

ALASKA LEGISLATURE COMMITTEE FILES 1999-2000 8672

10133 SENATE RESOURCES

SB

267

Alaska State Legislature

SENATOR
PETER KELLY

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Senate

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Senate District P

Sponsor Statement

Senate Bill 267

“An Act relating to management of game.”

Senate Bill 267 directs the Commissioner of Fish and Game to “accord a high priority to the implementation of programs and regulations adopted by the Board of Game under AS 16.05.255(e) – (i)” which provides for intensive management programs to restore the abundance or productivity of identified big game prey populations as necessary to achieve human consumptive use goals of the board. This bill directs the commissioner to allocate fiscal and staff resources to implement intensive game management programs and regulations in a timely and effective manner.

Senate Bill 267 amends AS 16.05.255 by adding a new subsection which provides for the taking of wolves on the same day airborne. Further, a hunting or trapping license is a permit to take a wolf. The board or department may require no additional permit. The prohibition of same-day airborne hunting (AS 16.050783) would not apply when the Board of Game has adopted regulations to provide for intensive management of an identified big game prey population.

This bill also authorizes an agent of the Department of Fish and Game, as part of a game management program, to shoot or assist in shooting predators on the same day airborne.

1-LS1430H
U:ermohle
3/6/00

CS FOR SENATE BILL NO. 267()

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY

Offered:

Referred:

Sponsor(s): SENATORS PETE KELLY, Taylor

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to management of game."**

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

3 *** Section 1.** AS 16.05.050 is amended by adding a new subsection to read:

4 (c) The commissioner shall accord a high priority to the implementation of
5 programs and regulations adopted by the Board of Game under AS 16.05.255(e) - (i)
6 and shall allocate fiscal and staff resources of the department as necessary to
7 implement those programs and regulations in a timely and effective manner.

8 *** Sec. 2.** AS 16.05.255 is amended by adding a new subsection to read:

9 (i) Notwithstanding any other provision of this title, in an area for which the
10 board has adopted regulations under (e) of this section to provide for intensive
11 management of an identified big game prey population, a person may take a wolf on
12 the same day the person was airborne; however, a person may not shoot a wolf from
13 the air under this subsection. For purposes of this subsection, a valid hunting or
14 trapping license is a permit to take a wolf on the same day airborne for purposes of
15 protecting wildlife, and no additional permit may be required by the board or

1 department as a prerequisite to taking a wolf on the same day airborne.

2 * Sec. 3. AS 16.05.783(b) is amended to read:

3 (b) This section does not apply to

4 (1) a person who was airborne the same day if that person was airborne
5 only on a regularly scheduled commercial flight; or

6 (2) an employee or agent of the department who, as part of a game
7 management program, is authorized to shoot or to assist in shooting wolf, wolverine,
8 fox, or lynx on the same day that the employee or agent has been airborne.

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. SB 267

Revision Date (Note if correction) _____ Dept. Affected: Fish and Game
 Title Management of Game BRU Wildlife Conservation
 Component Wildlife Conservation
 Sponsor Senator P. Kelly
 Requester Senate Resources Component Serial No. 473

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY2006
Personal Services	200.0	200.0	200.0	200.0	200.0	200.0
Travel	20.0	20.0	20.0	20.0	20.0	20.0
Contractual	280.0	280.0	280.0	280.0	280.0	280.0
Supplies	60.0	60.0	60.0	60.0	60.0	60.0
Equipment	40.0	40.0	40.0	40.0	40.0	40.0
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	600.0	600.0	600.0	600.0	600.0	600.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES (1024)	(2,882.4)	(2,882.4)	(2,882.4)	(2,882.4)	(2,882.4)	(2,882.4)
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other -- F&G Fund (1024)	600.0	600.0	600.0	600.0	600.0	600.0
TOTAL	600.0	600.0	600.0	600.0	600.0	600.0

Estimate of any current year (FY00) cost: 0.0

POSITIONS

Full-time	0	0	0	0	0	0
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Assumption: Section 3 limits adoption of regulations by the Board of Game to those "necessary for game management in accordance with scientific principles of biological resource management." It is unclear whether this change will impact existing regulations, however it would eliminate authority to regulate in all areas which are *not* necessary for scientific/biological management, including fair chase, ethical behavior, public safety, hunter education, wanton waste, DLP, resource allocation, etc. The division anticipates a large decline in nonresident hunting and subsequent loss of license/tag revenue due to elimination of such regulations. Up to 50% of nonresidents may be unlikely to hunt in a state that does not regulate fair chase, ethics, and safety. Altho' difficult to predict, such a decline in nonresident hunters would result in a loss to the F&G Fund of nearly \$3.0 million/annum. If these lost revenues are not replaced with General Funds, the department would be forced to eliminate many programs and may not have enough funding to capture all available federal aid funds, which could then revert to the federal gov't. (See continuation sheet)

Prepared by Wayne Regelin, Director *WRegelin* Phone 465-4190
 Division Wildlife Conservation Date 3/3/00
 Approved by Frank Rue, Commissioner *Frank Rue* Date _____
 Agency Alaska Department of Fish and Game

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Analysis (continued):

Section 2 requires the dept. to preferentially fund "intensive management" programs approved by the board.

For the purposes of this fiscal note, we made the following assumptions: (1) only two "intensive management" programs will be implemented at any one time. If additional "intensive management" programs are authorized, the operating expenditures will multiply in direct proportion to the number of such programs; (2) the cost of each intensive management program is estimated at \$150.0/year, including 50.0 to extend existing seasonal positions, 70.0 in contractual costs (primarily air charter, equipment maintenance, misc. professional services), and 15.0 in supplies (for field activities, aircraft fuel, animal immobilization, etc.); (3) each control program would run concurrently with a comprehensive survey and monitoring program to monitor its effectiveness and ensure the predator populations are "protected and maintained," as required by Section 1. The survey/monitoring effort is expected to cost an additional \$150.0 or approximately the same as the control effort.

SB

273

Alaska State Legislature



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Senator Drue Pearce

SB 273

Sponsor Statement

2/21/2000

Alaska arguably has the world's best oil spill prevention and response program. However, the current program is limited to vessels that carry oil as cargo (tank vessels), and on-shore oil facilities such as oil wells, pipelines, refineries, and tank farms.

Most of Alaska's oil spills come from carriers that are currently not required to prepare for spill response. Since 1995, 93 spills totaling 5,286 gallons of oil came from regulated vessels and facilities. During this same period, 945 spills totaling 258,000 gallons of oil came from non-regulated carriers. SB 273 will expand the prevention and response program to include larger non-tank vessels and the railroads transporting oil in bulk.

Specifically, non-tank vessels covered by this bill are defined as any watercraft of 300 or greater gross registered tons with an oil storage capacity of more than 6000 gallons. These vessels include larger fishing and processing vessels, cargo and cruise ships, and public vessels engaged in commerce such as the Alaska State Ferries. SB 273 requires these vessels to provide a response plan that will clean up the spill as quickly as possible with minimal damage to the environment. The legislation also requires vessel operators to provide proof of financial ability to respond to damages resulting from a spill.

Recent major oil spills along the Alaska Railroad system and from a large fishing vessel in Dutch Harbor illustrate the need to expand Alaska's oil spill prevention and response program. The railroad, cruise ships, large fishing vessels, container ships, along with Alaska's State Ferries carry large volumes of oil and should be prepared to respond quickly in the case of an spill.

Alaska is the only state on the West Coast that has not extended its contingency plan and financial responsibility laws to include non-tank vessels. In light of recent spills from these vessels in our waters, and from the railroad on our land, it is time to strengthen our oil spill laws. SB 273 will provide a heightened awareness of prevention and response readiness and will reduce the number and consequences of oil spills in the future.

District 18

Representative Brian Porter
Speaker of the House of Representatives
21st Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

February 12, 2000

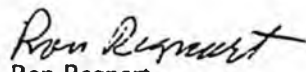
Dear Representative Porter

I am a retired Department of Fish and Game fisheries biologist and a 40 year resident of Alaska. The recent major spills of jet fuel by the Alaska Railroad near the Susitna River prompted a closer examination of this issue. I was astonished to learn of the tremendous quantity of jet fuel being transported over a railroad that suffers from a myriad of engineering problems, especially during the winter.

Hopefully the attached information that I have assembled will provide some useful perspective regarding this issue. This response is triggered by my love for sportfishing and concern over the environmental threat to important fishery and other aquatic resources traversed by the railroad.

I applaud the efforts of the administration and legislature to insure that the Alaska Railroad Corporation develops the necessary fuel prevention and cleanup response plans with oversight and enforcement by the appropriate State agencies.

