention and response. The program provides staff support to the State Emergency Response Commission (SERC) and funding, staff support, and administration to Local Emergency Planning Committees (LEPCs).

Issues

DEC must work with local government agencies and the public to establish 26 LEPCs. Training and guidance will be provided to the LEPCs for the development of response plans for oil and hazardous substance releases. The Department will develop State and Regional plans to insure responding personnel from all state and local agencies understand their roles and responsibilities when responding to a release. In addition, the Department must train response teams and improve the response resources available for a major spill.

Major Features

- Develop regulations and guidelines for the SERC and LEPCs and hold quarterly meetings with each.
- Ensure that up to 26 local plans under development are coordinated and integrated with other relevant plans and comply with requirements specified in state and federal law.
- Complete compilation of hazards analysis for the state.
- Revise the State and Regional response plans and conduct drills to test adequacy.
- Identify the Department's responsibilities and establish a response structure to safely carry out those responsibilities.
- Mobilize the Department resources upon request to support regional response activities.
- Establish and maintain minimum training standards for responders and the positions in the Incident Command System (ICS).

Program Benefits

Prevention and response plans constructed on the local, regional and state level, as well as response training for responders, help prevent spills and improve the response quality, time, and cost.

Contaminated Sites Remediation



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Rich Cormack
Chief, Contaminated
Sites Remediation
Program
456-5200

Goal

To abate threats to human health and the environment posed by sites contaminated by past improper disposal or discharges of hazardous substances.

Program Background

The Contaminated Sites program was enabled in 1986, when House Bill 470 established the Oil and Hazardous Substance Release Response Fund and broadened the use of the previously existing response fund to hazardous substances. The program had ad hoc beginnings as the department began to draw information on known contaminated sites from various programs and began to compile an inventory database in 1988. The program was officially designated in January 1990, when it was split from the Oil and Hazardous Substance Spill Response Section. The program also now encompasses activities under cooperative agreements with the Department of Defense and EPA, which allow funding of staff oversight of military restoration activity and Superfund site projects respectively. The universe of historical contaminated sites under the jurisdiction of the program are defined using the contaminated sites database inclusion criteria, excluding leaking underground storage tanks, which are managed under a separate program.

Issues

The Contaminated Sites program faces the reality of a large and increasing universe of contaminated sites and the likelihood of diminishing human and fiscal resources over time to address these sites. A "Certified Service Provider" initiative will be developed to allow licensing of assessment and cleanup contractors to conduct work on low priority sites without direct department oversight, thereby freeing staff to oversee high priority sites posing imminent and substantial threat. The program is currently operating with guidance documents and has not promulgated hazardous substance cleanup regulations that would help to solve some of the ambiguity currently experienced by the regulated community. The program will be putting major focus on development of regulations to address cleanup standards and program structure. The regulations will also stress cost-effectiveness, encourage innovative technologies, and ensure public involvement.

Major Features

- Identify and assess sites to determine their potential threat to public health and the environment and rank sites to determine the priority in which they should be addressed.
- Ensure that contaminated sites undergo investigation and cleanup in a priority order.
- Use term contractors and the Oil and Hazardous Substance Spill Response fund to assess or clean up sites of imminent and substantial threat where a responsible party is not available.
- Develop hazardous substance cleanup regulations and standard operating procedures for all phases of contaminated sites work.
- Negotiate cooperative agreements with the Department of Defense and EPA to enable staff oversight of DOD and CERCLA (Comprehensive Environmental Restoration,

Compensation & Liability Act — federal) sites and participation of staff in assessment of sites within the Superfund system.

- Chairs the State agency MOA working group.
- Negotiate and oversee term contracts.

Program Benefits _____

The rapid cleanup of contaminated sites before pollutants have reached aquifers is vital to the health of Alaskans and our wildlife.

Is the language in
this passed resolution
consistent with provisions
of HB 238?

8-LS1049E

HOUSE CONCURRENT RESOLUTION NO. 21
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES PHILLIPS, Barnes, Therriault

Introduced: 4/22/93

Referred: Rules

A RESOLUTION

1 Relating to the correction of misinformation about Alaska.

2 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

3 **WHEREAS** Alaskans are committed to protecting and preserving our wilderness areas
4 while working toward a balance between the needs of our people and the needs of our
5 environment; and

6 **WHEREAS** legislation has been introduced to purchase \$22,000,000 in inholdings to
7 preserve in its entirety one of Alaska's most scenic state parks, Kachemak Bay State Park,
8 increase subsistence resources, and restore and maintain critical habitat areas throughout the
9 state; and

10 **WHEREAS** Alaska has 70 percent of the National Parks by area, and Alaskans devote
11 considerable effort and resources toward maintaining these parks to the benefit and enjoyment
12 of all Americans; and

13 ~~**WHEREAS** Governor Hickel, Alaska's lawmakers, and state citizens are committed~~
14 ~~to strengthening prevention and response mechanisms to avoid tragic accidents such as the~~
15 ~~Exxon Valdez oil spill; and~~

16 ~~**WHEREAS** our leadership has empowered our environmental regulatory agencies with~~
17 ~~some of the most stringent requirements on industry in the nation; and~~

1 **WHEREAS** certain national movements, though committed to worthwhile causes,
2 employ the use of sensational and unbalanced statements in their reports; and

3 **WHEREAS** a recent example of this was distributed nationwide by the Sierra Club
4 in a defamatory letter to the organization's members ~~accusing the Alaskan people and our~~
5 ~~leadership of gross misuse of our environment;~~

6 **BE IT RESOLVED** that the Alaska State Legislature notifies the Board of Directors
7 of the Sierra Club and its members of specific untruths and distorted reports about Alaska
8 currently utilized by the Sierra Club and urges their cooperation in presenting the truth; and
9 be it

10 **FURTHER RESOLVED** that the Alaska State Legislature is intensely concerned over
11 the health of our land and our people, and we urge environmental movements to report all of
12 the facts before presenting an agenda that is harmful to all Alaskans.

