

ALASKA LEGISLATURE COMMITTEE FILES 1993-1994 8672

8181 HOUSE STATE AFFAIRS

446

SB

215

(7)
Date Referred: April 27, 1994

HOUSE COMMITTEE REPORT
FURTHER REFERRALS:

Finance

Date of Committee Action: 4-28-94

The STATE AFFAIRS Committee considered: CSSB 215(FIN) am(efd fld)

CS FOR SENATE BILL NO. 215(FIN) am(efd fld)
OIL/HAZARDOUS SUBS. RELEASE RESPONSE FUND

"An Act relating to oil and hazardous substances; redesignating the oil and hazardous substance release response fund and relating to it; repealing the Citizens' Oversight Council on Oil and Other Hazardous Substances and the authority in law by which marine highway vessels may be designed and constructed to aid in oil and hazardous substance spill cleanup in state marine water using money in the oil and hazardous substance release

(over for remainder of title)
 the same title
 a new title

RECOMMENDATIONS:

be replaced with HCS CSSB-215 (STR)

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zero fiscal note(s) REPEALED (A) Pub SAFETY, HAWK ROAD (S) DECE

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>[Signature]</i>	X	<i>[Signature]</i>		X	
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CHAIRMAN'S SIGNATURE

8-LS1107Z
Chenoweth
4/27/94

HOUSE CS FOR CS FOR SENATE BILL NO. 215(STA)
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE STATE AFFAIRS COMMITTEE

Offered:
Referred:

Sponsor(s): SENATORS MILLER, Kelly

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to oil and hazardous substances; redesignating the oil and
2 hazardous substance release response fund and relating to it; repealing the
3 Citizens' Oversight Council on Oil and Other Hazardous Substances and the
4 authority in law by which marine highway vessels may be designed and
5 constructed to aid in oil and hazardous substance spill cleanup in state marine
6 water using money in the oil and hazardous substance release response fund and
7 repealing the authority of the Department of Environmental Conservation to levy
8 and collect fees for review of certain submissions related to oil; altering
9 requirements applicable to liens for recovery of state expenditures related to oil
10 or hazardous substances; terminating the nickel-per-barrel oil conservation
11 surcharge; levying and collecting two new oil surcharges; and providing for the
12 suspension and reimposition of one of the new surcharges."

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

2 * Section 1. AS 26.23.020(g) is amended to read:

3 (g) In addition to any other powers conferred upon the governor by law, the
4 governor may, under AS 26.23.010 - 26.23.220,5 (1) suspend the provisions of any regulatory statute prescribing
6 procedures for the conduct of state business, or the orders or regulations of any state
7 agency, if compliance with the provisions of the statute, order, or regulation would
8 prevent, or substantially impede or delay, action necessary to cope with the disaster
9 emergency;10 (2) use all available resources of the state government and of each
11 political subdivision of the state as reasonably necessary to cope with the disaster
12 emergency;13 (3) transfer personnel or alter the functions of state departments and
14 agencies or units of them for the purpose of performing or facilitating the performance
15 of disaster emergency services;16 (4) subject to any applicable requirements for compensation under
17 AS 26.23.160, commandeer or utilize any private property, except for all news media
18 other than as specifically provided for in AS 26.23.010 - 26.23.220, if the governor
19 considers this necessary to cope with the disaster emergency;20 (5) direct and compel the relocation of all or part of the population
21 from any stricken or threatened area in the state, if the governor considers relocation
22 necessary for the preservation of life or for other disaster mitigation purpose;23 (6) prescribe routes, modes of transportation, and destinations in
24 connection with necessary relocation;25 (7) control ingress to and egress from a disaster area, the movement of
26 persons within the area, and the occupancy of premises in it;27 (8) suspend or limit the sale, dispensing, or transportation of alcoholic
28 beverages, firearms, explosives, and combustibles;29 (9) make provisions for the availability and use of temporary
30 emergency housing;

31 (10) allocate or redistribute food, water, fuel, or clothing; and

1 (11) use money from the oil and hazardous substance release
2 response account in the oil and hazardous substance release prevention and response
3 fund, established by AS 46.08.010, to respond to a declared disaster emergency related
4 to an oil or hazardous substance discharge.

5 * Sec. 2. AS 29.60.500 is amended to read:

6 Sec. 29.60.500. PURPOSE AND POLICY. (a) The legislature finds and
7 declares that a major release of oil or hazardous substances into the environment
8 presents a real and substantial threat to the economy and public welfare of the
9 municipalities, [AND] villages, and school districts that are affected by the release
10 and the resultant activities to contain and clean up the release.

11 (b) The legislature concludes that it is in the best interest of the state and its
12 citizens to provide a readily available fund for the payment of the expenses incurred
13 by municipalities, [AND] villages, and school districts to mitigate the social and
14 economic effects that arise out of a major release of oil or hazardous substances and
15 resultant cleanup activities.

16 (c) It is the intent of the legislature and declared to be the public policy of the
17 state that money to defray the cost of social and economic effects on municipalities,
18 [AND] villages, and school districts arising from a major release of oil or a hazardous
19 substance and resultant cleanup activities and to pay for efforts to abate that release
20 will be immediately available upon

21 [(1)] a determination [BY THE GOVERNOR] that the release was
22 sudden and that it exceeds 2,500 barrels of oil, or exceeds an amount of a hazardous
23 substance that when released into the environment presents a real and substantial threat
24 to the economy and public welfare of the municipalities, [OR] villages, or school
25 districts affected by it [;

26 (2) THE DECLARATION BY THE GOVERNOR OF A DISASTER
27 EMERGENCY RELATING TO THE RELEASE; AND

28 (3) A FINDING BY THE GOVERNOR THAT

29 (A) THE RELEASE OF THE OIL OR HAZARDOUS
30 SUBSTANCE INTO THE ENVIRONMENT PRESENTS A REAL AND
31 SUBSTANTIAL THREAT TO THE ECONOMY AND PUBLIC WELFARE

1 OF THE MUNICIPALITIES AND VILLAGES THAT ARE AFFECTED BY
2 THE RELEASE AND BY THE RESULTANT ACTIVITIES TO CONTAIN
3 AND CLEAN UP THE RELEASE; AND

4 (B) IT IS IN THE BEST INTEREST OF THE STATE TO PAY
5 THE EXPENSES INCURRED BY MUNICIPALITIES AND VILLAGES TO
6 MITIGATE THE SOCIAL AND ECONOMIC EFFECTS THAT ARISE OUT
7 OF THE RELEASE OF THE OIL OR THE HAZARDOUS SUBSTANCE
8 AND THE RESULTANT CLEANUP ACTIVITIES].

9 * Sec. 3. AS 29.60.510 is amended to read:

10 Sec. 29.60.510. MUNICIPAL IMPACT GRANTS AUTHORIZED. (a)

11 Subject to (b) of this section. the [THE] commissioner may use money from the oil
12 and hazardous substance release prevention and response fund to make grants to a
13 municipality, [OR] village, or school district that is affected by the release or by the
14 response to the release and that demonstrates that the release or response to the release
15 involves extraordinary expenditures that are beyond the reasonable capability of the
16 municipality, [OR] village, or school district to meet from the current revenue sources
17 of the municipality, [OR] village, or school district if

18 [(1) THE GOVERNOR DETERMINES THAT] a release of oil [OR
19 A HAZARDOUS SUBSTANCE] exceeds 2,500 barrels of oil, or if a release of a
20 hazardous substance exceeds an amount of a hazardous substance that, when released
21 into the environment, presents a threat to the economy and public welfare of the
22 municipalities, [AND] villages, and school districts affected by it at least equivalent
23 in effect to the effect of a release of oil in an amount defined by this subsection
24 [PARAGRAPH;

25 (2) THE RELEASE HAS BEEN PROCLAIMED A DISASTER
26 EMERGENCY BY THE GOVERNOR UNDER AS 26.23.020; AND

27 (3) THE GOVERNOR FINDS THAT

28 (A) THE RELEASE OF THE OIL OR HAZARDOUS
29 SUBSTANCE INTO THE ENVIRONMENT PRESENTS A REAL AND
30 SUBSTANTIAL THREAT TO THE ECONOMY AND PUBLIC WELFARE
31 OF THE MUNICIPALITIES AND VILLAGES THAT ARE AFFECTED BY

1 THE RELEASE AND BY THE RESULTANT ACTIVITIES TO CONTAIN
2 AND CLEAN UP THE RELEASE; AND

3 (B) IT IS IN THE BEST INTEREST OF THE STATE TO PAY
4 THE EXPENSES INCURRED BY MUNICIPALITIES AND VILLAGES TO
5 MITIGATE THE SOCIAL AND ECONOMIC EFFECTS THAT ARISE OUT
6 OF THE RELEASE OF THE OIL OR THE HAZARDOUS SUBSTANCE
7 AND THE RESULTANT CLEANUP ACTIVITIES].

8 (b) For each release or threatened release of oil or a hazardous substance

9 (1) for which the commissioner of environmental conservation may,
10 under AS 46.08.045, expend money from the oil and hazardous substance release
11 response account in the fund [DISASTER EMERGENCY DECLARED BY THE
12 GOVERNOR UNDER AS 26.23.020], and subject to agreement with the commissioner
13 of environmental conservation as to the amount of money in the fund that may be used
14 by the department to make grants, the commissioner may expend not more than
15 \$10,000,000 [OF THE BALANCE OF THE FUND THAT IS APPROPRIATED TO
16 THE SPILL RESERVE OR] of the unrestricted balance of the oil and hazardous
17 substance release response account in the fund for grants for purposes described
18 in AS 29.60.520: if [AUTHORIZED UNDER THIS SECTION. IF] the commissioner
19 and the commissioner of environmental conservation do not agree on the amount of
20 money in the response account in the fund that may be used by the department to
21 make grants under AS 29.60.500 - 29.60.599 for release or threatened release of oil
22 or a hazardous substance, the governor shall make the determination;

23 (2) for which money may not be expended from the response
24 account under (1) of this subsection, and subject to appropriation of money in the
25 fund that may be used by the department to make grants, the commissioner may
26 expend not more than the amount appropriated from the oil and hazardous
27 substance release prevention account in the fund for grants for purposes
28 described in AS 29.60.520.

29 (c) Notwithstanding the limitation of AS 37.07.080(e) against the transfer of
30 money between appropriations, when the commissioner and the commissioner of
31 environmental conservation have agreed to the amount of money in the oil and

1 hazardous substance release response account [FUND] that may be used by the
2 department to make grants, or when that determination has been made by the governor,
3 the commissioner of environmental conservation shall promptly transfer that amount
4 to the department for use under AS 29.60.500 - 29.60.599.

5 (d) For money that has been transferred under (c) of this section, if within any
6 one-year period thereafter the commissioner does not use the money to make a grant
7 under AS 29.60.500 - 29.60.599, the commissioner shall [, AT THE DIRECTION OF
8 THE GOVERNOR OR THE REQUEST OF THE COMMISSIONER OF
9 ENVIRONMENTAL CONSERVATION,] return the unexpended amount transferred
10 under (c) of this section to the oil and hazardous substance release response
11 account of the fund.

12 * Sec. 4. AS 29.60.520 is amended to read:

13 Sec. 29.60.520. PURPOSES OF MUNICIPAL IMPACT GRANTS. (a) A
14 grant made under AS 29.60.510 may be made

15 (1) only for

16 (A) provision of subsistence resources on which the residents
17 of the municipality, [OR] village, or school district rely for subsistence needs;

18 (B) the additional costs of a reasonable and appropriate function
19 or service, including administrative expenses for the incremental costs of
20 providing the function or service, limited to:

21 (i) public health and welfare functions and services,
22 including hospital, clinic, and emergency medical services; alcohol,
23 drug abuse, and mental health services; family support services; and the
24 operation of waste disposal systems and water quality improvement
25 systems;

26 (ii) public safety functions and services, including police
27 protection, search and rescue, and fire protection;

28 (iii) public utility functions and services, including the
29 operation of electric generating plants and distribution systems, water
30 supply systems, telephone systems, and fuel distribution systems; and

31 (iv) housing functions and services, limited to leasing or

1 making other arrangements for temporary housing to be occupied by
2 persons associated with containment or cleanup of the release;

3 (C) costs associated with leasing transportation facilities for use
4 in activities associated with the containment or cleanup;

5 (D) costs of repair or replacement of equipment or a capital
6 asset associated with a function or service set out in (B) of this paragraph the
7 useful life of which has been substantially reduced by use associated with the
8 containment or cleanup; and

9 (2) to compensate the municipality, [OR] village, or school district for

10 (A) the reduction of revenue attributable to the release of the
11 oil or hazardous substance; and

12 (B) the actual costs of projects or activities that are delayed or
13 lost because of the efforts of the municipality, [OR] village, or school district
14 responding to the release or associated with the containment or cleanup of oil
15 or the hazardous substance.

16 (b) If money received under this section is used for a capital expenditure, the
17 commissioner may require the municipality, [OR] village, or school district that
18 acquired the item as a capital expenditure to transfer it to the state at the end of the
19 period during which the item is actually used for spill response if the commissioner
20 finds that retention of the item would confer an inappropriate benefit on the
21 municipality, [OR] village, or school district.

22 * Sec. 5. AS 29.60.530 is amended to read:

23 Sec. 29.60.530. CRITERIA TO EVALUATE GRANT APPLICATIONS. (a)
24 In determining whether an expenditure or proposed expenditure by a municipality,
25 [OR] village, or school district is eligible for a grant under AS 29.60.510, the
26 department shall consider

27 (1) the degree to which the effect on the municipality, [OR] village, or
28 school district is directly caused by the oil or hazardous substance release or the
29 response to the release;

30 (2) the availability of money to the recipient from other sources that
31 can meet the costs of providing the functions or services; and

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(3) the severity of the effect addressed in the grant application.

(b) The department may reject an application for a grant under AS 29.60.510 or approve an application for a grant in an amount that is less than the amount requested by a municipality, [OR] village, or school district if the department determines that payment of the amount requested is not warranted under (a) of this section.

(c) The department shall adopt, by regulation, criteria by which to rank all or a portion of applications for the purpose of establishing the priority order of awarding grants if money requested by eligible municipalities, [AND] villages, and school districts under this section exceeds the amount available. The criteria must be based on the elements set out in (a) of this section. If the total amount of money requested by eligible municipalities, [AND] villages, and school districts under this section exceeds the amount available, the department shall rank applications for the purpose of establishing the priority order of awarding grants in accordance with the regulations.

* Sec. 6. AS 29.60.540(b) is amended to read:

(b) Money received by a municipality, [OR] village, or school district under AS 29.60.500 - 29.60.599 may not be used for a capital improvement, as that term is defined in AS 46.08.900.

* Sec. 7. AS 29.60.560(a) is amended to read:

(a) For each disaster emergency declared by the governor under AS 26.23.020 based on a release of oil or a hazardous substance or for each other release of oil or a hazardous substance for which money may be expended under AS 46.08.045(b), the commissioner, after consulting with and securing the written approval of the attorney general and after consulting with other state agencies, shall

(1) make an assessment of the social and economic effects of the release of the oil or hazardous substance;

(2) develop a plan to

(A) recover the cost of release-related expenditures; and

(B) mitigate the social and economic effects of the release of the oil or hazardous substance on the municipalities, the villages, the school districts, and the region in which the discharge occurs.

1 * Sec. 8. AS 29.60.560(e) is amended to read:

2 (e) Expenditures made under this section may be made only from the amount
3 transferred to the commissioner under AS 29.60.510(c), unless

4 (1) the commissioner and the commissioner of environmental
5 conservation mutually agree that payment may be made from money in the oil and
6 hazardous substance release response account in the oil and hazardous substance
7 release prevention and response fund not transferred under AS 29.60.510(c); or

8 (2) the commissioner pays them from another source.

9 * Sec. 9. AS 29.60.599(4) is amended to read:

10 (4) "fund" means the oil and hazardous substance release prevention
11 and response fund established by AS 46.08.010;

12 * Sec. 10. AS 29.60.599(7) is amended to read:

13 (7) "service"

14 (A) means

15 (i) a function performed or service provided by a
16 municipality under a duty or power authorized by this title or by
17 another provision of law authorizing a municipality to perform functions
18 or provide services;

19 (ii) [, OR] a comparable function performed or service
20 provided by a village; or

21 (iii) a function performed or service provided by a
22 school district;

23 (B) includes functions not previously performed and services
24 not previously provided by the municipality or village;

25 * Sec. 11. AS 29.60.599 is amended by adding a new paragraph to read:

26 (9) "school district" has the meaning given in AS 14.30.350.

27 * Sec. 12. AS 37.14.410 is amended to read:

28 Sec. 37.14.410. REIMBURSED EXPENDITURES. (a) Amounts received by
29 the state as reimbursement for expenses related to the Exxon Valdez oil spill incurred
30 by the state on or before December 31, 1992, shall be deposited in the general fund
31 and, except as required under (b) of this section may not be credited to the oil and

1 hazardous substance release mitigation account under AS 46.04.010 or to an account
2 established in AS 46.08.020 or 46.08.025.