Sincerely


Ron Regnart
9601 Hillside Drive
Anchorage, AK 99516



Alaska Center for the Environment Valley Office

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March 3, 2000

Senator Drue Pearce
State Capitol
Juneau, Alaska

of SEN HALFORD

Re: Senate Bill 273.

Dear Senator Pearce:

The Alaska Center for the Environment seeks responsible stewardship for Alaska's natural resources on behalf of over 9,000 members, and the Valley Office works on conservation issues effecting Valley residents.

We would like to thank you for your work on SB 273. We feel positive about this bill, and look forward to working with you as it moves through the legislative process.

During the hearing on Wednesday, I was favorably impressed with the cooperation between the DEC, the Department of Law, the United States Coast Guard, industry groups, and Alaskan attorneys working together to meld a better non-tank vessel and railroad contingency plan bill.

We recognize this bill as a significant step forward for Alaska, and I respectfully urge you to consider the following in further deliberations:

NON-TANK VESSELS:

1. Increase the minimum amounts of approved financial ability to assure that the state will be able to adequately recover damages and cleanup costs from one million to five million dollars per incident of non-persistent oils;
2. Increase the minimum amounts of approved financial ability to assure that the state will be able to adequately recover damages and cleanup costs from five million to 20 million dollars per incident of persistent oils;
3. Do not decrease the response planning criteria below 15%.

RAILROADS:

1. Change the wording from "oil" to "oil and hazardous substance;"

BASIS FOR POSITION:

The Alaska Railroad transports many substances through the railbelt communities that would be considered hazardous substances besides oil:

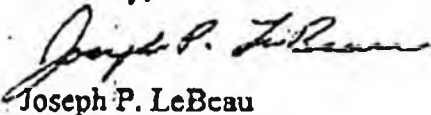
- a. Cyanide;
- b. Strong acids;
- c. Strong bases;
- d. Formaldehyde;
- e. Munitions;
- f. Radioactive substances;
- g. Explosives;
- h. Hazardous wastes;
- i. Poisonous gases and liquids;
- j. Pesticides;
- k. and other hazardous chemicals not listed above that meet the Alaska statutory definition of hazardous substance.

RAILROAD PROOF OF FINANCIAL ABILITY

The dollar amount of financial assurance required for the Alaska railroad seems to be quite low, taking into account that oil spill cleanup costs for the Gold Creek spill have already exceeded five million dollars. I urge you to consider increasing the minimum amount of proof of financial ability to at least ten million dollars for railroads transporting oil and hazardous substances in Alaska for diesels, gasoline and jet fuels being transported through the rail belt.

We support your efforts to improve Alaska's ability to recover costs and damages from non-tank vessel and railroad accidents through SB 273. Thank you for your time and consideration of our position.

Sincerely,



Joseph P. LeBeau
Director

cc: Jeff Richardson Executive Director ACE

AMHS Testimony on SB 273

Thankyou Chairman Halford and Committee Members for giving me an opportunity to testify on this bill.

I would like to start by saying that the Alaska Marine Highway System supports the Legislature's efforts to prevent pollution of the prestine waters of the State of Alaska and to enact legislation to keep these waters clean. Over the 37 years that the Alaska Marine Highway System has served the communities of coastal Alaska, it has had an excellent safety record and made numerous efforts to prevent pollution. The Department of Transportation and Public Facilities has an agreement with the Department of Environmental Conservation to operate vessels of the Alaska Marine Highway System in support of oil spill cleanup activities and operations. In fact, the M/V Kennicott has several features designed into it such as a satellite communications system, command and control center facilities, a helo pad and a small boat docking facility. These features enhance this ship's ability to support a response operation should an emergency be declared under AS 46.03.865 (a).

We currently are members of the Washington State Maritime Cooperative (WSMC) which is an oil spill pollution clean-up organization covering Washington State waters. We have Shipboard Oil Pollution Emergency Plans which meet the requirements of the State of Washington and should meet the requirements for contingency plans under the proposed legislation.

We have summarized all costs of the oil spill response services necessary to meet the requirements of this bill in the Fiscal Note submitted by the Department of transportation and Public Facilities.

In conclusion, Mr. Chairman, the AMHS fully supports this bill. I would be happy to answer any questions. Thank you.

The 470 mile Alaska Railroad that runs between Seward and Fairbanks crosses two major mountain ranges and the Yukon, Susitna and Kenai Rivers, three of the most important salmon producing systems in the State. When construction of the federally owned railroad began in 1915, little concern was given to the effect that railroad operations might have on the area's fish and wildlife resources. Of course very little information was known about the distribution, abundance or biology associated with these resources, especially the fishery resources. Since that time much of this resource information has been obtained, major sport fisheries have developed along the railroad route and powerful locomotives carry long strings of tank cars carrying millions of gallons of petroleum products daily between Fairbanks and Anchorage. The risk of environmental damage associated with these large fuel shipments has been highlighted in recent months by train derailments and resultant major fuel spills near the Susitna River.

This discussion focuses on railway operations north of Anchorage due to the environmental threat associated with the transportation of large volumes of jet fuel. This is not meant to diminish the concern over fishery and other aquatic resources along the route south of Anchorage. There are approximately 36 railway crossings of anadromous fish (migrating from the ocean to spawn in fresh water) streams between Anchorage and Seward that include headwater lakes and streams of the Kenai River system. The valuable sport fisheries for salmon and trout in the Kenai River system account for 25 % of the sport fishing effort in Alaska. The railroad is located within a few hundred feet of portions of Turnagain Arm, Upper and Lower Trail Lakes and Kenai Lake. Until the ARC discloses the kinds and amounts of hazardous substances being transported along this route, the environmental threat is largely unknown.

Legislation establishing the quasi-public Alaska Railroad Corporation (ARC) and its seven member board of directors was signed by Governor Sheffield (currently President of ARC) in 1984 and a year later the railroad became the property of the State of Alaska. According to reports by ARC, the transportation of jet fuel between the North Pole oil refinery near Fairbanks and Anchorage began in 1977. In that year a total of 417 million gallons of jet fuel was transported and was the largest money maker for the railroad accounting for \$21 million in net earnings. It still is the single largest revenue item accounting for about one-third of all freight revenues.

Recent news articles in the Anchorage Daily News stated that at least 76 tank cars, each holding 22,000 gallons of jet fuel, are currently transported to Anchorage each day. This amounts to 1.7 million gallons shipped daily and 610 million gallons shipped yearly.

There are a minimum of 92 railway stream crossings between the North Pole Refinery and Anchorage and at least 51 of these are designated by the Alaska Department of Fish and Game (ADFG) as important for the spawning, rearing or migration of salmon and other species of anadromous fish. Also the majority of the major streams crossed by the railroad contain populations of resident fish species including rainbow trout, Arctic grayling, Dolly Varden, whitefish and burbot.

In addition to these major stream crossings, the railroad travels over many smaller culverted drainages originating from springs, intermittent creeks, beaver ponds and various wetlands. The railroad closely follows the active channels of the Susitna River and one of its major tributaries, the Chulitna River. North of Talkeetna the railroad is often within a few hundred feet from active channels or side sloughs of these rivers.

Streams traversed by the railroad north of Anchorage that support important sport fisheries include the Chena River (Yukon River), Susitna River, Little Susitna River and several streams flowing into Knik Arm. The ADFG estimates that sport fishing effort in the Susitna and Little Susitna River systems average over 250,000 angler days annually. Sport fishermen harvest more than 100,000 salmon (mostly kings and cohos) and 12,000 resident fish species (mostly rainbow trout and grayling) during some years in these two river systems. The economic value of just the king and coho salmon fisheries in these two rivers in 1986 was estimated to be nearly \$8 million. Salmon migrating to streams traversed by the railroad are also harvested by commercial and subsistence fishermen in the Yukon River and Cook Inlet.

The Susitna River king salmon run is considered to be the fourth largest in the State. Based on a variety of counting methods, the total run probably exceeds 100,000 fish some years. Aerial survey counts of as many as 36,000 and 39,000 spawning king salmon have been obtained for the eastside and westside Susitna tributaries, respectively. Annual sonar counts as high as 340,000 and weir counts of 85,000 sockeye salmon have been made in the Yetna and Chelatna Rivers, respectively, which are westside Susitna tributaries.