13 **COPIES** of this resolution shall be sent to the Honorable Bill Clinton, President of the
14 United States; the Honorable Al Gore, Jr., Vice-President of the United States and President
15 of the U.S. Senate; the Honorable Bruce Babbitt, Secretary of the U.S. Department of the
16 interior; the Honorable Mike Espy, Secretary of the U.S. Department of Agriculture; the
17 Honorable Hazel R. O'Leary, Secretary of the U.S. Department of Energy; the Honorable Ted
18 Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young,
19 U.S. Representative, members of the Alaska delegation in Congress; to Tony Ruckel, Sierra
20 Club National Chairman; and to Carl Pope, Executive Director of the Sierra Club.

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Did you ever wonder
what your neighbors
were thinking?

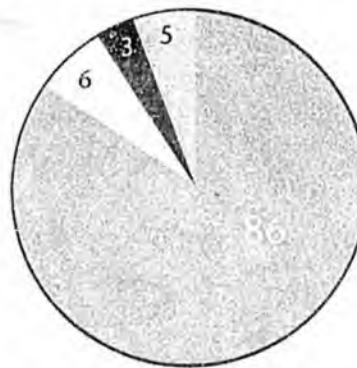
We did. So we asked.

We're the Alaska Oil and Gas Association, and we frequently ask Alaskans what's on their minds. This fall we contracted with the independent polling firm, Dittman Research Corporation of Alaska, to ask Alaskans to respond to a statewide survey about the oil and gas industry, state government, and resource development issues. We thought their responses were so enlightening that we've reprinted the highlights for all Alaskans to read.

Alaskans feel positive about the oil industry...

"On an overall basis, do you feel oil and gas development has been good or bad for Alaska?"

Good	86%
Bad	6%
Some of both	3%
Unsure	5%



- Good 86%
- Bad 6%
- Some of Both 3%
- Unsure 5%

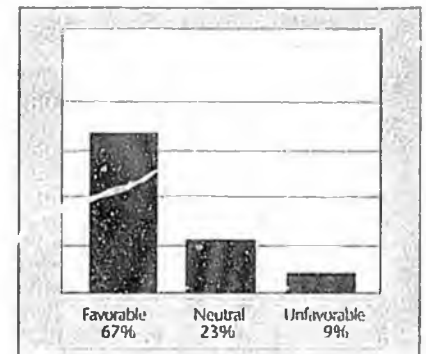
AOGA

Alaska Oil & Gas Association

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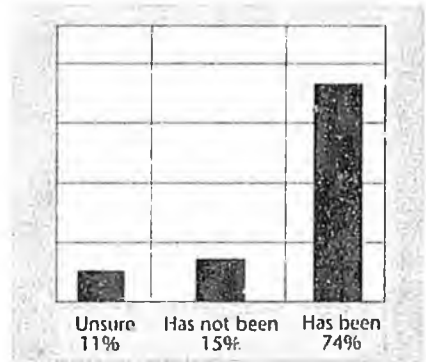
"How favorable or unfavorable do you feel you personally are toward the oil industry?"

Favorable	67%
Neutral	23%
Unfavorable	9%



"On an overall basis, do you feel oil and gas exploration and development throughout Alaska has or has not been conducted in an environmentally safe manner?"

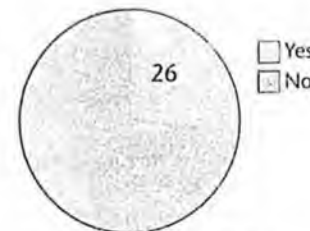
Has been	72%
Has not been	23%
Unsure	5%



But few took any action to express their positive feelings.

"Over the past three years, have you taken any action to express those feelings to state officials and legislators?"

Yes	26%
No	74%



(If response was "Yes, took action. .")
"What kind of action did you take?"

Letter to legislator	43%
Talked to legislator	14%
Mail survey	9%
Sent public opinion msg.	8%
Letter to editor	7%
Called legislator	6%
Attended public mtg.	6%
Signed petition	2%
Miscellaneous	4%

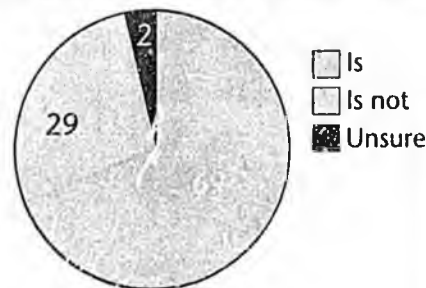


Feeling towards oil industry	Took action to express feelings	
	Yes	No
Favorable	27%	73%
Unfavorable	46%	54%

Alaskans have some definite ideas about state spending and taxation...

"Do you feel Alaska is or is not facing a serious budget crisis?"

Is	69%
Is not	29%
Unsure	2%



"The state of Alaska receives over 80% of its income from oil and gas production revenues. North Slope production has started a long and steady decline which will reduce future state revenues. Do you think the state should reduce spending or raise taxes to balance the budget?"

Cut spending	66%
Raise taxes	12%
Some of both	19%
Unsure	3%