3 (b) A percentage of each payment deposited in the general fund under (a) of
4 this section shall be credited to the prevention account established in [OIL AND
5 HAZARDOUS SUBSTANCE RELEASE MITIGATION ACCOUNT UNDER
6 AS 46.04.010 OR] AS 46.08.020. That percentage is determined by dividing

7 (1) the amount of the expenses for which the state may be reimbursed
8 under (a) of this section that were paid from the oil and hazardous substance release
9 response fund established under AS 46.08.010, by

10 (2) the total amount of expenses for which the state may be reimbursed
11 under (a) of this section.

12 * Sec. 13. AS 43.55 is amended by adding a new section to read:

13 Sec. 43.55.201. SURCHARGE LEVIED. (a) Every producer of oil shall pay
14 a surcharge of \$0.02 per barrel of oil produced from each lease or property in the state,
15 less any oil the ownership or right to which is exempt from taxation.

16 (b) The surcharge imposed by (a) of this section is in addition to and shall be
17 paid in the same manner as the tax imposed by AS 43.55.011 - 43.55.150; and is in
18 addition to the surcharge imposed by AS 43.55.300 - 43.55.310.

19 (c) A producer of oil shall make reports of production in the same manner and
20 under the same penalties as required under AS 43.55.011 - 43.55.150.

21 * Sec. 14. AS 43.55 is amended by adding a new section to read:

22 Sec. 43.55.211. USE OF REVENUE DERIVED FROM SURCHARGE. The
23 legislature may appropriate the annual estimated balance of the account maintained
24 under AS 37.05.142 for deposits into the general fund of the proceeds of the surcharge
25 levied under AS 43.55.201 to the response account in the oil and hazardous substance
26 release prevention and response fund established by AS 46.08.010.

27 * Sec. 15. AS 43.55 is amended by adding a new section to read:

28 Sec. 43.55.221. SUSPENSION AND REIMPOSITION OF THE
29 SURCHARGE. (a) Not later than 30 days after the end of each calendar quarter, the
30 commissioner of administration shall determine, as of the end of that quarter, the fiscal
31 year's

1 (1) unreserved and unobligated balance in the response account of the
2 oil and hazardous substance release prevention and response fund established in
3 AS 46.08.010; for purposes of this paragraph, the "unreserved and unobligated balance
4 in the response account" means the cash balance of the account less the sum of

5 (A) reserves for outstanding appropriations from the account;

6 (B) encumbrances of money in the account; and

7 (C) other liabilities of the account;

8 (2) balance of the account maintained under AS 37.05.142 that accounts
9 for the proceeds of the surcharge that are deposited in the general fund;

10 (3) the balance of the response mitigation account established by
11 AS 46.08.025(b) that originated from the sources described in AS 46.08.025(a)(3) and
12 that is available for appropriation to the response account of the fund established in
13 AS 46.08.010.

14 (b) Within 15 days after making the determinations required by (a) of this
15 section, the commissioner of administration shall

16 (1) add the amounts determined under (a)(1) - (3) of this section; and

17 (2) report the sum calculated under (1) of this subsection to the
18 commissioner of revenue.

19 (c) In making the determination required by (a) of this section, the
20 commissioner of administration may not consider money described in (a) of this
21 section that is subject to a dedication imposed by law that restricts the use of the
22 money to a specific purpose for which the response account of the oil and hazardous
23 substance release prevention and response fund established in AS 46.08.010 may not
24 be lawfully expended.

25 (d) If the commissioner of administration reports that the sum reported under
26 (b) of this section equals or exceeds \$50,000,000, the commissioner of revenue shall
27 suspend imposition and collection of the surcharge levied and collected under
28 AS 43.55.201. Suspension of the imposition and collection of the surcharge begins on
29 the first day of the calendar quarter next following the commissioner's receipt of the
30 commissioner of administration's report under (b) of this section. Before the first day
31 of a suspension authorized by this subsection, the commissioner shall make a

1 reasonable effort to notify all persons who are known to the department to be paying
2 the surcharge under AS 43.55.201 that the surcharge will be suspended.

3 (e) Except as provided in AS 43.55.231, if the commissioner of administration
4 reports that the sum reported under (b) of this section is less than \$50,000,000, the
5 commissioner of revenue shall require imposition and collection of the surcharge
6 authorized under AS 43.55.201. If the surcharge is not in effect, reimposition of the
7 surcharge begins on the first day of the calendar quarter next following the
8 commissioner's receipt of the commissioner of administration's report under (b) of this
9 section. Before the first day of reimposition of the surcharge authorized by this
10 subsection, the commissioner shall make a reasonable effort to notify all persons who
11 are known to the department to be required to pay the surcharge under AS 43.55.201
12 that the surcharge will be reimposed.

13 * Sec. 16. AS 43.55 is amended by adding a new section to read:

14 Sec. 43.55.231. SURCHARGE NOT IMPOSED. (a) The surcharge authorized
15 by AS 43.55.201 is not levied during any fiscal year for which

16 (1) the legislature does not, during the regular or a special legislative
17 session preceding the first day of the fiscal year, appropriate at least an amount equal
18 to the amount determined under (b) of this section from the general fund to the
19 response account in the oil and hazardous substance release prevention and response
20 fund; or

21 (2) the legislature, during the regular or a special legislative session
22 preceding the first day of the fiscal year, appropriates at least the amount of money
23 equal to the amount determined under (b) of this section from the general fund to the
24 response account in the oil and hazardous substance release prevention and response
25 fund and that appropriation is vetoed or reduced by the governor.

26 (b) The amount of money required to be appropriated from the general fund
27 to the response account in the oil and hazardous substance release prevention and
28 response fund by (a) of this section is the amount, determined for the last day of the
29 preceding fiscal year, that is the sum of the actual or estimated balance of

30 (1) the account maintained under AS 37.05.142 to account for all
31 proceeds of the surcharge that are deposited into the general fund; and

1 (2) the portion of the balance of the response mitigation account
2 established by AS 46.08.025(b) that originated from the recovery of money described
3 in AS 46.08.025(a)(3).

4 * Sec. 17. AS 43.55 is amended by adding new sections to read:

5 Sec. 43.55.299. DEFINITIONS. In AS 43.55.201 - 43.55.299,

6 (1) "response account" means the oil and hazardous substance release
7 response account established in AS 46.08.010(a)(2);

8 (2) "response mitigation account" means the oil and hazardous
9 substance release response mitigation account established in AS 46.08.025(b).

10 ARTICLE 2A. ADDITIONAL CONSERVATION SURCHARGE ON OIL.

11 Sec. 43.55.300. SURCHARGE LEVIED (a) Every producer of oil shall pay
12 a surcharge of \$.03 per barrel of oil produced from each lease or property in the state,
13 less any oil the ownership or right to which is exempt from taxation.

14 (b) The surcharge imposed by (a) of this section is in addition to and shall be
15 paid in the same manner as the tax imposed by AS 43.55.011 - 43.55.150; and is in
16 addition to the surcharge imposed by AS 43.55.201 - 43.55.231

17 (c) A producer of oil shall make reports of production in the same manner and
18 under the same penalties as required under AS 43.55.011 - 43.55.150.

19 Sec. 43.55.310. USE OF REVENUE DERIVED FROM SURCHARGE. The
20 legislature may appropriate the annual estimated balance of the account maintained
21 under AS 37.05.142 for deposits into the general fund of the proceeds of the surcharge
22 levied under AS 43.55.300 to the oil and hazardous substance release prevention
23 account in the oil and hazardous substance release prevention and response fund
24 established by AS 46.08.010.

25 * Sec. 18. AS 43.55.900(15) is amended to read:

26 (15) "surcharge" means

27 (A) when used in AS 43.55.201 - 43.55.299, the surcharge
28 levied by AS 43.55.201 [AS 43.55.200];

29 (B) when used in AS 43.55.300 - 43.55.310, the surcharge
30 levied by AS 43.55.300;

31 * Sec. 19. AS 46.04.010 is amended to read:

1 Sec. 46.04.010. REIMBURSEMENT FOR CLEANUP EXPENSES. The
2 department shall promptly seek reimbursement under AS 46.03.760(e), AS 46.08.070.
3 or from an applicable federal fund, for the expenses it incurs in cleaning up or
4 containing a discharge of oil. If the department obtains reimbursement for a portion
5 of its expenses from a federal fund, the remainder of the expenses incurred may be
6 recovered under AS 46.03.760(e) or AS 46.08.070. Money received by the department
7 under this section shall be deposited in the general fund and credited to

8 (1) the oil and hazardous substance release response mitigation
9 account established under AS 46.08.025(b); the amount required to be deposited
10 under this paragraph shall represent the proportion of the expenses recovered
11 that were originally paid for from the oil and hazardous substance release account
12 established under AS 46.08.010(a)(2); or

13 (2) [A SPECIAL ACCOUNT CALLED] the ["] oil and hazardous
14 substance release prevention mitigation account established under AS 46.08.020(b);
15 the amount required to be deposited under this paragraph is the amount of
16 money recovered that exceeds the amount payable to the response mitigation
17 account under (1) of this section ["].

18 * Sec. 20. AS 46.08.005 is amended to read:

19 Sec. 46.08.005. PURPOSE. The legislature finds and declares that the release
20 of oil or hazardous substances into the environment presents a real and substantial
21 threat to the public health and welfare, to the environment, and to the economy of the
22 state. The legislature therefore concludes that it is in the best interest of the state and
23 its citizens to provide a [READILY AVAILABLE] fund containing two accounts.
24 Within the fund.

25 (1) one account consists of money readily available to the
26 commissioner for the payment of the expenses incurred by the Department of
27 Environmental Conservation during a response to a [AND THE DEPARTMENT OF
28 TRANSPORTATION AND PUBLIC FACILITIES IN THE PROTECTION OF THE
29 ENVIRONMENT OF THE STATE FROM THE] release of oil or hazardous
30 substances when authorized by AS 46.08.045 and for related purposes intended
31 to address those releases:

1 (2) the other account consists of money that the state may use
2 during a response to a release of oil or a hazardous substance, other than one
3 described in (1) of this subsection, and to a threatened release of oil or a
4 hazardous substance, to pay the expenses of making preparations for the
5 possibility of a release or threatened release of oil or hazardous substances, to
6 reduce the amount, degree, or intensity of a release or threatened release, and for
7 other related purposes identified in law [OR HAZARDOUS SUBSTANCES].

8 * Sec. 21. AS 46.08.010(a) is amended to read:

9 (a) There is established in the state general fund the oil and hazardous
10 substance release prevention and response fund. The fund shall be administered by
11 the commissioner. The fund is composed of two accounts.

12 (1) the oil and hazardous substance release prevention account:

13 (2) the oil and hazardous substance release response account.

14 * Sec. 22. AS 46.08.010(b) is amended to read:

15 (b) Money from an appropriation made to an account in the fund remaining
16 in that account [THE FUND] at the end of a fiscal year does not lapse and remains
17 available for expenditure in successive fiscal years.

18 * Sec. 23. AS 46.08.010(c) is amended to read:

19 (c) The fund shall be used for actual expenses incurred under AS 46.08.040.
20 Except as provided in AS 46.08.040(a)(2)(C)(ii) for the equipment that is required
21 for and placed in the oil and hazardous substance response depots and in
22 AS 46.08.040(a)(2)(E) for the acquisition, repair, or improvement of assets as
23 preparedness measures [AS 46.08.040(d)(2)], the fund may not be used for capital
24 improvements.

25 * Sec. 24. AS 46.08.020 is amended to read:

26 Sec. 46.08.020. FINANCING OF THE OIL AND HAZARDOUS
27 SUBSTANCE RELEASE PREVENTION ACCOUNT [FUND]. (a) The legislature
28 may appropriate from the following sources to the prevention account in the fund:

29 (1) the annual estimated balance of the account maintained under
30 AS 37.05.142 for deposits into the general fund of the proceeds of the oil
31 conservation surcharge levied by AS 43.55.300;

1 (2) money received from other state sources, from federal [, STATE,]
2 or other sources, or from a private donor;

3 (3) [(2)] money recovered or otherwise received from parties
4 responsible for the containment and cleanup of oil or a hazardous substance at a
5 specific site, but excluding money

6 (A) [FUNDS] from performance bonds and other forms of
7 financial responsibility held in escrow pending satisfactory performance of a
8 privately financed response action; and

9 (B) described in AS 46.08.025(a)(3):

10 (4) [(3)] fines, penalties, or damages recovered under AS 46.08.005 -
11 46.08.080 or other law for costs incurred by the state as a result of the release or
12 threatened release of oil or a hazardous substance;

13 (5) the interest earned on the balance of the accounts maintained
14 under AS 37.05.142 for deposits into the general fund from the proceeds of the
15 surcharges levied under AS 43.55.201 and 43.55.300; and

16 (6) the interest earned on the balances of each of the following:

17 (A) the prevention account;

18 (B) the prevention mitigation account;

19 (C) the response account; and

20 (D) the response mitigation account.

21 (b) Money received by the state under (a)(2) - (6) [(a)(2) AND (a)(3)] of this
22 section shall be deposited in the general fund and credited to a special account called
23 the "oil and hazardous substance release prevention mitigation account." The
24 legislature may annually appropriate to the prevention account in the fund from the
25 prevention mitigation [THIS] account a sum equal to the amount received under
26 (a)(2) - (6) [(a)(2) AND (a)(3)] of this section during the calendar year preceding the
27 legislative session in which the appropriations are to be made.

28 * Sec. 25. AS 46.08 is amended by adding a new section to read:

29 Sec. 46.08.025. FINANCING OF THE OIL AND HAZARDOUS
30 SUBSTANCE RELEASE RESPONSE ACCOUNT. (a) The legislature may
31 appropriate from the following sources to the oil and hazardous substance release

1 response account in the fund:

2 (1) the annual estimated balance of the account maintained under
3 AS 37.05.142 for deposit into the general fund of the proceeds of the oil conservation
4 surcharge levied by AS 43.55.201:

5 (2) money received from other state sources, from federal or other
6 sources, or from a private donor; and

7 (3) money recovered or otherwise received from parties responsible for
8 the containment and cleanup of oil or a hazardous substance at a specific site for
9 which the state expended money from the former oil and hazardous substance release
10 response fund before the effective date of this section or for which the state expended
11 money from the response account, but excluding

12 (A) money from performance bonds and other forms of
13 financial responsibility held in escrow pending satisfactory performance of a
14 privately financed response action;

15 (B) fines, penalties, and damages described in
16 AS 46.08.020(a)(4).

17 (b) Money received by the state under (a)(2) and (3) of this section shall be
18 deposited in the general fund and credited to a special account called the "oil and
19 hazardous substance release response mitigation account." The legislature may
20 annually appropriate to the response account in the fund from the response mitigation
21 account a sum equal to the amount received under (a)(2) and (3) of this section during
22 the calendar year preceding the legislative session in which the appropriations are to
23 be made.