Two of the recent jet fuel spills, 8500 gallons on October 31 and 126,000 gallons on December 22 of last year, occurred in one of the remotest sections of the railroad about 40 miles north of Talkeetna. The cause of the October 31 train derailment and spill was reported to be due to the use of undersized locomotive hitches. Several dead juvenile coho salmon were found in a beaver pond which was covered by jet fuel. This pond is a tributary of Indian River, an important salmon spawning stream. As reported in the Anchorage Daily News, the larger December 3rd Gold Creek spill near the Susitna River was caused by an ice berm that derailed three locomotives and 15 tank cars. A more recent spill of 2,300 gallons of diesel fuel occurred February 1 in the Anchorage maintenance yard and was caused by human error.

Earlier documented spills include 50,000 gallons of jet fuel in 1982 and 100,000 gallons of diesel fuel in 1990 between Fairbanks and Nenana. The record of railroad spills of hazardous substances is incomplete but many spills ranging from 5 to 1,800 gallons of gasoline, diesel fuel and lubricating oil are documented.

The ARC has demonstrated its inability to promptly and successfully cleanup major spills. After the 126,000 gallon spill near Gold Creek it took cleanup crews 2 days to reach the site, removal of contaminated snow was not begun until 14 days after the spill and after 16 days only about 20 gallons of fuel had been pumped into recovery tanks. Drilled recovery holes revealed that the fuel had penetrated 30 feet of soil to the underground water table.

A 1986 report by the Alaska Department of Natural Resources cited permafrost and engineering problems facing the railroad between Fairbanks and Anchorage. Over one-half of this rail segment lies within the discontinuous permafrost zone. Permafrost melting can cause weakening or slumping of the track roadbed. Frequent frost heaving due to excessive underlying ground water requires portions of the track to be heavily shimmed. Track icings can suddenly occur requiring prompt attention as icings of only one or two inches can cause train derailments. Floods caused by high stream discharges or culvert blockages by beaver dams can erode or wash out the roadbed. Snow and rock avalanches are other railroad hazards. Although the railway system has been substantially upgraded by the ARC in recent years, the recent derailments and fuel spills indicate that some of these engineering problems persist. A small-diameter conventional pipeline, similar to the one proposed by the Denali Pipeline Company in 1983, might have been a better alternative for transporting petroleum products over this long and hazardous route.

Studies conducted by ADFG during the 1980's in conjunction with a proposed hydroelectric project established the importance of the mainstem Susitna as fish habitat. Salmon were found spawning in the main Susitna River channels and side sloughs upstream of Talkeetna. Several spawning sites occurred in the immediate vicinity and downstream of the Gold Creek spill. These studies also revealed that the drastic stream flow reductions in the fall trigger the downstream movement of fish from tributary streams into the main river channels and sloughs. Over 40 years of stream gauge information on the Susitna River at Gold Creek shows that the mean monthly summer (June-August) flows of 21,000 - 27,000 cubic ft. per second (cfs) decline to 1,300 - 1,900 cfs during winter (December-April). The low, but stable flows, in the main river channels and sloughs, which often is enhanced by warmer upwelling ground water, constitutes vital winter habitat for incubating salmon eggs in addition to juvenile king and coho salmon and several species of resident fish including rainbow trout and Arctic grayling. Due to cold temperatures, low stream flows, low oxygen levels and diminished feeding, fish become stressed and are probably more susceptible to pollution during the winter. Also fish sometimes become concentrated and confined to small discontinuous water bodies during low flows which limits their movements and ability to avoid pollutants.

Undeniably the ARC is a important transportation link and a valuable asset for the State of Alaska. But it needs to do a much better job in preventing the discharge of petroleum products and other hazardous substances. The railroad has become a rolling pipeline and, because of its close proximity to streams and lakes, spills of hazardous petroleum products have a high probability of reaching aquatic habitats even when the most efficient and prompt recovery efforts are made. Once hazardous hydrocarbons are in the ground or water the damage is already done. Cleanup is slow, costly and rarely complete. While improved recovery efforts must be made, prevention is the key to protecting water quality and aquatic environments. It is painfully ironic that while showcasing Alaska's wonderful scenery and rich natural resources for thousands of visiting tourists, the ARC is polluting the environment over which it travels.

The ARC should provide a public accounting of the volumes and types of petroleum and

other hazardous substances it transports along with projections of future transports. Unknown quantities of hazardous chemicals carried by the railroad include cyanide, lime and ammonium nitrate. Past spills and recovery efforts need to be documented. Immediate and positive steps need to be taken to halt spills including regular inspections of tracks and equipment to avoid derailments. The ARC needs a better response plan with trained personnel and recovery equipment ready to be immediately moved to a spill site. Spill prevention and recovery procedures need public scrutiny in addition to the approval and enforcement by appropriate State regulatory agencies. Finally, the ARC should take an active role in assisting with the monitoring of water quality and the health of fish and aquatic resources that are affected by its operations.

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. SB 273

Revision Date/Time (Note if correction) _____	Dept. Affected <u>DOT&PF</u>
Title <u>"An Act requiring oil discharge prevention and contingency plans,..."</u>	BRU <u>Marine Highway System</u>
Sponsor <u>Senator Pearce</u>	Component <u>Southeast & Southwest</u>
Requester <u>Senate Resources</u>	Vessel Operations
	Component Serial No. _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel						
Contractual	125.0	125.0	125.0	125.0	125.0	125.0
Supplies						
Equipment						
Land & Structures -						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	125.0	125.0	125.0	125.0	125.0	125.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other: Oil Spill Response Fund	125.0	125.0	125.0	125.0	125.0	125.0
TOTAL	125.0	125.0	125.0	125.0	125.0	125.0

Estimate of any current year (FY00) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This represents the estimated cost to the Alaska Marine Highway System to contract for oil spill response services to meet the requirements of this bill.

Prepared by <u>Dennis Poshard, Special Assistant to the Commissioner</u>	Phone <u>465-3904</u>
Division <u>Office of the Commissioner</u>	Date/Time <u>2/18/00 2:21 PM</u>
Approved by <u>Joseph L. Perkins, DOT&RF</u>	Date _____
Agency <u>DOT&RF</u>	

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STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. SB 273

Revision Date/Time (Note if correction) _____ Dept. Affected: Environmental Conservation
 Title "An Act requiring oil discharge prevention BRU Spill Prevention & Response
and contingency plans...for non-tank vessels and railroad..." Component Industry Preparedness & Pipeline Program
 Sponsor Senator Pearce
 Requester Senate Resources Component No. 1922

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	168.5	168.5	168.5	168.5	168.5	168.5
Travel	19.8	19.8	19.8	19.8	19.8	19.8
Contractual	127.7	37.7	37.7	37.7	37.7	37.7
Supplies	3.3	3.3	3.3	3.3	3.3	3.3
Equipment	19.5	3.7	3.7	3.7	3.7	3.7
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	338.8	233.0	233.0	233.0	233.0	233.0

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
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type) 1052 Oil/Haz FD	338.8	233.0	233.0	233.0	233.0	233.0
TOTAL	338.8	233.0	233.0	233.0	233.0	233.0

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time	3	3	3	3	3	3
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Fiscal Impact: Three (3) full time positions will be required to draft and administer regulations for approximately 50 new nontank vessel operators and railroads. Two Environmental Specialists III will be located in Anchorage to initially develop regulations, and will then subsequently review and approve individual oil discharge prevention and contingency plans, inspect vessels and railroad facilities, and conduct and evaluate spill response drills. One Environmental Specialist II in Juneau will initially assist in developing regulations, and will subsequently review financial responsibility documentation and maintain the associated database, and conduct southeast vessel inspections. During the first year, \$90.0 for professional services contracts is included to assist in the negotiated rule making process and technical issues associated with the regulations. Other contractual funds cover position support costs and technical assistance with inspections and spill response drills.

Economic Impact: This bill will require some operators to incur additional costs for oil spill response equipment, contracts with spill response organizations if they are not already voluntarily meeting the regulatory standard, and costs to obtain and demonstrate proof of financial responsibility.