24 * Sec. 26. AS 46.08.040(a) is amended to read:

25 (a) In addition to money in the response account of the fund that is
26 transferred to the commissioner of community and regional affairs to make grants
27 under AS 29.60.510 and to pay for impact assessments under AS 29.60.560, the
28 commissioner of environmental conservation may use money

29 (1) from the response account in the fund

30 (A) when authorized by AS 46.08.045. [(1)] to investigate and
31 evaluate the release [OR THREATENED RELEASE] of oil or a hazardous

1 substance, and contain, clean up, and take other necessary action, such as
2 monitoring and assessing, to address a release [OR THREATENED RELEASE]
3 of oil or a hazardous substance that poses an imminent and substantial threat
4 to the public health or welfare, or to the environment;

5 (B) to [(2) PAY ALL COSTS INCURRED TO

6 (A) ESTABLISH AND MAINTAIN THE OIL AND
7 HAZARDOUS SUBSTANCE RESPONSE OFFICE;

8 (B) REVIEW OIL DISCHARGE PREVENTION AND
9 CONTINGENCY PLANS SUBMITTED UNDER AS 46.04.030;

10 (C) CONDUCT TRAINING, RESPONSE EXERCISES,
11 INSPECTIONS, AND TESTS, IN ORDER TO VERIFY EQUIPMENT
12 INVENTORIES AND ABILITY TO PREVENT AND RESPOND TO OIL
13 AND HAZARDOUS SUBSTANCE RELEASE EMERGENCIES, AND TO
14 UNDERTAKE OTHER ACTIVITIES INTENDED TO VERIFY OR
15 ESTABLISH THE PREPAREDNESS OF THE STATE, A MUNICIPALITY,
16 OR A PARTY REQUIRED BY AS 46.04.030 TO HAVE AN APPROVED
17 CONTINGENCY PLAN TO ACT IN ACCORDANCE WITH THAT PLAN;
18 AND

19 (D) VERIFY OR ESTABLISH PROOF OF FINANCIAL
20 RESPONSIBILITY REQUIRED BY AS 46.04.040;

21 (3) PAY THE EXPENSES INCURRED BY THE ALASKA DIVISION
22 OF EMERGENCY SERVICES FOR THE OIL AND HAZARDOUS SUBSTANCE
23 RESPONSE CORPS AND THE OIL AND HAZARDOUS SUBSTANCE RESPONSE
24 DEPOTS WHEN PRESENTED WITH APPROPRIATE DOCUMENTATION BY
25 THE DIVISION;

26 (4)] provide matching funds in the event of a release of oil or a
27 hazardous substance for which use of the response account is authorized by
28 AS 46.08.045 for participation

29 (i) in federal oil discharge cleanup activities; and

30 (ii) under 42 U.S.C. 9601 - 9657 (Comprehensive
31 Environmental Response, Compensation, and Liability Act of 1980);

1 and

2 (C) to [(5)] recover the costs to the state, a municipality, [OR]
3 a village, or a school district of a containment and cleanup resulting from the
4 release [OR THE THREATENED] release of oil or a hazardous substance for
5 which money was expended from the response account:

6 (2) from the prevention account in the fund to

7 (A) investigate and evaluate the release or threatened release
8 of oil or a hazardous substance, except a release described in AS 46.08.045,
9 and contain, clean up, and take other necessary action, such as monitoring
10 and assessing, to address a release or threatened release of oil or a
11 hazardous substance, except a release described in AS 46.08.045:

12 (B) pay all costs incurred to

13 (i) establish and maintain the oil and hazardous
14 substance response office:

15 (ii) review oil discharge prevention and contingency
16 plans submitted under AS 46.04.030:

17 (iii) conduct training, response exercises, inspections,
18 and tests, in order to verify equipment inventories and ability to
19 prevent and respond to oil and hazardous substance release
20 emergencies, and to undertake other activities intended to verify or
21 establish the preparedness of the state, a municipality, or a party
22 required by AS 46.04.030 to have an approved contingency plan to
23 act in accordance with that plan; and

24 (iv) verify or establish proof of financial
25 responsibility required by AS 46.04.040:

26 (C) pay the expenses incurred by the division of emergency
27 services for

28 (i) the oil and hazardous substance response corps:

29 and

30 (ii) the oil and hazardous substance response depots:

31 (D) pay, when presented with appropriate documentation by

1 the Alaska State Emergency Response Commission, expenses incurred by
2 the commission for

3 (i) its activities, including staff support, when the
4 activities and staff support relate to oil or hazardous substances;
5 and

6 (ii) the costs of being prepared for and responding to
7 a request by the department for support in activities that relate to
8 response to and restoration of the effects of an oil or hazardous
9 substance release;

10 (E) pay all costs incurred to acquire, repair, or improve an
11 asset having an anticipated life of more than one year and that is acquired,
12 repaired, or improved as a preparedness measure by which the state may
13 respond to, recover from, reduce, or eliminate the effects of a release or
14 threatened release of oil or a hazardous substance;

15 (F) pay the costs, if approved by the commissioner, that
16 were incurred by local emergency planning committees to carry out the
17 duties assigned them by AS 46.13.080;

18 (G) provide matching funds in the event of the release of oil
19 or a hazardous substance, except a release of oil for the containment and
20 cleanup of which use of the response account is authorized by
21 AS 46.08.045, for participation

22 (i) in federal oil discharge cleanup activities; and

23 (ii) under 42 U.S.C. 9601 - 9657 (Comprehensive
24 Environmental Response, Compensation, and Liability Act of 1980);

25 (H) pay or reimburse the storage tank assistance fund
26 established in AS 46.03.410 for expenditures from that fund authorized by
27 AS 46.03.410(b);

28 (I) recover the costs to the state, a municipality, a village,
29 or a school district of a containment and cleanup resulting from the release
30 or threatened release of oil or a hazardous substance for which money was
31 expended from the prevention account;

1 (J) [(6)] prepare, review, and revise

2 (i) [(A)] the state's master oil and hazardous substance
3 discharge prevention and contingency plan required by AS 46.04.200;
4 and

5 (ii) [(B)] a regional master oil and hazardous substance
6 discharge prevention and contingency plan required by AS 46.04.210;
7 and

8 (K) [(7)] restore the environment by addressing the effects of
9 an oil or hazardous substance release.

10 * Sec. 27. AS 46.08.040(a)(2)(D) is repealed and reenacted to read:

11 (D) pay, when presented with appropriate documentation by the
12 Department of Military and Veterans' Affairs, expenses incurred by the
13 Department of Military and Veterans' Affairs for

14 (i) Alaska State Emergency Response Commission
15 activities, including staff support, when the activities and staff support
16 relate to oil or hazardous substances; and

17 (ii) the costs to the Department of Military and
18 Veterans' Affairs of being prepared for and responding to a request by
19 the department for support in activities that relate to response to and
20 restoration of the effects of an oil or hazardous substance release;

21 * Sec. 28. AS 46.08.040(c) is amended to read:

22 (c) Notwithstanding other provisions of this section, money from the fund may
23 not be used for a purpose specified in (a)(1)(B) or (C) or (a)(2) [(a)(2) - (7) AND
24 (d)(2)] of this section unless money is available from an appropriation made
25 specifically for that purpose. The legislature may use not more than three percent
26 of the estimated annual balance of the prevention account to make appropriations
27 for the purposes described in (a)(2)(F) of this section.

28 * Sec. 29. AS 46.08 is amended by adding a new section to read:

29 Sec. 46.08.045. USE OF THE RESPONSE ACCOUNT. (a) The
30 commissioner may use money from the response account in the fund to respond to a
31 release when the governor declares a disaster related to an oil or hazardous substance

1 discharge emergency under AS 26.23.020(c). During the effective period of the
2 disaster emergency, the commissioner may use money from the response account to
3 respond to the disaster emergency.

4 (b) Notwithstanding (a) of this section, money from the response account may
5 be used for the purposes described in AS 46.08.040(a)(1)(A) without a declaration
6 under AS 26.23.020(c) when the release would exceed 2,500 barrels of oil, or would
7 exceed an amount of a hazardous substance released into the environment that presents
8 a threat to the economy and public welfare at least equivalent in effect to the effect
9 of a release of more than 2,500 barrels of oil if

10 (1) within 72 hours of being advised of a release of oil, the
11 commissioner prepares and provides to the governor and the members of the
12 Legislative Budget and Audit Committee a written report relating to the release,
13 summarizing the release, the state's actions, both taken and anticipated, the costs of
14 the state's actions, both taken and anticipated, and other information considered
15 appropriate by the commissioner; and

16 (2) not later than 72 hours after the commissioner is advised of the
17 release, the governor, in writing, approves the commissioner's use of the money in the
18 account; the governor shall approve or modify and approve the state's response to the
19 release as set out in the commissioner's report and may, at any time during the period
20 of the state's response to the release, approve, disapprove, or modify action taken or
21 expected to be taken by the department in its use of money in the response account to
22 respond to the release.

23 * Sec. 30. AS 46.08.050(b) is amended to read:

24 (b) A [THE] department that is appropriated or allocated money from the
25 fund, either directly or through a reimbursable service agreement with the
26 Department of Environmental Conservation, shall develop procedures governing the
27 expenditure of, and accounting for, money it expends [EXPENDED] from the fund.
28 The Department of Environmental Conservation may not reimburse or pay money
29 to another state agency for the agency's activities under AS 46.08.040 unless the
30 state agency provides to the department the information necessary to complete the
31 report required by AS 46.08.060 [, AND MAY NOT DELAY IMPLEMENTATION

1 OF THIS CHAPTER PENDING THE EFFECTIVE DATE OF THE PROCEDURES].

2 * Sec. 31. AS 46.08.060(a) is amended to read:

3 (a) The commissioner shall submit a report to the legislature not later than the
4 10th day following the convening of each regular session of the legislature. The report
5 may include information considered significant by the commissioner but must include:

6 (1) the amount of money expended by the department under
7 AS 46.08.040(a)(1)(A) and (2)(A) [AS 46.08.040(a)] during the preceding fiscal year;

8 (2) the amount and source of money received and money recovered by
9 or on behalf of the department during the preceding fiscal year under

10 (A) AS 46.04.010 (reimbursement of cleanup expenses);

11 (B) AS 46.08.020(a)(4) (recovery of fines, penalties, and
12 damages); and

13 (C) AS 46.08.025(a)(3) (cost recoveries) [AS SPECIFIED IN
14 AS 46.08.020];

15 (3) a summary of municipal participation in the department's responses
16 that were paid for [FUNDED] by the response account [FUND];

17 (4) a [DETAILED] summary of department activities in responses paid
18 for [FUNDED] by the response account [FUND] during the preceding fiscal year,
19 including response descriptions and statements outlining the nature of the threat; [IN
20 THIS PARAGRAPH, "DETAILED" INCLUDES INFORMATION DESCRIBING
21 EACH PERSONAL SERVICES POSITION AND TOTAL COMPENSATION FOR
22 THAT POSITION, EACH CONTRACT IN EXCESS OF \$20,000, AND EACH
23 PURCHASE IN EXCESS OF \$10,000]; and

24 (5) the projected cost to the department for the next fiscal year of
25 monitoring, operating, and maintaining sites where response [HAS BEEN
26 COMPLETED OR] is expected to be continued during the fiscal year, to the extent
27 these costs would be paid for from the response account.

28 * Sec. 32. AS 46.08.060(b) is amended to read:

29 (b) As part of the department's on-going identification efforts associated with
30 oil spill or hazardous substance release or waste sites, the commissioner shall include
31 in the report under this section

1 (1) the number [A SUMMARY] of [THE] sites that are included in
2 the department's contaminated sites data base, whether the site is active or closed:
3 and [IDENTIFIED BY THE DEPARTMENT;]

4 (2) a prioritized listing of those sites, both statewide and by
5 community, based on the immediate and long-term threats to the public health or
6 welfare or to the environment [POSED BY THESE SITES; AND

7 (3) THE APPROPRIATE ACTIONS NEEDED TO ABATE THESE
8 THREATS, AND THEIR ESTIMATED COST].

9 * Sec. 33. AS 46.08.060(c) is amended to read:

10 (c) In addition to the department's report required under (a) of this section, the
11 governor shall submit a report about use of the fund during the previous fiscal year to
12 the legislature not later than the 10th day following the convening of each regular
13 session of the legislature. In the report, the governor shall describe in detail the
14 governor's use of money from the fund, with separate explanations, by agency, of the
15 activities that were paid for [FUNDED] under the authority of AS 46.08.045
16 [AS 46.08.040(b)].

17 * Sec. 34. AS 46.08.070 is amended by adding a new subsection to read:

18 (d) The department shall adopt regulations to implement the cost recovery
19 requirements of (a) and (b) of this section, but may not delay cost recovery actions
20 pending the effective date of the adoption of the regulations.

21 * Sec. 35. AS 46.08.075(a) is amended to read:

22 (a) The state has a lien for expenditures by the state from the [OIL AND
23 HAZARDOUS SUBSTANCE RELEASE RESPONSE] fund, or from any other state
24 fund, for the costs of response, containment, removal, or remedial action resulting from
25 an oil or hazardous substance release [SPILL], or, with respect to response costs, for
26 the costs of response to a threatened [THE SUBSTANTIAL THREAT OF A] release
27 of oil or a hazardous substance, against all property owned by a person who is
28 determined by the commissioner to be liable for the expenditures under this chapter,
29 AS 46.03, AS 46.04, 42 U.S.C. 9607, or other state or federal law. The lien includes
30 interest, at the maximum rate allowable under AS 45.45.010(a), from the date of the
31 expenditures. The state may file an action in a court of competent jurisdiction in order

1 to foreclose on the lien.

2 * Sec. 36. AS 46.08.075(e) is amended to read:

3 (e) A person with an ownership interest in property against which a lien is
4 recorded may bring an action in a court of competent jurisdiction to require that the
5 lien be released. The lien may be released to the extent of that person's ownership
6 interest if the court finds that the person is not liable for the expenses incurred by the
7 state in connection with the costs of response, containment, removal, or remedial
8 action resulting from the [OIL OR HAZARDOUS SUBSTANCE] release or from the
9 threatened [THREAT OF] release, of oil or a hazardous substance.

10 * Sec. 37. AS 46.08.900(5) is amended to read:

11 (5) "fund" means the oil and hazardous substance release prevention
12 and response fund:

13 * Sec. 38. AS 46.08.900(9) is amended to read:

14 (9) "release"

15 (A) means any spilling, leaking, pumping, pouring, emitting,
16 emptying, discharging, injecting, escaping, leaching, dumping, or disposing into
17 the environment;

18 (B) [, EXCEPT THAT "RELEASE"] does not include

19 (i) a permitted release; or

20 (ii) an act of nature;

21 * Sec. 39. AS 46.08.900(11) is amended to read:

22 (11) "threatened release" means [AN IMMINENT DANGER] that a
23 release is imminent: a release is imminent if

24 (A) it is impending, or on the point of happening; or

25 (B) though not impending, in the judgment of the
26 commissioner

27 (i) the incident or occurrence may reasonably be
28 expected to culminate in an actual release; and

29 (ii) that actual release may reasonably be expected to
30 cause personal injury, other injury to life, or loss of or damage to
31 property, including the environment [WILL OCCUR];

1 * Sec. 40. AS 46.08.900 is amended by adding new paragraphs to read:

2 (13) "catastrophic oil discharge" and "catastrophic oil release" have the
3 meaning given the term "catastrophic oil discharge" in AS 46.04.900;

4 (14) "prevention account" means the oil and hazardous substance
5 release prevention account established in AS 46.08.010(a)(1);

6 (15) "prevention mitigation account" means the oil and hazardous
7 substance release prevention mitigation account established in AS 46.08.020(b);

8 (16) "response account" means the oil and hazardous substance release
9 response account established in AS 46.08.010(a)(2);

10 (17) "response mitigation account" means the oil and hazardous
11 substance release response mitigation account established in AS 46.08.025(b).

12 * Sec. 41. AS 46.09.900(8) is amended to read:

13 (8) "threatened release" means [AN IMMINENT DANGER] that a
14 release is imminent: a release is imminent if

15 (A) it is impending, or on the point of happening; or

16 (B) though not impending, in the judgment of the

17 commissioner

18 (i) the incident or occurrence may reasonably be
19 expected to culminate in an actual release; and

20 (ii) that actual release may reasonably be expected to
21 cause personal injury, other injury to life, or loss of or damage to
22 property, including the environment [WILL OCCUR].

23 * Sec. 42. AS 19.65.025; AS 24.20.600, 24.20.610, 24.20.620, 24.20.630; AS 43.55.200,
24 43.55.210, 43.55.220, 43.55.230, 43.55.240; AS 44.46.025(a)(4) and (5); AS 46.08.040(b),
25 46.08.040(d); and sec. 3, ch. 112, SLA 1989 are repealed.

26 * Sec. 43. TREATMENT OF APPROPRIATION TO FORMER SPILL RESERVE FOR
27 PURPOSES OF AS 43.55.230. For the purpose of former AS 43.55.230(a)(2), repealed by
28 sec. 42 of this Act, an appropriation to the former spill reserve referred to in AS 29.60.510(b),
29 the reference to which is deleted by sec. 3 of this Act, is not an expenditure.

30 * Sec. 44. SURCHARGE IMPOSED BY AS 43.55.201 - 43.55.231 SUSPENDED AND
31 REIMPOSED. In addition to the circumstances set out in AS 43.55.231, the surcharge

1 authorized by AS 43.55.201 is not levied on and after the effective date of this section and
2 until June 30, 1995, if

3 (1) the Eighteenth Alaska State Legislature does not, during the Second
4 Regular Session or during any special session held before the effective date of this section,
5 appropriate at least an amount equal to the estimated amount, as of the day before the
6 effective date of this section, of the unexpended and unobligated balance of the former oil and
7 hazardous substance release response fund to the response account in the oil and hazardous
8 substance release prevention and response fund; or

9 (2) the governor vetoes or reduces the amount appropriated under (1) of this
10 section.

11 * Sec. 45. TRANSITIONAL PROVISIONS APPLICABLE TO CONSERVATION
12 SURCHARGE ON OIL IMPOSED BY AS 43.55.200 AFTER JUNE 30, 1994, AND
13 BEFORE THE EFFECTIVE DATE OF THIS SECTION. After June 30, 1994, and before the
14 effective date of this section, every producer of oil who is required by AS 43.55.200 -
15 43.55.240, repealed by this Act, to pay the oil conservation surcharge of \$.05 per barrel of oil
16 shall pay that levy. The provisions of AS 43.55.210 - 43.55.240, repealed by this Act, apply
17 to the amounts received by the state under AS 43.55.200 - 43.55.240, but as to the amounts
18 received after June 30, 1994, and before the effective date of this section, if so appropriated
19 by the legislature and notwithstanding any other provision of law relating to the deposit of and
20 accounting for those receipts.

21 (1) on the effective date of this section, the commissioner of revenue shall
22 allocate

23 (A) 40 percent of the amount received to the response account
24 established by AS 46.08.010(a)(2), as amended by sec. 21 of this Act; and

25 (B) 60 percent of the amount received to the prevention account
26 established by AS 46.08.010(a)(1), as amended by sec. 21 of this Act; and

27 (2) the allocations made under (1) of this section are credited to the respective
28 accounts for purposes of determination of the suspension and reimposition of the surcharge
29 under AS 43.55.221 and 43.55.231, added by secs. 15 and 16 of this Act.

30 * Sec. 46. Section 27 of this Act takes effect only if a version of Senate Bill 33
31 transferring the Alaska State Emergency Response Commission from the Department of

- 1 Environmental Conservation to the Department of Military and Veterans' Affairs is enacted
- 2 by the Eighteenth Alaska State Legislature and becomes law.

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. HCS CSSB 215 (RES)

Revision Date: _____ Dept. Affected: Revenue
 Title: An Act relating to oil and hazardous substances... BRU: Revenue Operations
 Component: Oil & Gas Audit
 Sponsor: Miller
 Requestor: House Resources COMPONENT SERIAL NO. 115

Expenditures/Revenues: (Thousands of Dollars)

	FY95	FY96	FY97	FY98	FY99	FY00
OPERATING						
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL						
REVENUE FUND SOURCE:	-5,300.0	-10,000.0	-9,900.0	-9,500.0	-4,500.0	-9,500.0

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY94) impact: \$ 0.0

ANALYSIS: (Attach a separate page if necessary.)
 Revenue reduction estimates are based on production and tax revenues included in the *Revenue Sources Book, Fall 1993*, and expenditure analysis provided by the Department of Environmental Conservation. The fiscal note represents a simple mathematical calculation based on those estimates.

Prepared by: Leslie K. Stewart *Leslie K. Stewart* Phone: 276-1363 ext. 271
 Division: Oil & Gas Audit Division Date: April 25, 1994
 Approved by Commissioner: Darrel J. Rexwinkel *Darrel J. Rexwinkel* Date: April 25, 1994
 Agency: Revenue

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FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. HCS CS SB215(RES)

Revision Date: _____
 Title: Oil/Hazardous Substance Fund.
Tax, Plans
 Sponsor: Senate Resources Committee
 Requestor: House Resources Committee

Department Affected: Environmental
Conservation
 BRU: Spill Prevention and Response
 Component: All SPAR Components, Response Fund
Admin. Component in Admin. BRU
 COMPONENT SERIAL NO. All of the above.

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE

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

Estimate of any current year (FY94) cost: \$ _____

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)
 SEE ATTACHED

Prepared by: Bob Poe, Director [Signature]
 Division: Information & Administrative Services

Phone: 465-5010
 Date: 4/25/94

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

Date: 4/25/94

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Fiscal Analysis for
HCS CSSB215(RES)

	No Change From Existing Statute	HCS CSSB215 (RES) Entire Spill Reserve to Response Account
Fiscal Year 1995		
Beginning Balance of Response Fund	\$63.2	
Beginning Balance of Response Account		\$47.7
Beginning Balance of Prevention Account		\$15.5
Total .05 Surcharge Collected in FY95	\$26.2	
Total Response Surcharge Collected in FY95		\$5.2
Total Prevention Surcharge Collected in FY95		\$15.7
Interest Earned in FY95		\$2.5
Prevention & Response Prgm. All Agencies	\$13.5	\$13.5
Estimated Response Account Use	\$0.8	\$0.3
Estimated Cost Recovery to Response Account	\$0.3	\$0.3
Amount of Prevention Program Under-Funded	\$0.0	\$0.0
Ending Balance of Response Fund	\$48.9	
Ending Balance of Response Account		\$46.9
Ending Balance of Prevention Account		\$2.0
Suspension and Reimposition Calculation	(\$6.1)	\$52.5
Fiscal Year 1996		
Beginning Balance of Response Fund	\$75.1	
Beginning Balance of Response Account		\$52.5
Beginning Balance of Prevention Account		\$20.2
Total .05 Surcharge Collected in FY96	\$25.3	
Total Response Surcharge Collected in FY96		\$0.0
Total Prevention Surcharge Collected in FY96		\$15.2
Interest Earned in FY96		\$2.5
Prevention & Response Prgm. All Agencies	\$13.9	\$13.9
Estimated Response Account Use	\$0.8	\$0.8
Estimated Cost Recovery to Response Account	\$0.3	\$0.3
Amount of Prevention Program Under-Funded	\$0.0	\$0.0
Ending Balance of Response Fund	\$60.7	
Ending Balance of Response Account		\$51.7
Ending Balance of Prevention Account		\$6.3
Suspension and Reimposition Calculation	\$4.5	\$52.0

Fiscal Analysis for
HCS CS38215(RES)

	No Change From Existing Statute	HCS CS38215 (RES) Entire Spill Reserve to Response Account
Fiscal Year 1997		
Beginning Balance of Response Fund	\$86.0	
Beginning Balance of Response Account		\$52.0
Beginning Balance of Prevention Account		\$24.0
Total .05 Surcharge Collected in FY97	\$24.8	
Total Response Surcharge Collected in FY97		\$0.0
Total Prevention Surcharge Collected in FY97		\$14.9
Interest Earned in FY97		\$2.5
Prevention & Response Prgm. All Agencies	\$14.3	\$14.3
Estimated Response Account Use	\$0.5	\$0.3
Estimated Cost Recovery to Response Account	\$0.3	\$0.3
Amount of Prevention Program Under-Funded		\$0.0
Ending Balance of Response Fund	\$71.2	
Ending Balance of Response Account		\$51.2
Ending Balance of Prevention Account		\$9.7
Suspension and Reimposition Calculation	\$14.2	\$51.5
Fiscal Year 1998		
Beginning Balance of Response Fund	\$96.0	
Beginning Balance of Response Account		\$51.5
Beginning Balance of Prevention Account		\$27.0
Total .05 Surcharge Collected in FY98	\$23.8	
Total Response Surcharge Collected in FY98		\$0.0
Total Prevention Surcharge Collected in FY98		\$14.3
Interest Earned in FY98		\$2.5
Prevention & Response Prgm. All Agencies	\$14.8	\$14.8
Estimated Response Account Use	\$0.8	\$0.8
Estimated Cost Recovery to Response Account	\$0.3	\$0.3
Amount of Prevention Program Under-Funded	\$0.0	\$0.0
Ending Balance of Response Fund	\$80.7	
Ending Balance of Response Account		\$50.7
Ending Balance of Prevention Account		\$12.3
Suspension and Reimposition Calculation	\$22.4	\$51.0

Fiscal Analysis for
HCS CSSB215(RES)

	No Change From Existing Statute	HCS CSSB215 (RES) Entire Spill Reserve to Response Account
Fiscal Year 1999		
Beginning Balance of Response Fund	\$104.5	
Beginning Balance of Response Account		\$51.0
Beginning Balance of Prevention Account		\$29.1
Total .05 Surcharge Collected in FY99	\$22.4	
Total Response Surcharge Collected in FY99		\$4.5
Total Prevention Surcharge Collected in FY99		\$13.4
Interest Earned in FY99		\$2.5
Prevention & Response Prgm. All Agencies	\$15.2	\$15.2
Estimated Response Account Use	\$0.3	\$0.3
Estimated Cost Recovery to Response Account	\$0.3	\$0.3
Amount of Prevention Program Under-Funded	\$0.0	\$0.0
Ending Balance of Response Fund	\$88.3	
Ending Balance of Response Account		\$50.2
Ending Balance of Prevention Account		\$13.9
Suspension and Reimposition Calculation	\$28.3	\$54.9
<hr/>		
Total Prevention Program Underfunding	\$0.0	\$0.0
<hr/>		
Total Response Account Surcharge Paid	\$122.5	\$9.7
<hr/>		
Total Prevention Account Surcharge Paid	\$0.0	\$73.5
<hr/>		
Total Surcharges Paid	\$122.5	\$83.2
<hr/>		
Total Surcharge Savings to Payor (5 Years)	\$0.0	\$39.3

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO: HCS CSSB 215(RES)

Revision Date: 04/21/94 Dept. Affected: Public Safety
 Title: Oil/Hazardous Subs Release Response Fund BRU: Alaska State Troopers
 Component: Detachments
 Sponsor: Senator Miller
 Requestor: H.RES COMPONENT SERIAL NO. 799

EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL EXPENDITURES	-0-	-0-	-0-	-0-	-0-	-0-
CHANGE IN REVENUES ()	-0-	-0-	-0-	-0-	-0-	-0-
Revenue Code						

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

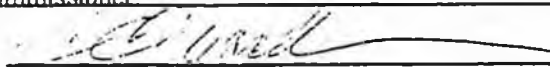
Estimate of current year (FY 94) impact: \$ _____

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary.)

No impact is anticipated to the Department of Public Safety.

Prepared By: Lee Ann Lucas Phone: 165-4322
 Division: Office of Commissioner Date: 04/25/94
 Approved by Commissioner:  Date: 04/25/94
 Agency: Richard I. Burton, Dept. of Public Safety

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FISCAL NOTE

STATE OF ALASKA

BILL NO. HCSCSSB 215 (RES)

1994 LEGISLATIVE SESSION

Revision Date: April 25, 1994
 Title: ...redesignating the oil and hazardous
 release response fund...
 Sponsor: Senator Miller
 Requestor: Senate Resources

Department Affected: Department of Law
 BRU: EXXON VALDEZ Litigation
 Component: EXXON VALDEZ Litigation
 COMPONENT SERIAL NO. 1175

EXPENDITURES/REVENUES:

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND &						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING:

1002 Federal						
1003 GF Match						
1004 GF						
1005 GF/Program						
1006 GF/MHTIA						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

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

Estimate of current year (FY94) impact: -0-

ANALYSIS: (Attach a separate page if necessary.)

The House Resources Committee Substitute for SB 215 makes minor technical changes and will not be a fiscal impact for the Department of Law.

Prepared by: Richard I. Peques, Director
 Division: Administrative Services Division
 Approved by Commissioner: Bruce M. Botelho, Attorney General
 Agency: Department of Law

Phone: 465-3672
 Date: April 25, 1994
 Date: April 25, 1994

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FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. HCS CSSB 215 (Res)

Revision Date: _____ Dist. Affected: Administration
 Title: "An Act relating to oil and hazardous substances..." BRU: Finance
 Component: Finance
 Sponsor: Sen. Miller
 Requestor: (H) Resources COMPONENT SERIAL NO. 59

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY95	FY96	FY97	FY98	FY99	FY00
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	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

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	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of current year (FY94) cost: none

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Don Wanie, Director Phone: 465-2240
 Division: Finance Date: _____
 Approved by Commissioner: Nancy Bear Usera Date: 4/26/94
 Agency: Administration

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(7) [redacted]
Date Referred: April 15, 1994

HOUSE COMMITTEE REP [redacted]
FURTHER REFERRALS:

State Affairs
Finance

Date of Committee Action: 4/22/94

The RESOURCES Committee considered:

CSSB 215(FIN) am(efd fld)

CS FOR SENATE BILL NO. 215(FIN) am(efd fld)

OIL/HAZARDOUS SUBS. RELEASE RESPONSE FUND

"An Act relating to oil and hazardous substances; redesignating the oil and hazardous substance release response fund and relating to it; repealing the Citizens' Oversight Council on Oil and Other Hazardous Substances and the authority in law by which marine highway vessels may be designed and constructed to aid in oil and hazardous substance spill cleanup in state marine water using money in the oil and hazardous substance release

(over for remainder of title)

RECOMMENDATIONS:

be replaced with HCS CSSB 215 (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 Revenue

fiscal note(s) _____

zero fiscal note Pub. Safety, Law, DEC, Admin.

zero fiscal note(s) _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<u>Bill Hudson</u> Hudson ✓	✓	<u>Pat Carney</u> Carney ✓	✓		
<u>Jim Bunde</u> Bunde ✓	✓	<u>Green</u> Green ✓			✓
<u>Bob Mulder</u> Mulder ✓	✓	<u>Davies</u> Davies ✓			✓
_____		<u>David Imboden</u> ✓	✓		
<u>W.R. Williams</u> ✓	✓				
<u>Janette James</u> ✓	✓				

W.R. Williams
CHAIRMAN'S SIGNATURE

Alaska State Legislature

SENATOR
MIKE MILLER
P.O. Box 55004
Juneau, Alaska 99705
(907) 488-0862

Senate District 2



Senate

White or Inman
State Capitol
Juneau, Alaska
99801-1182
(907) 465-4976

SPONSOR STATEMENT - SENATE BILL 215

Last session, SB 215 was introduced to address several critical concerns relating to the 5 cents per barrel Oil and Hazardous Substance Release Response Fund. It has become increasingly clear that legislation is needed this session to address these concerns, and get the 470 Fund back to what it was originally intended when the Legislature enacted the nickel tax in 1989 - the creation of a \$50 million emergency reserve fund to have immediately available for critical response activity and the ability to fund certain necessary state programs in the area of spill prevention and response.

The current version before you of Senate Bill 215 splits the revenue generated from the nickel per barrel surcharge into a 60/40 ratio (or 3 cents/2 cents) and creates two accounts for the appropriation and expenditure of those revenues.

The Response Account, into which 40% of the tax is appropriated (2¢), will provide funding for releases of oil or other hazardous substances that are emergency or very serious in nature and that require immediate response. This account will initially receive the existing balance of the spill reserve (approximately \$37 million) as well as an ongoing 2 cents from the nickel per barrel surcharge. When the balance of this fund reaches \$50 million, the tax will shut off; when the balance falls below \$50 million, the surcharge will be reimposed.

The Prevention Account, into which 60% of the tax is appropriated (3¢), will provide funding for programs administered by DEC (as well as other agencies) for spill preparedness and related operating expenditures. Unlike the 2 cents in the Response Account, the 3 cent portion of the tax will never shut off. This account will provide an ongoing source of revenue for state prevention programs.

CSSB 215(Fin) am(EFD FLD) represents many hours of effort by all parties involved and is supported by the administration. I would urge this committee's favorable consideration and prompt passage of the legislation.

SECTIONAL ANALYSIS
CSSB 215(FIN) am(efd fld)

SECTION 1: This section amends existing law to give the Governor authority to spend money from the response account for declared disaster emergencies.

SECTION 2: Adds school districts to existing law authorizing municipal and village assistance for spill related expenses; eliminates certain references to reflect changes in Section 3; limits applicability to "sudden" releases.

SECTION 3: Adds school district reference; retains existing 2,500 barrel (or hazardous substance equivalent) threshold for grant eligibility but eliminates related requirement for a declaration of a disaster emergency and certain findings by the Governor; grant money could come from either account depending on type of spill (see Section 29); also makes technical, conforming changes.

SECTION 4: Conforming amendment - adds reference to "school districts" to section on purposes of municipal impact grants.

SECTION 5: Conforming amendment - adds "school districts" to section containing grant application evaluation criteria.

SECTION 6: Conforming amendment - adds "school district" to section prohibiting use of local grants for capital improvements.

SECTION 7: Conforming amendment - adds "school districts" to section regarding impact assessments and development of cost recovery and mitigation plans for each disaster emergency declared by the Governor; makes section apply to disaster emergencies and releases under 46.08.045(b) (see also section 29 discussion).

SECTION 8: Technical, conforming amendment to revise reference from the "Fund" to the "Response" account.

SECTION 9: Revises definition of "fund" to reflect new name: oil and hazardous substance release prevention and response fund.

SECTION 10: Revises definition of "service" in 29.60 to include services provided by "school districts".

SECTION 11: Adds a definition of "school district" to 29.60.

SECTION 12: Conforming amendment - changes terminology and statutory references in current law dealing with Exxon

Valdez reimbursed expenditures to reflect establishment of the prevention and response accounts.

SECTION 13: Creates a new section that levies a 2 cent per barrel surcharge.

SECTION 14: Provides that the Legislature may appropriate this 2 cent per barrel surcharge into the response account.

SECTION 15: New section which sets up the accounting mechanics of the response and related accounts and provides that once the combined totals of the response account, portions of the response mitigation account relating to cost recovery and the general fund surcharge account equals or exceeds \$50,000,000, the levy is suspended beginning on the first day of the next calendar quarter following receipt of this information from the commissioner. The commissioner is required to make a reasonable effort to notify those who are paying the surcharge of the suspension. The surcharge is reimposed beginning on the first day of the next calendar quarter following receipt of the report discussed above if the balance falls below the \$50,000,000 mark. Affected parties also must be notified that the surcharge will be reimposed.

SECTION 16: The surcharge is not levied during any fiscal year for which the Legislature fails to appropriate the required amounts (surcharge; cost recovery monies) to the response account or the appropriation is vetoed or reduced by the Governor.

SECTION 17: Adds Title 43 definitions for "response account" and "response mitigation account" to reflect new provisions of this bill.

ARTICLE 2A: Authorizes a second surcharge of 3 cents per barrel that can be appropriated into the prevention account.