Prepared by: Larry Dietrick Phone 465-5250
 Division SPAR Date/Time 2/18/00 5:35 PM
 Approved by: Commissioner *Ken Foshich* Date 2-19-00
 Agency: Department of Environmental Conservation

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Personal Services Component Summary

FY: 2001

Scenario: FY2001 Legislative Fiscal Note Info

Department: Environ Conservation

BRU: Spill Prevention and Response

Component: Industry Prep. & Pipeline Op. (1922)

Line 100 Summary:

Salaries:	125,796
Benefits:	42,711
Premium Pay:	0
COLA:	0
Pre-vacancy total:	168,507
Minus 0.00% vacancy:	(0)
Post-vacancy total:	168,507
Lump sum prem. pay:	0
Total Line 100:	168,507

Active Positions:

	Existing	New	Transferred In	Total Positions
Full Time:	0	3	0	3
Part Time:	0	0	0	0
Non-Perm:	0	0	0	0
Total:	0	3	0	3

Inactive Positions:

	Deleted	Transferred Out
Full Time:	0	0
Part Time:	0	0
Non-Perm:	0	0
Total:	0	0

Split Positions:

	Counted	Not Counted	Total Splits
Full Time:	0	0	0
Part Time:	0	0	0
Non-Perm:	0	0	0
Total:	0	0	0

Change Record Total: 0.0

Total Component Months: 36.0

Component PCN Funding Summary:

	Amount	w/Vacancy
1004 General Fund Receipts	168,507	168,507
	168,507	168,507

Component PCN Summary:

PCN	Status	Job Title	Rng	Stp	BU	Pos	Split	Location	Mths	Salary	Prem	COLA	Benes	Total
18-#004	N	[No job title provided]	18	A	GG	FT		Anchorage	12.0	43,860	0	0	14,617	58,477
18-#005	N	[No job title provided]	16	A	GG	FT		Juneau	12.0	38,076	0	0	13,477	51,553
18-#006	N	[No job title provided]	18	A	GG	FT		Anchorage	12.0	43,860	0	0	14,617	58,477

Status Key: N=New D=Deleted TI=Transferred-in TO=Transferred-out

Position Detail:

Position Status: New	Budgeted Months: 12.0
Bargaining Unit: GG General Gov't Employees	Component Months: 12.0
Class: #0018 [No Job Title Provided]	Merit Date: none
Location: EBA Anchorage	Salary Change Date: none
Position Type: FACL Full Time	Calculation Method: Monthly - Steps and Months
Retirement: A PERS Other	Range / Step 1: 18 A 3,655.00/mth. for 12.0 mths.
Salary Schedule: 1A BASE	Range / Step 2:
Strike Class: 1	
Overtime Eligible: Yes	Total Salary: 43,860
Position Frozen: No	Total Premium Pay: 0
Position Split: No	Total Benefits: 14,617
Project:	Total COLA: 0
Region:	Total Position Cost: 58,477

Premium Pay:

Overtime Pay: 0.00 Hours: 0.00	Higher Class Pay: 0.00
Graveyard Pay: 0.00 Mths: 0.00	Standby Pay: 0.00
Swing Shift Pay: 0.00 Mths: 0.00	Subsistence Pay: 0.00
Hazardous Pay: 0.00	Additional Pay: 0.00
Seaduty Pay: 0.00	Total Premium Pay: 0

Benefits:

<u>Department Benefits:</u> FULL	<u>Statewide Benefits:</u> FULL
Leave Cash-in: 1.36% = 596.50	Health Insurance: 488.50 / Mth. = 5,862.00 / Yr.
Risk Management: 0.82% = 359.65	Life Insurance: 1.54 / Mth. = 18.48 / Yr.
Unemployment Insurance: 0.42% = 184.21	Legal Trust Fund: 8.00 / Mth. = 96.00 / Yr.
Term Leave: 1.88% = 824.57	<u>Total Statewide Benefits:</u> 498.04 / Mth. = 5,976.48 / Yr.
Short Term Non Perm: 0.00% = 0.00	<u>SBS Benefits:</u> FULL
Unique Rate: 0.00% = 0.00	Supplement Benefits: 6.13% = 2,688.62
Bargaining Unit Override Rate: 0.00% = 0.00	<u>Medicare Deduction:</u> FULL
<u>Total Department Benefits:</u> 4.48% = 1,964.93	Medicare Cost: 1.00% = 438.60
<u>Retirement Benefit:</u> FULL	<u>Total Benefits:</u> 14,617
Retirement Benefit: 8.09% = 3,548.27	

Notes: [none]

Position Justification:

Funding Detail:	Percent	Amount
1004 General Fund Receipts	100.00%	58,477.00
Total Funding:	100.00%	58,477.00

Position Detail:

Position Status: New
 Bargaining Unit: GG General Gov't Employees
 Class: #0016 [No Job Title Provided]
 Location: AWA Juneau
 Position Type: FACL Full Time
 Retirement: A PERS Other
 Salary Schedule: 1A BASE
 Strike Class: 1
 Overtime Eligible: Yes
 Position Frozen: No
 Position Split: No
 Project:
 Region:

Budgeted Months: 12.0
 Component Months: 12.0
 Merit Date: none
 Salary Change Date: none
 Calculation Method: Monthly - Steps and Months
 Range / Step 1: 16 A 3,173.00/mth. for 12.0 mths.
 Range / Step 2:
 Total Salary: 38,076
 Total Premium Pay: 0
 Total Benefits: 13,477
 Total COLA: 0
 Total Position Cost: 51,553

Premium Pay:

Overtime Pay: 0.00 Hours: 0.00
 Graveyard Pay: 0.00 Mths: 0.00
 Swing Shift Pay: 0.00 Mths: 0.00
 Hazardous Pay: 0.00
 Seaduty Pay: 0.00

Higher Class Pay: 0.00
 Standby Pay: 0.00
 Subsistence Pay: 0.00
 Additional Pay: 0.00
 Total Premium Pay: 0

Benefits:

Department Benefits: FULL
 Leave Cash-In: 1.36% = 517.83
 Risk Management: 0.82% = 312.22
 Unemployment Insurance: 0.42% = 159.92
 Term Leave: 1.88% = 715.83
 Short Term Non Perm: 0.00% = 0.00
 Unique Rate: 0.00% = 0.00
 Bargaining Unit Override Rate: 0.00% = 0.00
 Total Department Benefits: 4.48% = 1,705.80
 Retirement Benefit: FULL
 Retirement Benefit: 8.09% = 3,080.35

Statewide Benefit: FULL
 Health Insurance: 488.50 / Mth. = 5,862.00 / Yr.
 Life Insurance: 1.54 / Mth. = 18.48 / Yr.
 Legal Trust Fund: 8.00 / Mth. = 96.00 / Yr.
 Total Statewide Benefits: 498.04 / Mth. = 5,976.48 / Yr.
 SBS Benefits: FULL
 Supplement Benefits: 6.13% = 2,334.06
 Medicare Deduction: FULL
 Medicare Cost: 1.00% = 380.76
 Total Benefits: 13,477

Notes: [none]

Position Justification:

Funding Detail:

	Percent	Amount
1004 General Fund Receipts	100.00%	51,553.00
Total Funding:	100.00%	51,553.00

Position Detail:

Position Status: New	Budgeted Months: 12.0
Bargaining Unit: GG General Gov't Employees	Component Months: 12.0
Class: #0018 [No Job Title Provided]	Merit Date: none
Location: EBA Anchorage	Salary Change Date: none
Position Type: FACL Full Time	Calculation Method: Monthly - Steps and Months
Retirement: A PERS Other	Range / Step 1: 18 A 3,655.00/mth. for 12.0 mths.
Salary Schedule: 1A BASE	Range / Step 2:
Strike Class: 1	
Overtime Eligible: Yes	Total Salary: 43,860
Position Frozen: No	Total Premium Pay: 0
Position Split: No	Total Benefits: 14,617
Project:	Total COLA: 0
Region:	Total Position Cost: 58,477

Premium Pay:

Overtime Pay: 0.00 Hours: 0.00	Higher Class Pay: 0.00
Graveyard Pay: 0.00 Mths: 0.00	Standby Pay: 0.00
Swing Shift Pay: 0.00 Mths: 0.00	Subsistence Pay: 0.00
Hazardous Pay: 0.00	Additional Pay: 0.00
Seaduty Pay: 0.00	Total Premium Pay: 0

Benefits:

<u>Department Benefits:</u>	<u>FULL</u>
Leave Cash-In: 1.36% =	596.50
Risk Management: 0.82% =	359.65
Unemployment Insurance: 0.42% =	184.21
Term Leave: 1.88% =	824.57
Short Term Non Perm: 0.00% =	0.00
Unique Rate: 0.00% =	0.00
Bargaining Unit Override Rate: 0.00% =	0.00
Total Department Benefits:	1,964.93
<u>Retirement Benefit:</u>	<u>FULL</u>
Retirement Benefit: 8.09% =	3,548.27

<u>Statewide Benefits:</u>	<u>FULL</u>
Health Insurance: 488.50 / Mth.=	5,862.00 / Yr.
Life Insurance: 1.54 / Mth.=	18.48 / Yr.
Legal Trust Fund: 8.00 / Mth.=	96.00 / Yr.
Total Statewide Benefits:	498.04 / Mth.= 5,976.48 / Yr.