SECTION 18: Technical conforming amendments which refer to the new accounts and related statutory references.

SECTION 19: Amends 46.04.010 which deals with reimbursement for certain oil cleanup expenses. Expenses recovered under this law paid out of the former fund and the new response account are deposited into the general fund and credited to the response mitigation account. Expenses recovered that originated from the prevention account are credited to the prevention mitigation account.

SECTION 20: Amends "Purpose" section to recognize creation of the two accounts within the fund and describes the general purposes for these accounts.

SECTION 21: Revises section of existing law that creates the oil and hazardous substance release response fund to reflect new fund name (now the oil and hazardous substance release prevention and response fund) and to create the oil and hazardous substance release prevention account and the oil and hazardous substance release response account.

SECTION 22: Technical amendment to reflect establishment of accounts and to clarify that appropriations to an account do not lapse and remain available for expenditure in future years.

SECTION 23: Deletes reference to provision that allows the commissioner to transfer fund money to DOT for purposes of constructing or refurbishing ferries that can respond to spills but adds the following exceptions to the general rule that the fund can't be used for capital improvements: response depot equipment and the acquisition, repair or improvement of assets to be used as preparedness measures for oil and hazardous substance releases.

SECTION 24: This section provides for the financing of the prevention account. The Legislature is authorized to appropriate money from the following sources into the prevention account: Applicable surcharge proceeds; money from other state, federal and private sources; money recovered for reimbursement of expenditures made out of the prevention account; and all fines, penalties, damages and interest earned on the various accounts (prevention, prevention mitigation, response, response mitigation, surcharge). Except for the surcharge which has its own separate account in the general fund, these monies are first deposited into the general fund and credited to the prevention mitigation account and then may be appropriated from the mitigation account to the prevention account.

SECTION 25: This section provides for the financing of the response account. The account includes surcharge proceeds; money from other state, federal and private sources; and money recovered from parties that was initially paid out of the current fund or the new response account (not including fines, penalties and damages). Except for the surcharge, these monies go to the general fund response mitigation account and then can be appropriated to the response account.

SECTION 26: This section rewrites existing law to establish the allowed uses for money in the response and prevention accounts.

Response account uses include: to investigate, evaluate, contain and cleanup and take other necessary action to address a release or threatened release of oil and hazardous substances described in Section 29; to provide certain

matching funds in connection with a Section 29 release; and to pay for the costs to the state, municipality, village or school district for cost recovery efforts relating to money that was expended from the response account.

The prevention account can be used to: investigate, evaluate, contain and cleanup and take other necessary action regarding releases not described in Section 29; pay all costs to establish and maintain the response office, response corps (DMVA) and response depots (DMVA); pay all costs to review contingency plans, conduct training, inspections, tests and take other action to verify or establish preparedness for oil and hazardous substance releases, and to establish proof of financial responsibility; pay documented expenses incurred by the Alaska State Emergency Response Commission for staff and response and restoration support activities; pay all costs incurred to acquire, repair or improve an asset to be used as an emergency preparedness measure relating to releases of oil or a hazardous substance; pay the costs, approved by the commissioner, incurred by the local emergency planning committees; provide certain matching funds; provide money to the storage tank assistance fund; pay for cost recovery efforts relating to money expended from the prevention account; prepare, revise and review the master and regional prevention and contingency plans; and to pay for restoration efforts.

SECTION 27: This section, which is contingent on the passage of SB 33, authorizes the department to pay the Department of Military Affairs for Alaska Emergency Response Commission activities and general costs to the DMVA for being prepared for and responding to a request to support response and restoration activities relating to oil and hazardous substance releases.

SECTION 28: The legislature may not use more than 3% of the estimated balance of the prevention account to pay the costs incurred by local emergency planning committees.

SECTION 29: Provides that money from the response account can be used for disaster emergencies relating to oil and hazardous substance releases and other oil and hazardous releases. In the latter case, the Commissioner has to report the situation to the Governor and the Legislative Budget and Audit Committee within 120 hours. The Governor may at any time approve, disapprove or modify. If no action is taken by the Governor, the commissioner may continue to use the account.

SECTIONS 30, 31, 32, 33 and 34: These sections implement the legislative auditor's recommendations regarding development and expansion of accounting procedures and reporting requirements.

SECTIONS 35, 36, 37 and 38: Technical, conforming amendments.

SECTION 39: This section clarifies the definition of "threatened release" in 46.08.

SECTION 40: New definitions to reflect new terminology.

SECTION 41: This section clarifies the definition of "threatened release" in 46.09.

SECTION 42: Conforming repealers; repeals existing surcharge; repeals departments user fee authority for contingency plan and financial responsibility reviews; repeals provisions relating to construction of ferries; repeals all provisions regarding Citizens Oversight Council on Oil and Other Hazardous Substances.

SECTION 43: Technical, conforming provision.

SECTION 44: The response account surcharge is suspended for the next fiscal year if the unexpended and unobligated balance of the former oil and hazardous substance release response fund as of June 30, 1994 is not appropriated to the newly created response account this session or the appropriation is vetoed or reduced by the Governor.

SECTION 45: 5 cent per barrel surcharges received after June 30 and before the effective date of this bill are split 60 (prevention)/40 (response) and credited to each account for purposes of determining the suspension and reimposition of the surcharge under Sections 15 and 16.

SECTION 46: Ties section 27 to passage of SB 33.

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. CSSB 215(FIN) am(EFD FLD)

Revision Date: <u>April 18, 1994</u>	Dept. Affected: <u>Revenue</u>
Title: <u>An Act relating to and redesignating the oil and hazardous substance release response fund...</u>	BRU: <u>Revenue Operations</u>
Sponsor: <u>Miller</u>	Component: <u>Oil & Gas Audit Division</u>
Requestor: <u>Hs. Resources Committee</u>	COMPONENT SERIAL NO. <u>115</u>

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL						
REVENUE FUND SOURCE:	-5,300.0	-10,000.0	-9,900.0	-9,500.0	-4,500.0	-9,500.0

FUNDING: (Thousands of Dollars)

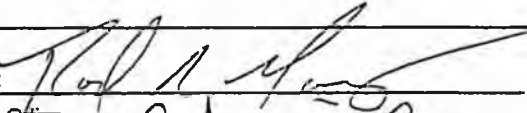

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY94) impact: \$ 0.0

ANALYSIS: (Attach a separate page if necessary.)
Revenue reduction estimates are based on production and tax revenues included in the *Revenue Sources Book, Fall 1993*, and expenditure analysis provided by the Department of Environmental Conservation. The fiscal note represents a simple mathematical calculation based on those estimates.

Prepared by:	<u>Rod R. Mourant</u> 	Phone: <u>465-2302</u>
Division:	<u>Commissioner's Office</u>	Date: <u>April 18, 1994</u>
Approved by Commissioner:	<u>Darrel J. Rexwinkel</u> 	Date: <u>April 18, 1994</u>
Agency:	<u>Revenue</u>	

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FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. CS SB215 (FIN) am (1 of 1)

Revision Date: _____
Title: Oil/Hazardous Substance Fund,
Tax, Plans
Sponsor: Senate Resources Committee
Requestor: House Resources Committee

Department Affected: Environmental
Conservation
BRU: Spill Prevention and Response
Component: All SPAR Components, Response Fund
Admin. Component in Admin. BRU
COMPONENT SERIAL NO. All of the above.

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE

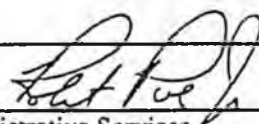
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY94) cost: \$ _____

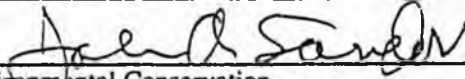
POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

Prepared by: Bob Poe, Director 
Division: Information & Administrative Services

Phone: 465-5010
Date: 4/19/94

Approved by Commissioner: 
Agency: Department of Environmental Conservation

Date: 4/19/94

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Response Fund Alternatives
CSHB238 Compared to CSSB215(FIN)

	No Change From Existing Statute	CSHB238 Spill Reserve Split 60/40 Prevention/ Response Account	CSSB215(FIN) Entire Spill Reserve to Response Account
Fiscal Year 1995			
Beginning Balance of Response Fund	\$63.2		
Beginning Balance of Response Account		\$25.3	\$47.7
Beginning Balance of Prevention Account		\$37.9	\$15.5
Total .05 Surcharge Collected in FY95	\$26.2		
Total Response Surcharge Collected in FY95		\$10.5	\$5.2
Total Prevention Surcharge Collected in FY95		\$15.7	\$15.7
Prevention & Response Prgm. All Agencies	\$13.5	\$13.5	\$13.5
Estimated Response Account Use	\$0.8	\$0.8	\$0.8
Estimated Cost Recovery to Response Account	\$0.3	\$0.3	\$0.3
Amount of Prevention Program Under-Funded	\$0.0	\$0.0	\$0.0
Ending Balance of Response Fund	\$48.9		
Ending Balance of Response Account		\$24.5	\$46.9
Ending Balance of Prevention Account		\$24.4	\$2.0
Suspension and Reimposition Calculation	(\$6.1)	\$35.3	\$52.5
Fiscal Year 1996			
Beginning Balance of Response Fund	\$75.1		
Beginning Balance of Response Account		\$35.3	\$52.5
Beginning Balance of Prevention Account		\$40.1	\$17.7
Total .05 Surcharge Collected in FY96	\$25.3		
Total Response Surcharge Collected in FY96		\$10.1	\$0.0
Total Prevention Surcharge Collected in FY96		\$15.2	\$15.2
Prevention & Response Prgm. All Agencies	\$13.9	\$13.9	\$13.9
Estimated Response Account Use	\$0.8	\$0.8	\$0.8
Estimated Cost Recovery to Response Account	\$0.3	\$0.3	\$0.3
Amount of Prevention Program Under-Funded	\$0.0	\$0.0	\$0.0
Ending Balance of Response Fund	\$60.7		
Ending Balance of Response Account		\$34.5	\$51.7
Ending Balance of Prevention Account		\$26.2	\$3.8
Suspension and Reimposition Calculation	\$4.5	\$44.9	\$52.0

Response Fund Alternatives
CSHB238 Compared to CSSB215(FIN)

	No Change From Existing Statute	CSHB238 Spill Reserve Split 60/40 Prevention/ Response Account	CSSB215(FIN) Entire Spill Reserve to Response Account
Fiscal Year 1997			
Beginning Balance of Response Fund	\$86.0		
Beginning Balance of Response Account		\$44.9	\$52.0
Beginning Balance of Prevention Account		\$41.4	\$19.0
Total .05 Surcharge Collected in FY97	\$24.8		
Total Response Surcharge Collected in FY97		\$7.4	\$0.0
Total Prevention Surcharge Collected in FY97		\$14.9	\$14.9
Prevention & Response Prgm. All Agencies	\$14.3	\$14.3	\$14.3
Estimated Response Account Use	\$0.8	\$0.8	\$0.8
Estimated Cost Recovery to Response Account	\$0.3	\$0.3	\$0.3
Amount of Prevention Program Under-Funded		\$0.0	\$0.0
Ending Balance of Response Fund	\$71.2		
Ending Balance of Response Account		\$44.1	\$51.2
Ending Balance of Prevention Account		\$27.1	\$4.7
Suspension and Reimposition Calculation	\$14.2	\$51.8	\$51.5
Fiscal Year 1998			
Beginning Balance of Response Fund	\$96.0		
Beginning Balance of Response Account		\$51.8	\$51.5
Beginning Balance of Prevention Account		\$42.0	\$19.5
Total .05 Surcharge Collected in FY98	\$23.8		
Total Response Surcharge Collected in FY98		\$0.0	\$0.0
Total Prevention Surcharge Collected in FY98		\$14.3	\$14.3
Prevention & Response Prgm. All Agencies	\$14.8	\$14.8	\$14.8
Estimated Response Account Use	\$0.8	\$0.8	\$0.8
Estimated Cost Recovery to Response Account	\$0.3	\$0.3	\$0.3
Amount of Prevention Program Under-Funded	\$0.0	\$0.0	\$0.0
Ending Balance of Response Fund	\$80.7		
Ending Balance of Response Account		\$51.0	\$50.7
Ending Balance of Prevention Account		\$27.2	\$4.8
Suspension and Reimposition Calculation	\$22.4	\$51.3	\$51.0

Response Fund Alternatives
CSHB238 Compared to CSSB215(FIN)

	No Change From Existing Statute	CSHB238 Spill Reserve Split 60/40 Prevention/ Response Account	CSSB215(FIN) Entire Spill Reserve to Response Account
Fiscal Year 1999			
Beginning Balance of Response Fund	\$104.5		
Beginning Balance of Response Account		\$51.3	\$51.0
Beginning Balance of Prevention Account		\$41.5	\$19.1
Total .05 Surcharge Collected in FY99	\$22.4		
Total Response Surcharge Collected in FY99		\$0.0	\$4.5
Total Prevention Surcharge Collected in FY99		\$13.4	\$13.4
Prevention & Response Prgm. All Agencies	\$15.2	\$15.2	\$15.2
Estimated Response Account Use	\$0.8	\$0.8	\$0.8
Estimated Cost Recovery to Response Account	\$0.3	\$0.3	\$0.3
Amount of Prevention Program Under-Funded	\$0.0	\$0.0	\$0.0
Ending Balance of Response Fund	\$38.8		
Ending Balance of Response Account		\$50.5	\$50.2
Ending Balance of Prevention Account		\$26.3	\$3.9
Suspension and Reimposition Calculation	\$28.8	\$50.8	\$54.9
Total Prevention Program Underfunding	\$0.0	\$0.0	\$0.0
Total Response Account Surcharge Paid	\$122.5	\$28.0	\$9.7
Total Prevention Account Surcharge Paid	\$0.0	\$73.5	\$73.5
Total Surcharges Paid	\$122.5	\$101.5	\$83.2
Total Surcharge Savings to Payor (5 Years)	\$0.0	\$21.0	\$39.3

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. CSSB 215 (Fin) am(cfd Pd)

Revision Date: _____ Dept. Affected: Administration
 Title: *An Act relating to oil and hazardous substances....* BRU: Finance
 Component: Finance
 Sponsor: Sen. Miller
 Requestor: _____ COMPONENT SERIAL NO. 59

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY95	FY96	FY97	FY98	FY99	FY00
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	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
------------------------	-----	-----	-----	-----	-----	-----

FUND SOURCE (Thousands of Dollars)

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	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of current year (FY94) cost: none

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Don Wanie, Director Phone: 465-2240
 Division: Finance Date: _____
 Approved by Commissioner: Nancy Bear Usura Date: 4/15/94
 Agency: Administration

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FISCAL NOTE

No. 8

Bill Version: CRSB 215 (FIN)

(S) Publish Date: 4-13-94

STATE OF ALASKA
1994 LEGISLATIVE SESSION

Revision Date: April 13, 1994
Title: ...redesignating the oil and hazardous release response fund...
Sponsor: Senator Miller
Requestor: Senate Finance

Department Affected: Department of Law
ERU: EXXON VALDEZ Litigation
Component: EXXON VALDEZ Litigation
COMPONENT SERIAL NO. 1175

EXPENDITURES/REVENUES:

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND &						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL

REVENUE

FUNDING:

1002 Federal						
1003 GF Match						
1004 GF						
1005 GF/Program						
1006 GF/MHTIA						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

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

Estimate of current year (FY94) impact: -0-

ANALYSIS: (Attach a separate page if necessary.)

The CS for SB 215 makes sufficient changes that there will not be a fiscal impact for the Department of Law.

Prepared by: Richard I. Peques, Director
Division: Administrative Services Division

Phone: 465-3672
Date: April 13, 1994

Approved by Commissioner: Bruce M. Botelho, Attorney General
Agency: Department of Law

Date: April 13, 1994

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Replaces # 6

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL

No. 3

Bill Version: SB 215

(S) Publish Date: 4-8-94

Revision Date: _____ Dept. Affected: Public Safety
 Title: Oil/Hazardous Subs Release Response Fund BRU: Alaska State Troopers
 Component: Detachments
 Sponsor: S. Miller
 Requestor: S. Finance COMPONENT SERIAL NO. 799

EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL EXPENDITURES	-0-	-0-	-0-	-0-	-0-	-0-
CHANGE IN REVENUES ()	-0-	-0-	-0-	-0-	-0-	-0-
<small>Revenue Code</small>						

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

Estimate of current year (FY 94) impact: \$ _____

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary.)

No impact is anticipated to the Department of Public Safety.

Changes in CSB 215 (Fin) have no fiscal impact. This fiscal note is appropriate.

4-7-94

Prepared By: Lee Ann Lucas Phone: 465-4322
 Division: Office of Commissioner Date: 2/3/94
 Approved by Commissioner: [Signature] Date: 2/3/94
 Agency: Richard L. Burton, Dept. of Public Safety

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SB 215

HOUSE RESOURCES COMMITTEE MEETING
APRIL 22, 1994

AMENDMENTS WHICH MAY BE PROPOSED
FOR CS SB 215(RES)am (efd fld)

A M E N D M E N T

Y.3

OFFERED IN THE HOUSE

TO: CSSB 215(FIN) am(efd fld)

Page 26, line 21, through page 27, line 1:

Delete all material and insert:

"* Sec. 44. CONDITIONAL SUSPENSION OF SURCHARGE IMPOSED BY AS 43.55.201 - 43.55.231. In addition to the circumstances set out in AS 43.55.231, the surcharge authorized by AS 43.55.201 is not levied on and after the effective date of this section and until June 30, 1995, if

(1) the Eighteenth Alaska State Legislature does not, during the Second Regular Session or during any special session held before the effective date of this section,

(A) appropriate to the oil and hazardous substance release prevention and response fund established by AS 46.08.010(a), as amended by sec. 21 of this Act, the balance, as of July 1, 1994, of the account established under former AS 43.55.210 to receive the proceeds of the conservation surcharge; the appropriation required by this subparagraph must be allocated as follows:

(i) 40 percent of that balance to the response account established by AS 46.08.010(a)(2), as amended by sec. 21 of this Act; and

(ii) 60 percent of that balance to the prevention account established by AS 46.08.010(a)(1), as amended by sec. 21 of this Act; and

(B) appropriate at least an amount equal to the estimated amount, as of the day before the effective date of this section, of the unexpended and unobligated balance of the former oil and hazardous substance release response fund, exclusive of the amount appropriated under (A) of this paragraph, to the oil and hazardous substance release prevention and response fund; the appropriation required by this subparagraph must be allocated as follows:

(i) 40 percent of that balance to the response account established by AS 46.08.010(a)(2), as amended by sec. 21 of this Act; and

(ii) 60 percent of that balance to the prevention account established by AS 46.08.010(a)(1), as amended by sec. 21 of this Act, to be appropriated for purposes described in AS 46.08.040(a)(2)(C)(i) and (ii), added by sec. 26 of this Act, and for purposes described in AS 46.08.100 - 46.08.190; or

(2) the governor vetoes or reduces any of the amounts appropriated or allocated under (1) of this section."

Page 27, lines 2 - 4:

Delete "APPLICABLE TO CONSERVATION SURCHARGE ON OIL IMPOSED BY AS 43.55.200 AFTER JUNE 30, 1994, AND BEFORE THE EFFECTIVE DATE OF THIS SECTION."

Insert ". (a)"

Page 27, line 18:

Delete "section"

Insert "subsection"

Page 27, following line 20:

Insert a new subsection to read:

"(b) On the effective date of this section, if so appropriated by the legislature, the commissioner of administration shall transfer to the oil and hazardous substance release prevention and response fund established by AS 46.08.010(a), as amended by sec. 21 of this Act, an amount equal to the estimated amount, as of the day before the effective date of this section, of the unexpended and unobligated balance of the former oil and hazardous substance release response fund; the appropriation required by this subparagraph must be allocated as follows:

(1) 40 percent of that balance to the response account established by AS 46.08.010(a)(2), as amended by sec. 21 of this Act; and

(2) 60 percent of that balance to the prevention account established by AS 46.08.010(a)(1), as amended by sec. 21 of this Act."

With amendment
Y. 3

DRAFT LETTER OF INTENT
FOR HCS CS SB 215 (RES)

BY HOUSE RESOURCES COMMITTEE

In recognition of the vital importance of establishing and maintaining a statewide network of oil and hazardous substance response depots and corps, the legislature is allocating a portion of the balance of the former Oil and Hazardous Substance Release Response Fund to be used for that purpose. While acknowledging dissatisfaction with the performance of state agencies to date in regard to depots and corps, the legislature remains committed to this goal.

It is the intent of the legislature that prior to appropriating the funds allocated in SB 215 for depots and corps, the recommendations of the November 1992, Division of Legislative Audit review of the Response Depot and Corps program be addressed. Of particular importance are recommendations two and three, which are as follows:

Recommendation Number Two

The Alaska Department of Environmental Conservation and the Alaska Department of Military and Veteran Affairs should perform the depot selection process in accordance with statute. AS 46.04.200(b)(5) requires that the State Master Plan must designate the locations where emergency response depots should be established and where emergency response corps personnel should be available. In preparing the State Master Plan, the statute requires the commissioner of DEC to consult with municipal and community officials and representatives of affected regional organizations; submit draft plans to the public for review and comments; submit the plan to the legislature for its review, and submit the plan to the State Emergency Response Commission for its review and approval.

Recommendation Number Three

Long-term plans, complete with an implementation schedule and estimated cost figures, should be completed by DMVA and approved by DEC before making financial commitments with OHSRRF funds. The use of OHSRRF funds for depots and volunteer corps should be closely monitored by DEC to ensure the integrity of the fund and that expenditures are made only for purposes for which the fund was established. Establishing the equipment depots and volunteer corps is a long-term

project spanning several fiscal years. Without the existence of an agreed upon long-term plan, there is no assurance that decision regarding the type and priority of goods and services purchased with the OHSRRF fund are for the purposes intended of that fund.

It is the intent of the legislature that this planning process occur and that plans be reviewed and approved by the legislature before any funds are appropriated for response depots and corps from the balance allocated to the prevention account.

The purpose of this allocation is for establishing, equipping, and maintaining oil and hazardous substance response depots and for training volunteer oil and hazardous substances response personnel. It is NOT to be used to fund DEC and DMVA staff for more than minimal oversight of the implementation and maintenance of the program. In addition, it is the intent of the legislature that a wide geographic area for response depots be reviewed to ensure establishment of depots in the areas of the state that currently have minimal response capabilities. These include Western Alaska, the Aleutian Chain, the Yukon River, Cook Inlet, and Southeast Alaska.

A M E N D M E N T

Y. 4

OFFERED IN THE HOUSE

TO: CSSB 215(FIN) am(efd fld)

Page 9, lines 30 - 31:

Delete "the oil and hazardous substance release"

Insert "a [THE OIL AND HAZARDOUS SUBSTANCE RELEASE]"

Page 10, line 3:

After "prevention"

Insert "mitigation"

After "in"

Insert "AS 46.08.020(b)"

Page 10, line 5:

Delete "OR] AS 46.08.020"

Insert "OR AS 46.08.020]"

Page 20, lines 25 - 27:

Delete all material.

Page 20, line 28:

Delete "(I)"

Insert "(H)"

Page 21, line 1:

Delete "(J)"

Insert "(I)"

Page 21, line 8:

Delete "(K)"

Insert "(J)"

Amendments Submitted by D.E.C.

Amendments to CSSB 215 (FIN) amended fld)

1) Section 19, page 14 lines 7-16 replace with:

(1) the oil and hazardous substance release response mitigation account established under AS 46.08.025(b); the amount required to be deposited under this paragraph shall represent the proportion of the expenses recovered that were originally paid for from the oil and hazardous substance release response account established under AS 46.08.010(a)(2); or

(2) [A SPECIAL ACCOUNT CALLED] the ["] oil and hazardous substance release prevention mitigation account established under AS 46.08.020(b); the amount required to be deposited under this paragraph is the amount of money recovered that exceeds the amount payable to the response mitigation account under (1) of this section ["] .

2) Section 26, page 21, line 9 add a new subsection L

(L) pay for grants under AS 29.60.510 and impact assessments under AS 29.60.550 made by the commissioner of community and regional affairs.

3) Section 26, page 17, line 31, replace with:

contain, clean up, including restoration of the environment, and take other necessary action, such as monitoring and

4) Section 31, page 23, line 4 add a new subsection (D) between "cost recoveries" and "[AS SPECIFIED . . .]":

(D) AS 46.08.020(a)(3) (cost recoveries)

5) Delete lines 24-25, p. 25 and renumber remaining subsections accordingly.

A M E N D M E N T

OFFERED IN THE HOUSE

BY REPRESENTATIVE FINKELSTEIN

TO: CSSB 215(FIN) am (efd fld)

Page 21, following line 27:

Insert a new bill section to read:

** Sec. 29. AS 46.08.040(d) is amended to read:

(d) Upon a request from

[(1)] the Alaska Legislative Council, the commissioner shall use money from the prevention account in the fund to reimburse the Alaska Legislative Council for expenditures that it makes for the operation of the Citizens' Oversight Council on Oil and Other Hazardous Substances, established under AS 24.20.600 [; AND

(2) THE COMMISSIONER OF TRANSPORTATION AND PUBLIC FACILITIES, THE COMMISSIONER SHALL TRANSFER MONEY FROM THE FUND TO THE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES TO PAY FOR THE CONSTRUCTION OR REFURBISHMENT OF ONE OR MORE VESSELS OF THE ALASKA MARINE HIGHWAY SYSTEM THAT HAVE THE CAPABILITY TO ASSIST IN RESPONDING TO SPILLS OF OIL AND HAZARDOUS SUBSTANCES; IN EXPENDING MONEY IN THE FUND WHOSE USE FOR VESSELS OF THE MARINE HIGHWAY SYSTEM IS AUTHORIZED BY AS 19.65.025 AND THIS PARAGRAPH, THE COMMISSIONER SHALL GIVE PRIORITY TO CONSTRUCTION OF ONE OR MORE NEW VESSELS THAT HAVE THE CHARACTERISTICS REQUIRED BY THIS PARAGRAPH]."

Renumber the following bill sections accordingly.

Page 26, line 14:

Delete "AS 24.20.600, 24.20.610, 24.20.620, 24.20.630;"

Page 26, lines 15 - 16:

Delete ", 46.08.040(d)"

April 13, 1994

The Honorable Bill Williams, Chairman
House Resources Committee
Alaska House of Representatives
Juneau, Alaska,

Dear Chairman Williams and members of the house resources committee.

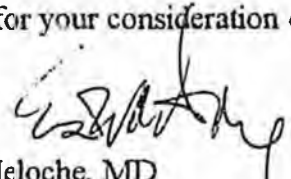
In your considerations of current legislation dealing with Alaska's oil response fund utilization please insure that you provide for maintaining the funding for "corps and depots." The nickel a barrel tax was designated to create a response capability for the state of Alaska to parallel that of industry to insure that we had resources in place to respond to oil and hazardous materials spills within our state. It included pre-positioning of equipment throughout the state, equipment which was capable of responding to the oil and hazardous materials risks determined present by the local communities hazards analysis. It was also intended to provide for training local people to assist in the immediate response to an oil spill or hazardous materials incident.

We all want to support the many industries which are present in our state which provide the economic benefits which allow us to survive in this great land. In order to do so with integrity we must maintain the corps and depots concept as we manipulate the funds we insisted be set aside for this purpose. If we do less, we are abandoning our responsibility to prepare for the inevitable spills and problems which happen in the transport and utilization of those materials which are required to make our fishing, timber and oil industries viable in the world market.

I am the chairman of the Alaska Local Emergency Committee Association, as well as the chairman of the Greater Ketchikan Area Local Emergency Planning Committee. There are now 20 such local planning agencies in this state. Each LEPC, like the one in Ketchikan, consists of 13 leaders within the community who dedicate their valued time to planning for disasters which might occur in their community. Local planning, especially when meshed well with the state plans and federal plans, provides for the best protection to our state for disasters. When all the local leaders involved in disaster planning throughout the state agree on a disaster related topic it might be wise to listen to us. I urge you as the chairman of the Alaska LEPC Association to maintain the Corps and Depots funding as you modify the distribution and management of the response fund this year.

Thank you for your consideration of this matter.

Sincerely,


Ernest B. Meloche, MD
Chairman, Alaska LEPC Association
PO Box 6058, Ketchikan, Alaska, 99901 (228-6610)

Recommendation 41
State takeover of oil
spills

The state should empower itself to take over direction of the response to any spill in Alaska waters.

There is no indication the federal government is inherently better suited than the State of Alaska to respond effectively to an oil spill in Alaska waters. Indeed, the state often will have more response resources than the federal government as well as a greater knowledge base concerning local circumstances. The state's resources and expertise generally will be more readily available in the crucial early hours of a spill.

The state has a constitutional obligation to protect its own resources and the primary responsibility to assist its own citizens. Considering the limited capabilities of federal agencies to respond to a variety of contingencies and the industry's conflict of interest, the state can never rely completely on the United States government or on industry to protect the resources of the state, whether on federal or state lands.

The state's authority should include the power to command the spill cleanup, to apportion scarce public and private resources, and to set in motion an emergency procurement process that will bypass the red tape that was a conspicuous element in the response to the *Exxon Valdez* wreck.

Recommendation 42
State role under
federal authority

Even when the federal government maintains authority over a spill, the scheme for direction and command should permit full cooperation with state authorities.

Though primary responsibility for the salvage of vessels and the safety of crews should remain with the Coast Guard, pollution abatement may be left to the direction of state authorities indicating a willingness and capacity to do so with the support of federal resources. In particular, the state on-scene commander should be empowered to give binding directions to a spiller concerning particular response strategies. Community impact functions should be left to the standard emergency response command system.

Recommendation 43
State response
depots

The state should establish community-based response depots under the management of the state Department of Military and Veterans Affairs.

A major oil spill is in many respects analogous to emergencies such as floods, forest fires and earthquakes. Persons trained in emergency systems to mobilize a large workforce quickly and with the required urgency tend to be better equipped to respond to a major spill. Those specially trained in environmental protection perform better in advice on establishing goals and objectives and in evaluating the impact of the operation.

A state response committee made up of representatives of the appropriate state and federal agencies should be created to review state response plans and participate in periodic drills.

Local volunteer and part-time spill response units should be established, trained and equipped under the direction of the state Department of Military and Veterans Affairs.

Recommendation 44
Immediate local response

Trained volunteer and part-time spill response units, properly trained, supervised and mobilized, should be prepared to protect critical habitat by keeping oil from reaching the shore or protected areas. The work of the Cordova fishing community mobilizing a small armada to protect fish hatcheries after the *Exxon Valdez* wreck is an instructive example. The local experience, knowledge and equipment of a trained volunteer corps should be put to work to help protect local resources.

The state should develop regional response plans reviewed by appropriate regional advisory committees. Private contingency plans should be developed that presume and mesh with regional plans.

Recommendation 45
Regional response plans

Regional committees should be made up of local community members, state and federal agencies and industry. They will prepare the regional response plans and participate in drills to insure readiness. When a spill occurs this committee makes decisions regarding the region and reports to the on-scene commander. During the aftermath of the *Exxon Valdez* wreck the best example of a coordinated response was the response in Seward. The incident command system was fully employed and was able to carry out a well-managed, organized response.

These committees need to be predesignated before spills so they can participate in the planning process and be even more effective in responding to spills when they occur.

The regional response capability should be able to respond to a major spill with the speed of a fire department to protect habitat and contain, transform, recover or destroy a major spill before it reaches shore.

Recommendation 46
Regional response capability

Time is the critical factor in all attempts to limit the environmental damage in a major spill by keeping oil off the shore. Regional response organizations must perform swiftly and with clear command and control to maintain the hope of keeping oil off the beach.

IMPLEMENTING THE RESPONSE

Eventually, another major oil spill will occur in Alaska. Just as inevitably, there will be surprise and chaos. But unpredicted circumstances and the disarray of managers caught off guard can be sharply reduced if a plan is in place that sets out in a coordinated fashion what people should do in emergency circumstances.

The failure of response to the *Exxon Valdez* disaster was made more poignant by the location of the accident. Bligh Reef is in protected waters, only 20 miles from one of the world's major oil terminals. Most of the cleanup equipment in the state was stored at the terminal, and the weather for the first three days after the spill was extraordinarily good.

Command and contingency plan changes contributed to the chaos. When it became obvious that Alyeska's contingency plan was inadequate, the local response commanders—the Coast Guard captain of the port, the Valdez field office chief for the Alaska Department of Environmental Conservation, and the manager of the Alyeska marine terminal—were replaced, even though they were the most familiar with the spill area and the existing contingency plan. Within 48 hours, the spill was being managed by a Coast Guard admiral, the head of Exxon Shipping Company and the commissioner of the Alaska Department of Environmental Conservation, none of whom had particular knowledge of the area or its response planning. Eventually the Exxon worldwide contingency plan took priority, even though it had no specific relationship to Prince William Sound.

Response to the *Exxon Valdez* wreck revealed confusion and unpreparedness on a massive scale. But because plans do not work perfectly does not mean that they don't work at all. There is no reason why the chaos of the *Exxon Valdez* response should be repeated.

- Containment and recovery of the spill on water.
- Treatment of beaches and recovery of oil from the intertidal zone.
- Management of onshore impacts, primarily a responsibility of emergency response authorities.

The local on-scene commander can be pre-designated under this system. The function of higher officials such as a federal "czar" should be to see that resources are mobilized and provided, not to replace the on-scene commander. Pre-incident agreements and the Incident Command System should guide the allocation of labor and equipment to communities.

A confusion of command and responsibility handicapped response in Prince William Sound, despite the good faith efforts of all parties. Similarly, a confusion of mission resulted in a division between the very successful focus on the safety of the crew and salvage of the vessel and its cargo and the much less effective effort to contain and recover the oil. Shore operations were often marked by chaos, misallocations of resources and neglect of the interests and wishes of residents.