<u>SBS Benefits:</u>	<u>FULL</u>
Supplement Benefits: 6.13% =	2,688.62

<u>Medicare Deduction:</u>	<u>FULL</u>
Medicare Cost: 1.00% =	438.60

Total Benefits: 14,617

Notes: [none]

Position Justification:

Funding Detail:

	Percent	Amount
1004 General Fund Receipts	100.00%	58,477.00
Total Funding:	100.00%	58,477.00

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. SB 273

Revision Date/Time (Note if correction) _____ Dept. Affected _____
 Title oil discharge prevention and contingency plans BRU _____
 Sponsor Senator Drue Pearce Component _____
 Requester (S) Res Component No. _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
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 EXPENDITURES						
-----------------------------	--	--	--	--	--	--

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2000) cost: _____

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

SB 273 will create no fiscal impact to the state's general fund. However, the Alaska Railroad Corporation will incur a fiscal impact. Information attached

Prepared by: Wendy Lindskoog Phone 265-2498
 Division _____ Date/Time 2/19/00 4:48 PM
 Approved by Commissioner [Signature] Date 2/22/00
 Agency _____

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

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SB 273: By Senator Drue Pearce

Alaska Railroad Corporation Financial Responsibility:

Over the last several years, the Alaska Railroad corporation has had in place two \$10,000,000 lines of credit. One to meet self insurance requirements and one to meet operational requirements. These credit lines are with two separate national banks. They are currently for one year and are renewable annually. At this time, the lines of credit are whole and have not been drawn on.

The proposed legislation would require the Alaska Railroad to have proof of financial responsibility to respond to damages of approximately \$5,450,000. This amount is derived from a maximum of 100 tank cars per train, multiplied by 545 barrels per tank car, multiplied by \$100 per barrel. Typically, an Alaska Railroad fuel train pulls approximately 70 car loads of fuel.

It is the railroad's intent to use a portion of an existing line of credit as proof of financial ability.

The Alaska Railroad also estimates the following cost for oil discharge prevention and contingency plans:

- 1) Contingency plan development: \$250,000
Includes mapping, environmental assessment, response needs (personnel and equipment), public involvement, agency review
- 2) Risk assessment: \$400,000
Includes risk assessment and recommendations by consultants and public review
- 3) Contingency plan implementation: \$1,000,000 – first year, \$750,000 – subsequent years
Assumes cost of equipment, personnel, training, drills annually

1-LS1464D
Chenoweth
3/3/00

SRES

CS FOR SENATE BILL NO. 273()

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): SENATOR PEARCE

A BILL

FOR AN ACT ENTITLED

1 "An Act requiring oil discharge prevention and contingency plans and proof of
2 financial responsibility for nontank vessels and railroad tank cars; authorizing
3 inspection of nontank vessels and trains; and providing for an effective date."

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

5 * Section 1. AS 46.04 is amended by adding a new section to read:

6 Sec. 46.04.055. Nontank vessels and railroad tank cars. (a) A person may
7 not cause or permit the operation of a nontank vessel within the waters of the state or
8 cause or permit the transfer of oil to or from a nontank vessel unless

9 (1) effective June 1, 2001, an oil discharge prevention and contingency
10 plan has been approved by the department and the person is in compliance with the
11 plan; a plan under this paragraph is subject to the requirements of AS 46.04.030; and

12 (2) the person has furnished to the department and the department has
13 approved proof of financial ability to respond to damages meeting the requirements of
14 AS 46.04.040; proof of financial responsibility required under this paragraph is subject

L

1 to adjustment of dollar amounts under AS 46.04.045 and is established, for a nontank
2 vessel that carries

3 (A) persistent product as fuel or in bulk, at \$300 per incident
4 for each barrel of persistent product storage capacity or \$5,000,000, whichever
5 is greater; and

6 (B) nonpersistent product, at \$100 per incident for each barrel
7 of nonpersistent product storage capacity or \$1,000,000, whichever is greater.

8 (b) A person may not transport oil by railroad tank car or cause or permit the
9 transfer of oil to or from a railroad tank car unless

10 (1) effective June 1, 2001, an oil discharge prevention and contingency
11 plan has been approved by the department and the person is in compliance with the
12 plan; a plan under this paragraph is subject to the requirements of AS 46.04.030; and

13 (2) the person has furnished to the department and the department has
14 approved proof of financial ability to respond to damages meeting the requirements of
15 AS 46.04.040; proof of financial responsibility required under this paragraph is subject
16 to adjustment of dollar amounts under AS 46.04.045 and is established at

17 (A) \$300 per incident for each barrel of persistent product based
18 on the maximum amount of persistent product storage capacity of any train on
19 the railroad; and

20 (B) \$100 per incident for each barrel of nonpersistent product
21 based upon the maximum amount of nonpersistent product storage capacity of
22 any train on the railroad or \$1,000,000, whichever is greater.

23 (c) Effective June 1, 2001, for purposes of AS 46.04.030(k), response planning
24 standards apply to nontank vessels and railroad tank cars as follows:

25 (1) for a nontank vessel contingency plan required by (a)(1) of this
26 section,

27 (A) containment and control of 15 percent of the maximum oil
28 capacity of the nontank vessel within 48 hours; and

29 (B) cleanup of the discharge within the shortest possible time
30 consistent with minimizing damage to the environment;

31 (2) for a railroad tank car contingency plan required by (b)(1) of this

1 section,

2 (A) containment and control of 15 percent of the maximum oil
3 capacity of a train on the railroad within 48 hours; and

4 (B) cleanup of the discharge within the shortest possible time
5 consistent with minimizing damage to the environment.

6 (d) Notwithstanding the requirements of AS 46.04.040(1) and AS 46.04.047,
7 for purposes of (a)(2) and (b)(2) of this section, an applicant may provide evidence of
8 financial responsibility provided by an insurer or other person who does not agree to
9 be subject to direct action in state courts or to appoint an agent for service of process.

10 (e) The requirements of (a) - (d) of this section do not apply to a nontank
11 vessel operating in the waters of the state if the nontank vessel

12 (1) is engaged in innocent passage; for purposes of this paragraph, a
13 nontank vessel is engaged in innocent passage if its operation in state waters would
14 constitute innocent passage under either the Convention on the Territorial Sea and the
15 Contiguous Zone, April 29, 1958, 15 U.S.T. 1606, or the United Nations Convention
16 on the Law of the Sea 1982, December 10, 1982, U.N. Publication No. E 83.V.5, 21
17 I.L.M. 1261 (1982);

18 (2) enters state waters because of imminent danger to the crew, or in
19 an effort to prevent an oil spill or other harm to public safety or the environment, and
20 are inapplicable only until the vessel is able to leave state waters as soon as it may do
21 so without imminent risk of harm to the crew, public safety, or the environment; or

22 (3) enters state waters after the United States Coast Guard has
23 determined that the vessel is in distress, and are inapplicable only until the vessel is
24 able to leave state waters as soon as it may do so without imminent risk of harm to
25 the crew, public safety, or the environment.

26 (f) In place of the requirements of (a)(1), (b)(1), and (c)(1) of this section, the
27 department may adopt regulations by negotiated regulation making under AS 44.62.710
28 - 44.62.800 to provide for alternative means to obtain equivalent levels of spill
29 prevention and response, including the use of fleet plans, membership in a nonprofit
30 corporation that is a primary response action contractor and a contingency plan holder,
31 and spill prevention measures.

1 * Sec. 2. AS 46.04.060 is amended to read:

2 **Sec. 46.04.060. Inspections.** (a) In addition to other rights of access or
3 inspection conferred upon the department by law or otherwise, the department may at
4 reasonable times and in a safe manner enter and inspect oil terminal facilities,
5 pipelines, exploration and production facilities, tank vessels, nontank vessels, trains,
6 and oil barges in order to

7 (1) ensure compliance with the provisions of this chapter; or

8 (2) participate in an examination of the structural integrity and the
9 operating and mechanical systems of those vessels, barges, trains, pipelines, and
10 facilities by federal and state agencies with jurisdiction.

11 (b) When the department determines that no federal or state agencies with
12 jurisdiction are performing timely and adequate inspections of an oil terminal facility,
13 pipeline, exploration or production facility, tank vessel, nontank vessel, train, or oil
14 barge, it may perform its own inspection of the structural integrity and operating and
15 mechanical systems of a facility, pipeline, tank vessel, nontank vessel, train, or oil
16 barge by using personnel with qualifications in the areas being inspected.