In almost every command structure surrounding the *Exxon Valdez* spill, the individual most knowledgeable about the circumstances of the spill and theoretically charged with response was quickly replaced by a person who may never have read the local contingency plans. The Coast Guard appears to have rotated personnel through Prince William Sound for the experience.

A substantive role should be given to the affected communities in any response system.

Communities near to the spill and in the shadow of the oil were not given a proportionate role in the response system after the *Exxon Valdez* accident. Frequently they were ignored. Often they devised their own strategies for response, for instance acquiring or manufacturing boom by themselves. Yet local interests, local knowledge and experience with the ocean often made the community-based work force the most efficient available.

LEPC's bring order to this local response.

Recommendation 49
Enlarged
community role



Regional Citizens' Advisory Council 750 W. 4th Ave. Suite 100 Anchorage, Alaska 99501-2168 T (907) 277-7222 F (907) 277-4523

"Citizens promoting environmentally safe operation of the Alyeska terminal and associated tankers."

Overview of CSSB 215 (FIN) am (efd fld) and Comparison with Proposed House Resources Committee Substitute for House Bill 238 ("Z" draft)

This is a brief overview of the principal changes in Senate Bill (SB) 215 as passed by the senate and previously proposed versions of SB 215. In general, CSSB 215 (FIN) am (efd fld) is improved from the Senate Resources Committee substitute. The first set of bullets highlight improvements to the bill; this is followed by bullets indicating aspects of the bill that are still problematic. After each bullet, the CSSB 215 (FIN) am (efd fld) section is indicated to facilitate cross reference. The final section compares SB 215 and the HB 238 "Z" draft.

Principal changes to SB 215:

- The prevention account conservation surcharge is increased from 2.5 cents to 3 cents per barrel. This surcharge level should provide sufficient revenues to fund the Alaska Department of Environmental Conservation (DEC) current spill prevention programs at FY 94 levels through the year 2000 [section 17].
- The response account conservation surcharge is changed from 2.5 cents to 2 cents per barrel [section 13]. The \$50 million cap is maintained with clearer surcharge suspension and reimposition language [sections 15 and 16]. This new language still reduces the amount of surcharge required to be paid to reach the \$50 million cap by approximately \$52 million. The new suspension and imposition language also places cost-recovery funds that originated from the response account and deposited into the response mitigation account under the annual "blackmail or incentive clause." This means that any mitigation funds must be appropriated back into the response account or the two-cent response surcharge is suspended [section 16]. Under current statute, mitigation account funds are not included under the blackmail clause.
- The response account is more readily accessible for all response actions. Money in the response account can be used to respond to a release or threatened release of oil or a hazardous substance when 1) the governor declares a disaster emergency or 2) if within 120 hours of initiating the response action, the commissioner of DEC reports to the governor on the release, the state's action, and the anticipated cost of the response action. The governor may, at any time during the state's response, approve, disapprove, or amend the action [section 29].
- Response action is no longer limited to initial first response [language removed from section 20].
- The response account inflation proofing provision that would have resulted in a substitution of general fund deposits for surcharge collections was deleted.

Prince William Sound Regional Citizens' Advisory Council

- The threshold for municipal impact grants remains releases of 2,500 barrels or more (as in current statute). Grants would be made from the response account. School districts are eligible for grants [sections 1, 2 and 3].
- Language in previously proposed Senate Finance Committee substitutes authorizing use of the prevention account for response depot equipment and for the acquisition of assets for preparedness measures is clarified to help ensure that expenditures relate to oil and hazardous substances [sections 23 and 26].

New or unchanged problems in SB 215:

- The Senate Finance Committee substitute authorizes use of the prevention account for underground storage tank grants [section 26, AS 46.08.040(a)(2)(H)]. **This is a new use of the response fund. The current backlog of grants requests totals \$65 million** and the application period, which was to sunset this fiscal year, is likely to be extended. Approximately \$5 million has been spent annually on this program; the source of funding for the past two years was primarily mitigation account proceeds. The problem with this new use of the prevention account is that 1) the 3-cent surcharge is insufficient to fund the underground storage tank grant program and maintain current programs, 2) other sources of funds are available to underground storage tank owners, and 3) this action is inconsistent with the original stated intent of the proponents of response fund legislation---to provide greater equity in surcharge payments between crude and non crude operators and beneficiaries of the state response and prevention programs.
- **The entire estimated balance of the spill reserve is appropriated to the response account. This fails to recognize that the fund has always served two purposes---spill prevention and response. Given that future nickels are divided three cents for prevention and two cents for response, it makes sense that previous nickels should be divided similarly.** In addition, approximately 42 percent of the balance originating from state general funds and not surcharge payments.
- In the CSSB 215 (FIN) am (efd fld), the 2-cent response surcharge is suspended until June 30, 1995 if the legislature fails to appropriate the entire balance of the spill reserve to the response account [section 44]. This is an improvement over the previous Senate Resources Committee version.
- Authorization for oil and hazardous substance response depot equipment purchases specifies the Alaska Department of Military and Veteran Affairs (DMVA), Division of Emergency Services. The DEC also has authority for establishing response depots and is the more appropriate lead agency for oil and hazardous substance depots or the oil and hazardous substances component of all-hazards depots. The DMVA would be the lead agency on all-hazards depots [section 26, AS 46.08.040(a)(2)(C)(ii)].

Prince William Sound Regional Citizens' Advisory Council

- Restoration costs are paid from the prevention account despite restoration being part of responding to a spill. Restoration is part of a continuum of clean up activities. If restoration can be paid from the prevention account, there will always be pressure to identify clean up actions as restoration and shift these costs to the prevention account.
- The Citizens' Oversight Council on Oil and Other Hazardous Substances (COC) was established after the *Exxon Valdez* oil spill as one of the principal recommendations of the Oil Spill Commission. The Oil Spill Commission identified state and federal government and public complacency as one of the principal causes of the *Exxon Valdez* oil spill. The COC was established by the legislature in response to this recommendation. Similarly, Congress created the regional citizens' advisory councils of Cook Inlet and Prince William Sound in the Oil Pollution Act of 1990 (OPA 90) to oversee and advise on issues related to the transAlaska pipeline and marine transportation of crude oil. Both the COC and use of the response fund to pay for its operations were deleted.

Comparison with the Proposed CSHB 238 (RES) "Z" draft

Similarities:

- The nickel is split the same with a 3-cent-per-barrel conservation surcharge directed to the prevention account and a 2-cent-per-barrel conservation surcharge directed to the response account.
- The provisions for capping the response account at \$50 million, calculating the cap, and suspending and reimposing the 2-cent surcharge are similar. Under both proposals, approximately \$52 million less than required under current statutes in surcharge proceeds would be paid to reach the \$50 million cap; mitigation account receipts that are cost recovery of funds expended from the response account would be counted toward the balance calculation to suspend the surcharge; and fines, penalties and damage payments would not be credited against the cap.
- Provisions for accessing the response account are similar with a report from the DEC commissioner to the governor within 120 hours and the provision for the governor to approve, disapprove or amend the response action at any time.
- Similar to SB 215, response action in HB 238 is not limited to initial, first response.
- Provisions for municipal impact grants are similar with the exception that school districts are not added as eligible entities in HB 238. The response account is the source of funds in both bills.
- The house bill makes no changes to current statutes with regards to response depots equipment acquisition. However, the proposed HB 238 direct DEC to

Prince William Sound Regional Citizens' Advisory Council

establish and maintain the oil and hazardous substances response corps and depots.

Differences:

- Unlike the proposed SB 215, the HB 238 proposal does not authorize appropriations from the prevention account for the underground storage tank grant program.
- Similarly, HB 238 does not require appropriation of the entire balance of the spill reserve to the response account to avoid suspending the response account surcharge. Instead, 60 percent of the balance is directed to the prevention account and 40 percent to the response account. This is based on the premise that the balance would be split how the nickel is split and approximately half of the balance originated from general fund appropriations.
- House Bill 238 does not eliminate the COC.
- House Bill 238 more clearly identifies the response account as the source of funds for restoration.



Regional Citizens' Advisory Council 3000 E. 1st Ave., Suite 100 Anchorage, Alaska 99501-2168 (907) 277-7222 FAX (907) 277-4523

"Cooperating with the Environmentalists: safe operation of the Alivaska terminal and associated tankers."

Overview of CSSB 215 (FIN) am (efd fld) and Comparison with Proposed House Resources Committee Substitute for House Bill 238 ("Z" draft)

This is a brief overview of the principal changes in Senate Bill (SB) 215 as passed by the senate and previously proposed versions of SB 215. In general, CSSB 215 (FIN) am (efd fld) is improved from the Senate Resources Committee substitute. The first set of bullets highlight improvements to the bill; this is followed by bullets indicating aspects of the bill that are still problematic. After each bullet, the CSSB 215 (FIN) am (efd fld) section is indicated to facilitate cross reference. The final section compares SB 215 and the HB 238 "Z" draft.

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Prince William Sound Regional Citizens' Advisory Council

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- The house bill makes no changes to current statutes with regards to response depots equipment acquisition. However, the proposed HB 238 direct DEC to

April 19, 1994

Representative Bill Hudson
State Capitol
Juneau, AK 99801-1182

Dear Representative Hudson:

I am writing in regards to SB 215, which proposes to separate the oil and hazardous substance release response fund into two accounts. Although I am against this bill, I understand the bill will likely pass. Therefore, I would like to make the following suggestion.

Rather than depositing the entire 470 fund into the response account, I would like to see 60-75% of the current balance put into the prevention account. This will ensure that money and resources will be available to provide an adequate preventive program.

I believe all Alaskans will be better served if we are capable of preventing a spill rather than being more fit to clean one up. It is easier to prevent mishaps from happening than to deal with them later. Please remember the example set by the Exxon Valdez--it was preventable.

I encourage you to provide adequate funding for the preventive account. Thank you for considering my thoughts.

Sincerely,

A handwritten signature in cursive script that reads "Michelle Bugni". The signature is written in dark ink and is positioned above the typed name.

Michelle Bugni
3718 El Camino
Juneau, AK 99801

**Petition for Protecting the Oil and Hazardous Substance
Release Response Fund (479 Fund)**

We the undersigned oppose any legislation that reduces funding for oil and hazardous substance spill prevention and response programs funded by the 470 Fund.

<u>Name</u>	<u>Signature</u>	<u>Address</u>	<u>Phone</u>
KAREN BUTTEN		2706 W 30th ANCH, AK 99517	
Mei Mei Evans	Mei Mei Evans	P.O. Box 243074 A/A 99571	276-7269
JILL DELATTI		POB 101153 ANCH AK 99510	
Laurie Daniel		3605 Arctic #2789 Anch AK 99503	277-1549
GLADYS THOMPSON		7216 Lakeview Dr Anchorage, AK 99507	349-1456
Jana Sudkamp		3237 Wiley Post Ln Anch AK 99517	
Ann E. Berron		PO Box 102783 Anchorage, AK 99510	
Nancy E. Michaelson	Nancy E. Michaelson	HCOI Box 6916 Palmer AK 99645	
Carolya L. Ramey		403 W. 22nd Ave #212 99503	
Christopher Farmer		1509 Cindy Lee Ln Anchorage AK 99507	562-4762
Anna Young		Box 2905 Cordova AK 99574	
Mark Kansteiner		Box 1636 Seward, AK 99664	
Ken Lehorn		516 E. 3rd St. Juneau AK 99901	586-1972
Colleen Burch		12821 Mt. Place Anchorage AK 99516	345-5391
James Stratton		12821 Mt. Place " " "	"
ROBERT A. GIGLES		REPUBLICAN FOR GOVERNOR - 94	
		7447 O'Brien St Anch AK 99507	344-5469
JAMES R. CARTER		3505 Woodland Park Dr Anchorage AK 99517	243-6744
CARY BOLLING		468 N. BAILEY PALMER AK 99645	746-2201
JEAN CAMERON		2147 NE 14th Portland, OR 97212	
Cheryl Richardson		1747 Lawrence Ct. Anchorage AK 99501	
Rozin L. Cole		6155 Alameda Dr Anchorage AK 99504	
Kurt Byers		P.O. 81186 Fairbanks AK 99708	457-2230
GEORGE E. LUKENS II		758 Oceanview Dr Anch AK 99515	349-2799
GEORGE E. LUKENS JR		758 Oceanview Dr Anch AK 99515	345-2749
PAUL LARRY BENSON JR		635 W 9th St Anch AK 99501	358-5541
TOM LUKENS I		PO Box 1006 Anch AK 99510	5381606
Gen Flankard Jr		PO Box 460 Cordova, Alaska 99574	4074245790

**Petition for Protecting the Oil and Hazardous Substance
Release Response Fund (470 Fund)**

We the undersigned oppose any legislation that reduces funding for oil and hazardous substance spill prevention and response programs funded by the 470 Fund.

Name Signature Address Phone

Bob Todd Bob Todd 593 Birch Dr 249-2105

Michael Hood Michael Hood 2413 Lord Burrows 249-7514

Richard Jensen Richard Jensen 17 N YOUNG DR.

James M. Jetterson James M. Jetterson P.O. Box 3944, Hoonah, AK 225-0001

CHARLES MONNETT Charles Monnett P.O. Box 3112, Hoonah 235-6099

DAVID GRIMES David Grimes Box 1636 COCORDIA

Kathy Tuelo Kathy Tuelo Box 83305 FHR 99708 - 955-4286

Penelope Wells Penelope Wells P.O. Box 240454 Anch. AK 99524-2324

William Wilson William Wilson 3401 Canal Anch. AK 99503

Lorraine Eckstein Lorraine Eckstein 986 W. 26th Anch. AK 99503 272-3100

Vin Trogis Vin Trogis 1315 Cordova Anch. AK 99501 276-5500

Dan Lawson Dan Lawson P.O. Box 188 Anch. AK 99506 835-4808

Jan Kuback Jan Kuback 7030 Mill's Cr. Anch. AK 99507 344-6282

Frederick L. Oth Frederick L. Oth 6537 Revere Ave Wauwatosa, WI

Stan Stephens Stan Stephens Box 1297 Valdez AK 99686

Elizabeth Hutton Elizabeth Hutton HC 52 Box 8900 Indian AK 99540 653-7849

Jim R. Ballanger Jim R. Ballanger HC 83 Box 2334 EAGLERIVER AK 99577 696-8136

Noel C. Nelson Noel C. Nelson 2515 Cottonwood St. Anch. AK 99508 272-5830

Steve Nelson Steve Nelson 2515 Cottonwood St. Anch. AK 99508 786-7436

Arthur Newman Arthur Newman 3336 BRYANT RIDGE RD ANCH AK 99504

Virginia W Moore Virginia W Moore 14530 Echo St Anchorage AK 345-1355

Stephen Bednar Stephen Bednar box 2262 Cordova AK 99574 424-5427

Theodore F. Moore Theodore F. Moore 14530 Echo St. Anch. AK 99576 345-1358

Philip S. King Philip S. King 7611 Mentra St. Anch. AK 99518 349-1344

EVA CERDA Eva Cerda 7021 Tanik Anch. AK 99504 333-0747

Please send to Senator Pearce, Co-chair Senate Finance Committee, State Capitol, Juneau, AK 99801-1182

**Petition for Protecting the Oil and Hazardous Substance
Release Response Fund (470 Fund)**

We the undersigned oppose any legislation that reduces funding for oil and hazardous substance spill prevention and response programs funded by the 470 Fund.

<u>Name</u>	<u>Signature</u>	<u>Address</u>	<u>Phone</u>
Leslie Pearson	Leslie A Pearson	HC52 Box 8820 Indian 91540	653-1993
Michael ...			
John ...		Box 1291	
Don Strickland	Don Strickland	Box 9304-T Palmer AK	99645 745-1260
Dan Law		PO Box 122	
Rick ...			
R.P. Fitzgerald		PO Box 411	99725
Pete Fitzgerald	Pete Fitzgerald	4832x 2234 SR	99577 670-830
Peter ...			99508
Frank ...		3371	99508
Ivan L. Wisdom	IVAN L. WIDOM	BOX 154 SELDOVIA AK	99663
Hope Wing ND	Hope Wing ND	1660 Villager Senior Pkwy Anch	AK 99516 345-4265
Richard ...		1105 E. 11th Ave	99501
Matt ...		9981 FULTON AVE	99576
Carl ...		6436	99504
Marilyn ...		1401 Virginia Ct Anch	99501 272-3034
William ...		130 C. 26th St	99501
Wick ...		3605 Arctic #1241	99503
Gene ...		1120 L St	99501 272-2470
DEBRA ...		2420 NENNIS WAY	99515 345-2425
Paul ...		3170	99515 344-5622
Holly Kane	Holly Kane	4100 Matines Anchorage	99508 563-4470
Pamela ...		P.O. Box 104082 Anchorage	99570 248-9388
JAMES M. YOUNG	James M. Young	1142 W. 12th Ave A ANCH	AK 99501 276-6446
Carol ...		2512 Forest Pk Anch	AK 99517 276-2512
EUGENE ...		7343 LINDEN DR ANCH	AK 99502 280792

Please Send to Senator Pearce Co-Chair Senate Finance
State Capitol, Juneau, AK 99801-1182

**Petition for Protecting the Oil and Hazardous Substance
Release Response Fund (470 Fund)**

We the undersigned oppose any legislation that reduces funding for oil and hazardous substance spill prevention and response programs funded by the 470 Fund.