17 * Sec. 3. AS 46.04.060 is amended by adding a new subsection to read:

18 (c) For purposes of this section, "train" includes tracks, associated facilities,
19 and operations.

20 * Sec. 4. AS 46.04.900(12) is amended to read:

21 (12) "oil terminal facility" means an onshore or offshore facility of any
22 kind, and related appurtenances, including but not limited to a deepwater port, bulk
23 storage facility, or marina, located in, on, or under the surface of the land or waters
24 of the state, including tide and submerged land, that [WHICH] is used for the purpose
25 of transferring, processing, refining, or storing oil; a vessel, other than a nontank
26 vessel, is considered an oil terminal facility only when it is used to make a ship-to-ship
27 transfer of oil, and when it is traveling between the place of the ship-to-ship transfer
28 of oil and an oil terminal facility;

29 * Sec. 5. AS 46.04.900(21) is amended to read:

30 (21) "vessel" includes tank vessels, [AND] oil barges, and nontank

31 vessels:

1 * Sec. 6. AS 46.04.900 is amended to add new paragraphs to read:

2 (24) "nonpersistent product" has the meaning given to "non-persistent
3 or Group I oil" in 33 C.F.R. 155.1020;

4 (25) "nontank vessel" means a self-propelled watercraft of 300 gross
5 registered tons or greater; in this paragraph, "watercraft" includes commercial fishing
6 vessels, commercial fish processor vessels, passenger vessels, and cargo vessels, but
7 does not include a tank vessel, oil barge, or public vessel;

8 (26) "persistent product" has the meaning given to "persistent oil" in
9 33 C.F.R. 155.1020;

10 (27) "public vessel" means a vessel that is operated by and is either
11 owned or bareboat chartered by the United States, a state or a political subdivision of
12 that state, or a foreign nation, except when the vessel is engaged in commerce;

13 (28) "railroad tank car" means rolling stock used to transport oil in bulk
14 as cargo by rail;

15 (29) "train" means connected rolling stock operated as a single moving
16 vehicle on rails; for purposes of this paragraph, "connected rolling stock" includes
17 railroad tank cars.

18 * Sec. 7. The uncodified law of the State of Alaska is amended by adding a new section
19 to read:

20 TRANSITIONAL PROVISIONS: REGULATIONS. (a) The Department of
21 Environmental Conservation may proceed to adopt regulations necessary to implement the
22 changes made by this Act. The regulations take effect under AS 44.62 (Administrative
23 Procedure Act), but not before the effective date of secs. 1 - 6 of this Act.

24 (b) If, under AS 46.04.055(f), added by sec. 1 of this Act, the Department of
25 Environmental Conservation adopts regulations by negotiated regulation making under
26 AS 44.62.710 - 44.62.800, or if, notwithstanding the authority provided in AS 46.04.055(f),
27 the Department of Environmental Conservation, using negotiated regulation making under
28 AS 44.62.710 - 44.62.800, adopts regulations to implement, interpret, or make specific the
29 requirements of the provisions added or amended by this Act, the Department of
30 Environmental Conservation shall provide to the members of the legislature, if in session, or
31 to the legislative council if the legislature is not in session, a comprehensive report

- 1 summarizing the activities undertaken to adopt the regulations using the negotiated regulation
- 2 making process authorized by AS 44.62.710 - 44.62.800.
- 3 * Sec. 8. Section 7 of this Act takes effect immediately under AS 01.10.070(c).
- 4 * Sec. 9. Except as provided in sec. 8 of this Act, this Act takes effect September 1, 2000.



Alaska Steamship Association

234 Gold Street • Juneau, Alaska 99801
(907) 586-3107 • Fax (907) 586-0165

March 19, 2000

The Honorable Rick Halford
Alaska State Senate
State Capitol Building
Juneau, Alaska 99801

Re: Senate Bill 273

Dear Senator Halford:

The Alaska Steamship Association (ASA) offers the following comments relative to SB – 273. Before doing so, we would like to acknowledge the work of Senator Pearce and Pat Carter and on this bill. The Senator and Pat have listened to our concerns to date in several work sessions, and accommodated us where they could.

SB – 273 would bring non-tank vessels under the oil spill contingency planning and response requirements that currently apply to tank vessels. In so doing, it closes a gap in existing state law, and a perceived gap in federal law. Many of the member companies (cargo, container and cruise) in ASA operate non-tank vessels, and thus we are directly impacted by the proposed legislation. Our members also provide maritime transportation services to the Alaskan timber, mining, and fishing industries.

As we learn more about the bill's consequences for our industry and those we serve, we will bring that knowledge to the legislature; with the hope that this bill can be improved wherever warranted. We intend to keep the bill's sponsor fully informed along the way, and to continue to work cooperatively with her.

Our ongoing specific concerns are:

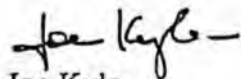
- the devil is in the detail in this legislation, and the bill leaves many of our concerns up to the Department of Environmental Conservation (DEC) to address through the negotiated regulation process;
- the additional financial burden this bill place on us, over and above what we already bear under existing federal statute, is not clear;

- the practical impact of this bill is that we will be forced to join the only statewide coop in place at this time, CHADUX;
- to our knowledge, CHADUX does not have the equipment that may be required to respond to spills of the persistent oils that many of our cargo vessels carry as bunkers;
- we do not know how this bill will affect the costs or availability of services we provide to remote areas of the state to service the timber, mining, and fishing industries;
- how the recent U.S. Supreme Court decision regarding the *Intertanko* case impacts DEC and the *neg reg* process is unclear, and lastly;
- we are anxious that the construct of this bill brings us under the existing statutory language that applies to tank vessels, an altogether different kettle of fish than non-tank vessels.

We acknowledge that DEC has publicly pledged to be reasonable with us as it adheres to the *neg reg* process to bring us into compliance, but we remain anxious. Regarding financial impacts for our customers and us, we are working those numbers and will supply the legislature with that information as soon as possible. If we learn the bill threatens to inhibit any existing service, we will notify the legislature immediately. Finally, we are exploring whether it may be more appropriate to address non-tank vessels in a separate chapter under the statute, rather than the current construct.

Thank you for accepting this written testimony. We look forward to continuing to work with Senator Pearce and the legislature on this bill, as we more fully understand its impacts upon our members and customers.

Sincerely,



Joe Kyle
Executive Director

**THE FOLLOWING PAGES MAY
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THE POOR QUALITY OF THE ORIGINAL**

U.S. Department
of Transportation

United States
Coast Guard



Commanding Officer
U. S. Coast Guard
Marine Safety Office Juneau

2780 Sherwood Lane Suite 2A
Juneau, AK 99801-8545
Staff Symbol:
Phone: (907) 463-2450
FAX: (907) 463-2445

16670

FEB 22 2000

Northstar Maritime
P. O. Box 102019
Anchorage, AK 99510

I am writing this letter to express my concern about the increased incidence of deepdraft vessel operators failing to comply with the navigation safety regulations contained in 33 CFR Part 164.33. Specifically, in the course of routine boardings, my inspectors have noted that vessels have navigated far within the internal waters of Southeast Alaska with inadequate charts and in some cases, prior to boarding a licensed Marine Pilot. This poses a significant risk to safe navigation and protection of the sensitive Alaskan marine environment. To address that risk and assist vessel agents and operators, my staff, with input from other marine professionals, has compiled a listing of charts (Enclosure 1) which I consider appropriate for entry into Southeast Alaskan waters and prior to boarding a licensed Marine Pilot.

For vessels greater than 1600 gross tons operating in the navigable waters of the United States, the navigation safety regulations specify in part, that each vessel must have charts that are "of a large enough scale and have enough detail to make safe navigation of the area possible....". This is particularly critical for vessels entering Southeast Alaskan waters and transiting to one of the several pilot boarding stations. Enclosure (1) lists the specific charts I consider necessary for that segment of the voyage. Vessel agents should use this information when coordinating pre-arrival arrangements for a vessel. This list does not relieve the vessel operator from having on board appropriate charts for the remainder of the transit inside Southeast Alaska. Failure to do so could result in vessel movement controls or civil penalty actions.

As Captain of the Port for Southeast Alaska, I am responsible for ensuring safe and environmentally sound maritime operations. To do that effectively, requires a shared commitment by all segments of the maritime community. I appreciate your continued support and ask that you use the information I provided to ensure the vessels you manage have the appropriate charts on board. If you have any questions please contact Lieutenant Jim Bartlett at (907) 463-2444.