<u>Name</u>	<u>Signature</u>	<u>Address</u>	<u>Phone</u>
JIM BRENNAN	<i>Jim Brennan</i>	1006 G. St.	274-2818
LANI BRENNAN	<i>Lani Brennan</i>	"	"
LINA ALI STATT	<i>Lina Ali Statt</i>	PO BOX 243553	248-9877
MICHAEL A. ARMSTRONG	<i>Michael A. Armstrong</i>	15032 SNOWSHOE LN.	345-2878
SUSAN R. POST	<i>Susan R. Post</i>	7343 Linden Dr	248-0742
Lynn Fitch	<i>Lynn Fitch</i>	3231 Amber Bay	314-6915
HARRY MILLS	<i>Harry Mills</i>	2420 Dennis Way	345 2425
MARABETH TILKIN	<i>Marabeth Tilkint</i>	4730 Cambridge Way	561-0590
Martha Siebe	<i>Martha Siebe</i>	3705 Swain Dr	23507 346-7324
Earl Eganhart	<i>Earl Eganhart</i>	10413 W. 74th Ave.	99516 547-1100
Catherine Portlock	<i>Catherine Portlock</i>	10501 Loudermille Anch	99516
Hugh Fleischer	<i>Hugh Fleischer</i>	1401 W. 11th Ave	99501
Lanie Fleischer	<i>Lanie Fleischer</i>	1401 W. 11th Ave	99501
Bret Berglund	<i>Bret Berglund</i>	16361 Birchwood Cir Anchorage	99516 345-4082
Carin Smith	<i>Carin Smith</i>	16361 Birchwood Cir Anchorage	99516 345-4082
Regard Plummer	<i>Regard Plummer</i>	3711 Lexington Ave Anch	99502 319
Colleen K Craig	<i>Colleen K Craig</i>	2429 Teleovana	99517
Clis Eames	<i>Clis Eames</i>	2613 W. 37th #2 Anch	99517 274-3621
Leslie Helmer	<i>Leslie Helmer</i>	PO Box 2570 Homer AK	99603 no phone
JOE ALDRETT	<i>Joseph K. Aldrett</i>	PO Box 200968 Anchorage	99520 258-4111
KEVIN HAROLD	<i>Kevin Harold</i>	570 N St Anchorage, AK	99501 274-362
MICHAEL V. COUMBE	<i>Michael V. Coumbe</i>	P.O. Box 240343	99524 277-2444
HELEN COUMBE	<i>Helen V. Coumbe</i>	1430 A St	99501 272-8286
Patricia Gleason	<i>Patricia Gleason</i>	4211 Brielle Cir	99517 248-2442
Linda Wise	<i>Linda Wise</i>	PO Box 244034	99524 277-1330
HARVEY DRUMMOND	<i>Harvey Drummond</i>	2139 Hillcrest Pl.	99503 274-7722
RICHARD J. HELMS	<i>Richard J. Helms</i>	PO Box 100916, ANC, AK	99510 338-RICK

Please send to Senator Pearce, Co-chair Senate Finance Committee, State Capitol, Juneau, AK 99801-1182

**Petition for Protecting the Oil and Hazardous Substance
Release Response Fund (470 Fund)**

We the undersigned oppose any legislation that reduces funding for oil and hazardous substance spill prevention and response programs funded by the 470 Fund.

<u>Name</u>	<u>Signature</u>	<u>Address</u>	<u>Phone</u>
Blair Chambers	<i>Blair Chambers</i>	7101 Weimer St Anch. AK 99501	288-8075
CHRISTAL	<i>Christal</i>	4720 Eagle St #1 Anch. 99503	561-0515
DORRAN L. GREENBERG	<i>Dorran L. Greenberg</i>	1322 Virginia Ct Anchorage 99501	272-3763
Karl Oils	<i>Karl Oils</i>	3403 W. 4th Dr. Anchorage 99501	561-1171
Ernie	<i>Ernie</i>	2504 Louisa Pr. Anch. 99501	242-1947
Kimberly	<i>Kimberly</i>	1000 Thomas Dr. Fairbanks AK 99701	457-4652
Mark Bink	<i>Mark Bink</i>	1928 Strogate Cir Anchorage AK 99505	379-4165
G. WEAVERLING	<i>G. Weaverling</i>	Box 895 Cordova AK 99574	924-5305
Joe Banta	<i>Joe Banta</i>	12304 Hilltop Dr Anch AK 99515	522-3808
THOMAS L. LOHMAN	<i>Thomas L. Lohman</i>	P.O. Box 642, BARROW, AK 99723	852-0350
Damen Sullivan-Garcia	<i>Damen Sullivan-Garcia</i>	7220 Holman Anchorage 99516	345-7961
Roy A WARRON	<i>Roy A Warron</i>	PO: 2362 Juneau, AK 99801	781-4382
KEVIN M. O'SHEA	<i>Kevin M. O'Shea</i>	1815 E. Tudor Rd #102D Anch. 99507	563-4996
Clara McLeod	<i>Clara McLeod</i>	5647 E. 4th, Anchorage AK 99504	338-2657
Mark Johnson	<i>Mark Johnson</i>	10726 Horizon Dr. Juneau 99801	998-1121
Sharon LeGrand	<i>Sharon LeGrand</i>	3340 F. T. Love Juneau	
Suzie Kendrick	<i>Suzie Kendrick</i>	PO Box 4502 Seldovia AK 99581	262-3749
JEFF GINALAS	<i>Jeff Ginalas</i>	5018 E 43 Ave Anchorage AK 99509	337-2160
PRICE E ERICKSON	<i>Price E Erickson</i>	1715 ORCA Dr Anch. AK 99501	274-2751
Nancy R. LEFINOS	<i>Nancy R. Lefinos</i>	P.O. Box 1303, Valdez, AK 99686	330-4300
GAIL K. EVANOFF	<i>Gail K. Evanoff</i>	P.O. Box 8060, Theresa Bay AK 99574	8060

Please send to Senator Pearce, Co-chair Senate Finance Committee, State Capitol, Juneau, AK 99801-1182



Cordova District Fishermen United

F.O. Box 939
Cordova, Alaska 99574
(907) 424-3447 FAX (907) 424-3430

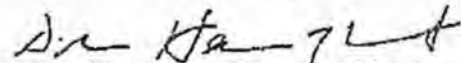
April 15, 1994

Chairman Bill Williams
House Resources Committee
Alaska State Legislature
State Capitol
Juneau, AK 99811-1182

Dear Chairman Williams:

Enclosed are five pages of signatures from people in Cordova who oppose any legislation that reduces funding for oil and hazardous substance spill prevention and response programs funded by the 470 Fund. If you have any questions or require additional information, please call me any time. Thank you for your consideration.

Sincerely,
CORDOVA DISTRICT FISHERMEN UNITED


Dorne Hawxhurst, Executive Director

cc: House Resources Committee
Senator Georgianna Lincoln

Petition for Protecting the Oil and Hazardous Substance
Release Response Fund (470 Fund)

We the undersigned oppose any legislation that reduces funding for oil and hazardous substance spill prevention and response programs funded by the 470 Fund.

Name	Signature	Address	Phone
Mark Hendbrink	Mark Hendbrink	P.O. Box 2084	
Peter D Ochs	Peter D Ochs	Box 447	424-7191
Jeff P. Howley	Jeff P. Howley	Box 2318	424-7281
Orsola Church	Orsola Church	Box 406	424-3389
Ken Hill	Kenneth A Hill	Box 1290	424-3498
Kenneth Varton	Kenneth Varton	Box 852 Cordova	424-7779
Charles Trombridge	Charles Trombridge	Box 1744 Cordova	424-3758
Thomas K. Pearson	Thomas K. Pearson	Box 114 Cordova	424-3951
Tina M Donovan	Tina M. Donovan	Box 164 Cordova	424-3951
Jim Pahl	James R. Pahl	Box 179 CDV	424-3479
Georgi Kaebling	Georgi Kaebling	Box 533 Cordova	424-5108
Matt G. Miller	Matt G. Miller	207141483 Anch	99514
Evelyn Brown	Evelyn Brown	P.O. Box 306 Cordova	99574
Sylvia Lange	Sylvia Lange	Box 135 Cordova	99574
Annette Janka	Annette Janka	Box 1231 Cordova	99574
SELINA KEETON	Selina Keeton	P.O. Box 1841 Pt. Townsend WA	98368
Brian L. King	Brian L. King	Box 965 Cordova AK	99574
James Spicer	James Spicer	Box 222221, Anch, AK	99522-2211
Lawrence Kairuak	Lawrence Kairuak	391E.42nd St, Anch, AK	99508
Cheryl M. Kocourek	Cheryl M. Kocourek	Box 246 Cordova, AK	99574-2406
James Kauranen	James Kauranen	Box 2272 Cordova	424-7603
KARI RECKER	Kari Becker	Box 11815 Cordova	424-7466
MARK STEIN	Mark Stein	Box 1310 Cordova AK	424-5455
JAMES FULTON	James Fulton	P.O. Box 1435 Antioch, CA	94509
J.F. OSBORN	J.F. Osborn	P.O. Box 1986 Cordova AK	99574
JUDY LIETZAU	Judy Lietzau	P.O. Box 2145 Cordova AK	99574
Jennifer Ballak	Jennifer Ballak	1025 W. Hickman #1, Sea WA	98117

Please send to Senator Pearce, Co-chair Senate Finance Committee, State Capitol, Juneau, AK 99801-1182

**Petition for Protecting the Oil and Hazardous Substance
Release Response Fund (470 Fund)**

We the undersigned oppose any legislation that reduces funding for oil and hazardous substance spill prevention and response programs funded by the 470 Fund.

Name	Signature	Address	Phone #
Jean Dintsa		1703 Roosevelt Ave	514-3706
Candace L. Gregory		Box 242 Cordova	424-3825
Diana Masolini		Box 1131 Cordova	424-7328
Michael O'Leary		Box 1152 Cordova	424-1755
Faye Pahl		Box 179 Cordova	AK 99574
James E. Hafer		Box 1952 Cordova	AK 99574
Dreama Schaffer		Box 443 Cordova	AK 99574
Ray Beach		1592 Cordova	AK 99574
Shelley Chris-vn		482 Cordova	AK 99574
Robert J. Korpchak		Box 1126 Cordova	AK 99574
Kristen Ballum		P.O. Box 1689 Cordova	AK 99574
Mitch Nolascki		Box 2732 Cordova	AK 99574
Karen Pickett		Box 1033 Cordova	AK 99574
R.J. Rowlett		Box 1748 Cordova	AK 99574
Matt Small		Cordova	
Paul Muth		Box 956 Cordova	99574
Annabelle		Box 1366 Cordova	
Francoise B. Williams		Box 2224 Cordova	AK 99574
Belle Michelson		Box 325 Cordova	AK 99574
JAMES P. VANSANT		Box 1263 Cordova	AK 99574
BARCLAY JONES		Box 121 Cordova	AK 99574
Michael P. McCarty		Box May 61 Cordova	AK 99574
Kenneth D. Kritchon		Box 1255 Cordova	AK 99574
Wendy Weisel		Box 1999 Cordova	AK 99574
Laurie Berger		Box 1753 Cordova	AK 99574

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Petition for Protecting the Oil and Hazardous Substance Release Response Fund (470 Fund)

We the undersigned oppose any legislation that reduces funding for oil and hazardous substance spill prevention and response programs funded by the 470 Fund.

Name Signature Address Phone

C. K. WEAVERLING	Char. K. Weaverling	Box 895	CORDOVA AK 99574	424-5305
John P. Johnson	John P. Johnson	Box 14	Cordova AK 99574	424-7170
Linda Lotse	Linda Lotse	Box 14	Cordova, AK 99574	424-7170
Mark King	Mark King	Box 265	Cordova, AK 99574	424-3373
ROBERT PLUMS	Robert Plums	Box 171	Cordova AK 99574	424-5657
Jane Isquerson	Jane Isquerson	Box 1356	Cordova AK 99574	424-5719
Erwin Samuelson	Erwin Samuelson	Box 1212	Cordova AK 99574	7718
Gail T. Nolan	GAIL T. NOLAN	770	CDV AK 99574	3503
Rene Thomas	Rene Thomas	Po 1331	CDV AK 99574	-3117
DAVID P. JANKA	David P. Janka	Po 1231	Cordova AK 99574	424-7602
BECKY CHAPEK	Becky Chapek	Box 1564	CDV AK 99574	424-5356
Christina Tucker	Christina Tucker	Box 850	Cordova AK 99574	424-3605
Robert Blake	Robert Blake	Box 718	Cordova AK 99574	
John A. Crowe	John A. Crowe	Box 2423	Cordova AK 99574	
Kevin G. O'Neil	Kevin G. O'Neil	Box 1875	Cordova AK 99574	
Sandra VanDyke	Sandra VanDyke	Box 413	Cordova AK 99574	
CATHY SHERMAN	Cathy Sherman	Box 1186	Cordova AK 99574	
DAVID GRIMES	David M. Grimes	Box 1676	Cordova AK 99574	
SUSAN OGLE	Susan Ogle	Box 895	CORDOVA, AK 99574	
KENEE KANKIN	Kenee Kankin	Box 985	CORDOVA AK 99574	
Ang Duedi	Ang Duedi	Box 2234	Cordova AK 99574	
MICHAEL L. MEINTS	Michael L. Meints	Box 2402	CORDOVA AK 99574	
Kim J. Ewert	Kim J. Ewert	Box 1324	Cordova AK 99574	
Joe R. Smith	JOE R. SMITH	Box 52	Cordova AK 99574	
Theresa Thompson	Theresa Thompson	Box 1366	Cordova AK 99574	
Sally Datch	Sally Datch	Box 956	Cordova AK 99574	
Mauro Mannarino	Mauro Mannarino	Box 1434	Cordova AK 99574	

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Petition for Protecting the Oil and Hazardous Substance
Release Response Fund (470 Fund)

We the undersigned oppose any legislation that reduces funding for oil and hazardous substance spill prevention and response programs funded by the 470 Fund.

Name	Signature	Address	Phone
WILLIAM R REID	<i>Wm Reid</i>	Bx 1234 CDV	424-7448
DOENE HAWKHURST	<i>Doene Hawkhurst</i>	Bx 856 CDV	424-3447/5757
Christine Honkola	<i>Christine Honkola</i>	Box 100 CDV	424-7530
JAMES MYKLAND	<i>James Mykland</i>	Box 1241 CDV	424-7115
John Bucci	<i>John Bucci</i>	Bx 1312 CDV	424-5192
Richard Bredt	<i>Richard Bredt</i>	Bx 4154 CDV AK	424-3775
Kory Blake	<i>Kory Blake</i>	Box 1122 CDV	424-7194
Herb Jensen	<i>Herb Jensen</i>	Bx 294 CDV	424-3767
JIM JOHNSON	<i>Jim Johnson</i>	Box 263 CDV	424-3825
MICHAELOWICKI	<i>Michaelowicki</i>	BX 7232 CDV	5492
Linda Masolin	<i>Linda Masolin</i>	Box 102 CDV	424-7489
John B. ARVIDSON	<i>John B. Arvidson</i>	Box 11 Cordova AK	5379
MICHAEL B. SCOTT	<i>Michael B. Scott</i>	Box 855 Cordova, AK	3584
ANDREW F. ALLEN	<i>Andrew F. Allen</i>	Box 1836 CIV. AK.	99574 (3684)
TERESA LO DOSIMONE	<i>Teresa Lo Dosimone</i>	Box 169 Cordova, AK	424-7436
Danny Carpenter	<i>Danny Carpenter</i>	Box 1430 Cordova, AK	424-39
SUSAN LAIRD	<i>Susan Laird</i>	Box 1624 Cordova, AK	424-38
MAX C. BENNETT	<i>Max C. Bennett</i>	Box 1006 Cordova, AK	99574
JAMES KUHAWOEN	<i>James Kuhawoen</i>	Box 2272 Cordova AK	99574 424-7603
MAX MCCARTY	<i>Max McCarty</i>	Box 2368 Cordova, AK	
TORIE BAKER	<i>Torie Baker</i>	PO BOX 1159 CDV	424-3820
XXXXXXXXXX			
Elizabeth Seeger	<i>Elizabeth Seeger</i>	Box 762 CDV	424-5611
CARROLL ROYD	<i>Carroll Royd</i>	Box 435 CDV	424-3821
Jim Jager	<i>Jim Jager</i>	530 St. Lazarus Cr. Anchorage, AK	337-8602

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