Sincerely,

R. C. LORKIAN
Commander, U. S. Coast Guard
Officer in Charge, Marine Inspection
Southeast Alaska

Encl: (1) Navigation Charts Listing

Copy: Southeast Alaska Pilots' Association
Alaska Coastwise Pilots' Association
Alaska Marine Pilots Association
Southwest Alaska Pilot's Association
MSO Anchorage

received
2/11/00

A M E N D M E N T

OFFERED IN THE SENATE

TO: CSSB 273(), Draft Version "D"

1 Page 1, line 9, following "effective":

2 Delete "June 1"

3 Insert "November 1"

4 Page 2, line 3, following "(A)":

5 Insert "only"

6 Page 2, line 5:

7 Delete "and"

8 Page 2, line 6, following "(B)":

9 Insert "only"

10 Page 2, line 7, following "greater":

11 Insert "; and

12 (C) both persistent product as fuel or in bulk, and nonpersistent
13 product, at the applicable financial responsibility rate established in (A) or (B)
14 of this paragraph for the storage capacity of the vessel for persistent product
15 or nonpersistent product that predominates on the vessel"

16 Page 2, line 10, following "effective":

17 Delete "June 1"

18 Insert "November 1"

19 Page 2, line 23, following "effective":

- 1 Delete "June 1"
- 2 Insert "November 1"

SENATE COMMITTEE REPORT

First Committee of Referral

DATE: 2/15/00

FURTHER; Finance

Date of 5-Day Notice: 2/17/00
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 3/21/00

Resources Committee considered

SENATE BILL NO. 273

"An Act requiring oil discharge prevention and contingency plans and proof of financial responsibility for nontank vessels and railroad tank cars; authorizing inspection of nontank vessels and trains; and providing for an effective date."

and recommends:

be replaced with _____ CS SB 273 (RES)

adopt previous _____ CS _____

attached amendment(s)

adopt Letter of Intent by _____ Committee

further referral to the _____ Committee

Senate Bill:
 same title
 new title
House Bill:
 same title
 technical title
 new: SCR# _____

SIGNING <u>DO PASS</u>	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
		<i>[Signature]</i>	✓		
		<i>[Signature]</i>			
		<i>Colin L. Taylor</i>	✓		
		<i>Linda Meyer</i>	✓		
		<i>[Signature]</i>	✓		
CHAIR:		CHAIR: <i>Rick Helford</i>	✓		

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal
DCTPF	2/18/00		✓
DEC	2/18/00		✓

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

SB

283

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

Jo. 1
 Bill Version: SB 283
 (S) Publish Date: 2-28-00

Revision Date/Time: 23-Feb-00 Dept Affected: Natural Resources
 Title: An Act relating to accounting for and BRU: Minerals, Land & Water Development
appropriations of state land disposal program revenue. Component: Land Sales and Municipal Entitlements
 Sponsor: Rules Committee
 Requestor: Governor Component No. #2459

Expenditures/Revenues (Thousands of Dollars)
 Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	**	**	**	**	**	**

CAPITAL EXPENDITURES	**	**	**	**	**	**
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CHANGE IN REVENUES	**	**	**	**	**	**
---------------------------	-----------	-----------	-----------	-----------	-----------	-----------

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF		(789.6)	(789.6)	(789.6)	(789.6)	(789.6)
1061 CIP Receipts		(70.9)	(70.9)	(70.9)	(70.9)	(70.9)
1108 Statutory Designated PR		(363.1)	(363.1)	(363.1)	(363.1)	(363.1)
Other (Land Dis. Income Fund)		1,223.6	1,223.6	1,223.6	1,223.6	1,223.6
TOTAL	**	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2000) cost: \$ n/a

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)

Land Disposal Income Fund receipts can replace budgeted general fund, CIP and statutory designated program receipts starting in FY2002.

The revenues going into the Land Disposal Income Fund will fluctuate based on number of acres offered and sold. The current revenue stream is \$1.6 million.

For example, with an estimated re-offering of 50,000 acres currently in the inventory, plus an additional offer of 5,000 remote and 500 coastal acres, the revenue stream would increase by an estimated amount between \$2.2 and \$4.7 million.

Prepared by: Bob Loeffler, Director Phone: 269-8625
 Division: Mining, Land & Water Date: 23-Feb-00
 Approved by Commissioner: John Shively Date: _____
 Agency: Natural Resources

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SB283
#1

Continuation of fiscal note for: Land Disposal Income Fund

The Division of Mining, Land and Water estimates the cost of offering an acre of land in the following categories is:
Re-offers \$12.90
Remote \$250.00
Coastal \$753.00

** Based on these estimates, it would cost around an additional \$2,271.5 to offer 50,000 acres of re-offers, 5,000 acres of remotes and 500 acres of coastal land.

TONY KNOWLES
GOVERNOR
governor@gov.state.ak.us

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

P.O. Box 11900
Juneau, Alaska 99811-0900
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www.gov.state.ak.us

W-283

The Honorable Drue Pearce
President of the Senate
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

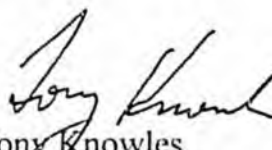
Dear President Pearce:

Thoughtfully crafted sales of state land can benefit the public as well as the state. Unfortunately, budget restraints severely limit the state's financial ability to plan and offer land sales. This bill I transmit today provides the mechanism for the state to sell land to Alaskans by placing proceeds of sales into a separate account that can then fund future sales.

Under this bill, receipts of the state land disposal program administered by the Department of Natural Resources (department) would be accounted for separately and placed in the state land disposal income fund. The Legislature may appropriate from the fund for department expenses associated with the program. The fund would be capped at \$5 million; any revenues in excess of \$5 million at the end of a given fiscal year would be deposited into the general fund.

I urge your prompt and favorable action on this measure.

Sincerely,


Tony Knowles
Governor

SENATE BILL NO. 283

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 2/28/00

Referred: Resources, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the accounting for and appropriations of state land disposal
2 program revenue; and providing for an effective date."

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

4 * Section 1. AS 37.05.146(b)(4) is amended by adding a new subparagraph to read:

5 (X) state land disposal program (AS 38.04.022);

6 * Sec. 2. AS 38.04.022(a) is amended to read:

7 (a) The revenue from the [SALE OF] state land disposal program shall be
8 deposited in the [A SPECIAL] state land disposal income fund [ACCOUNT] in the
9 state treasury. On June 30 of each fiscal year, the portion of that fund that
10 exceeds \$5,000,000 shall be deposited in the state general fund. Under
11 AS 37.05.146(b), amounts in the state land disposal income fund shall be
12 accounted for separately, and appropriations from the fund are not made from
13 the unrestricted general fund. The legislature may appropriate money from the
14 [SPECIAL] state land disposal income fund [ACCOUNT] for expenditures by the

1 Department of Natural Resources for necessary costs incurred by the commissioner in
2 the implementation of state land disposal programs authorized under this title or for
3 any other public purpose.

4 * **Sec. 3.** This Act takes effect July 1, 2000.



43961 Kalifornsky Beach Road • Suite E • Soldotna, Alaska • 99669
(907) 262-2492 • Fax: (907) 262-2898 • E Mail: kpfa@alaska.net

March 29, 2000

Senator Rick Halford Chairman
Senate Resource Committee
State Capitol
Juneau, Alaska 99801

Dear Senator Halford

The Kenai Peninsula Fishermen's Association represents the interests of approximately 400 members who set gillnet for salmon commercially along the shores of Cook Inlet. The majority of our members currently hold shore fishery leases. KPFA strongly supports CS283(RES) and asks that you pass it out of committee at today's meeting.

We certainly appreciate your recognition that SB258 was a totally unacceptable bill. Your efforts in producing CS283 has resulted in a bill that offers stability to a uniquely Alaskan industry in a fiscally responsible manner.

Thank you for your efforts.

Sincerely,

Karl Kircher
Executive Director

Subject: CS 283

Date: Wed, 29 Mar 2000 12:45:03 -0900

From: SandyAlaska <sbs@alaska.net>

To: Juli_Lucky@legis.state.ak.us

To : Sen. Halford and the Senate Resource Committee

Ugashik Set Net Association wants to thank you for the assistance in getting funding restored to / for the original Shore Fishery Lease program.

We will be monitoring this bill thro the Senate Finance Committee and over in the House Fisheries Committee.

Thanks again to all of you for helping to maintain a program that supported itself and was income producing state.

Sandy Umlauf

Ugashik Set Net Association

<www.alaska.net/~sbs/ugashikweb>

> ° °

> ° °

> <"/><

Subject: CS 283

Date: Wed, 29 Mar 2000 13:22:58 -0900

From: "J&V" <vadams@gci.net>

To: <Juli_Lucky@legis.state.ak.us>

Dear Sen. Halford, Senate Resources Committee,

Being a set net fisherman who has held a shore lease for 21 years, I am most appreciative of the recent solutions you have crafted to maintain the lease program. It makes good sense to maintain a program that pays its own way and in no way burdens the State of Alaska. Again, thank you for your "resourcefulness" in dealing with this problem of too long. I very much look forward to the reinstatement of an efficient working shore fishery lease program.

Sincerely,

Virginia Adams, Kodiak

SENATE COMMITTEE REPORT

First Committee of Referral

DATE: 2/28/00

FURTHER: Finance

Date of 5-Day Notice: 3/23/00
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 3/30/00

Resources Committee considered

SENATE BILL NO. 283

"An Act relating to the accounting for and appropriations of state land disposal program revenue; and providing for an effective date."

and recommends:

- be replaced with _____ CS SB 283 (RES)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:**
 same title
 new title
House Bill:
 same title
 technical title
 new: SCR# _____

<u>SIGNING DO PASS</u>	<u>DP</u>	<u>OTHER RECOMMENDATIONS</u>	<u>NR</u>	<u>DNP</u>	<u>AM</u>
<i>Miss L. Taylor</i>	<input checked="" type="checkbox"/>				
<i>Scott Powell</i>					
<i>Lyle Streeb</i>	<input checked="" type="checkbox"/>				
<i>Pete Kelly</i>	<input checked="" type="checkbox"/>				
<i>Demetrius Hudson</i>	<input checked="" type="checkbox"/>				
CHAIR: <i>Rick Halford</i>	<input checked="" type="checkbox"/>	CHAIR:			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal
<i>DNR</i>			
<i>Fiscal Notes</i>			
<i>Forth coming.</i>			

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal
<i>DNR</i>	<i>2/28/00</i>		

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. CSSB 283(RES)

Revision Date/Tim 30-Mar-00

Dept Affected: Natural Resources

Title: An Act establishing the shore fisheries

BRU: Minerals, Land & Water Development

development lease program account...revenue...land disposal...

Component: Claims, Permits and Leases

Sponsor: S Rules

Requestor: SRES

Component No #2460

Expenditures/Revenues

(Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006
PERSONAL SERVICES	161.0	161.0	161.0	161.0	161.0	161.0
TRAVEL	22.0	22.0	22.0	22.0	22.0	22.0
CONTRACTUAL	17.0	17.0	17.0	17.0	17.0	17.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	200.0	200.0	200.0	200.0	200.0	200.0

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

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)
1037 GF/Mental Health						
1108 SDPR	300.0	300.0	300.0	300.0	300.0	300.0
TOTAL	200.0	200.0	200.0	200.0	200.0	200.0

Estimate of any current year (FY2000) cost: \$

n/a

POSITIONS

FULL-TIME	3	3	3	3	3	3
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS:

(Attach a separate page if necessary)

This fiscal note shows that in FY2001 there is a fund source switch of \$100.0 GFPR to Statutory Designated Program Receipts, and a restoration of funding in the amount of \$200.0 SDPR. The out-years reflect that the one-time fund source switch remains in effect -- there are not additional switches.

This bill restores funding for the existing shore fisheries leasing program by converting it to statutory designated program receipts. It has previously been sourced as general fund, program receipts. In the department's FY 2000 budget, funding for the program was cut to a third of its previous level. In response to this reduction, DNR proposed a

[Cont.]

Prepared by: Bob Loeffler

Division: Mining, Land and Water

Approved by Commissioner:

John Shively

Agency:

Natural Resources

Phone: 269-8625

Date: 30-Mar-00

Date: 30-Mar-00

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Continuation of fiscal note:

self-executing registration system for commercial set net fishing sites that the department could oversee within the amount budgeted. However, commercial setnetters objected that the proposed replacement system would not give them the same security of tenure as a shore fisheries lease. It would also have eliminated DNR's role in resolving conflicts between applicants competing for the same fishing site, leaving them to settle the issue by arbitration or in court. Finally, it would no longer have required a survey plat or shore fishery lease diagram, leading to more boundary disputes.

Funding that would be restored under this bill would provide a Natural Resource Officer II (Range 16) to adjudicate leases, a Surveyor I to review shore fishery lease diagrams, and a Natural Resource Technician II (Range 12) to research land status, do data entry, and handle routine lease administration. It would also provide travel and contractual funds for on-site inspections of disputed sites. The existing lease program brings in approximately \$360.0 a year, and is expected to continue to generate that level of revenue.

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. CSSB 283(RES)

Revision Date/Tim 30-Mar-00

Dept Affected: Natural Resources

Title: An Act establishing the shore fisheries
development lease program account ... revenue... land disposal...

BRU: Minerals, Land & Water Development

Component: Land Sales and Municipal Entitlements

Sponsor: S Rules

Requestor: SRES

Component No. #2459

Expenditures/Revenues

(Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006
PERSONAL SERVICES	525.9	530.0	500.0	460.0	460.0	460.0
TRAVEL	15.0	15.0	15.0	15.0	15.0	15.0
CONTRACTUAL	460.4	636.4	467.4	459.4	459.4	459.4
SUPPLIES	8.0	5.0	5.0	5.0	5.0	5.0
EQUIPMENT	5.0	5.0	5.0	5.0	5.0	5.0
LAND & STRUCTURES						
GRANTS & CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	1,014.3	1,191.4	992.4	944.4	944.4	944.4

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES	2,300.0	2,783.0	3,411.0	3,481.0	3,781.0	3,981.0
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	(789.6)	(789.6)	(789.6)	(789.6)	(789.6)	(789.6)
1061 CIP Receipts	(70.9)	(70.9)	(70.9)	(70.9)	(70.9)	(70.9)
1108 Statutory Designated PR	(363.1)	(363.1)	(363.1)	(363.1)	(363.1)	(363.1)
Other (Land Disp. Income Fund)	2,167.0	2,415.0	2,216.0	2,168.0	2,168.0	2,168.0
TOTAL	1,014.3	1,191.4	992.4	944.4	944.4	944.4

Estimate of any current year (FY2000) cost: \$

N/A

POSITIONS

FULL-TIME	8	9	9	8	8	8
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS:

(Attach a separate page if necessary)

Note: The fiscal note is designed to show the fund source switches which will be done once, and the annual net increased cost to implement this legislation. For example, in FY2001 there is a fund source switch of \$789.6 GF and \$363.1 SDPR to the Land Disposal Income Fund, and an additional \$1,014.3 of Land Disposal Income Fund. The out- years on the fiscal note reflect that the one-time fund source switches remain in effect -- they are not additional fund source switches.

Costs. This fiscal note includes three cost items:

1. The Land Sales and Municipal Entitlement component from the proposed FY 01 operating budget. It includes the \$1,152.7K that would be deleted from general fund and existing SDPR sources and transferred to the new land disposal income fund, plus \$150K for land title costs. In year FY 02, an additional \$70.9 in CIP funds is deleted.

(Continued on next page)

Prepared by: Bob Loeffler, Director

Phone: 269-8625

Division: Mining, Land & Water

Date: 30-Mar-00

Approved by Commissioner:

John Shively

Date: 30-Mar-00

Agency: Natural Resources

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2 A new land disposal program that includes offering 55,500 acres for sale in FY 02 and 03. This offering would cost \$2,271K spread over FY 01, 02 and 03. It would include:

- Comprehensive Re-Offering of 50,000 acres (5,000 parcels) of existing subdivision lots (these are re-offerings of parcels not previously sold, sold but foreclosed upon, etc.);
- Remote offerings of 5,000 acres (500 parcels) offered under the remote recreation cabin site program (these offerings begin as leases, then convert to sales when surveyed); and
- New Subdivisions of 500 acres (100 parcels) of new subdivisions.

3. Continued Land Disposal in FY 04, 05, 06, and preparing for future years. To maintain a stable land disposal program, it will be necessary to continue offering lots to replace the remote offerings and subdivision lots sold in FY 02 and 03. These costs begin in FY 02 and continue throughout the fiscal note period, stabilizing at about \$794K annually.

Revenues. The "Change in Revenues" in this fiscal note combines three sources of revenue:

1. Revenues from past sales. The state expects to receive approximately \$1,600K each year of the fiscal note from sales made in past years.
2. Revenues from the first 55,000 acres offered. Revenues from sale of the first 55,000 acres begin in FY 02 and continue through the fiscal note.
3. Revenues from future land disposals in FY 04, 05, and 06. Taken together, these three sources of revenue over the six-year period are expected to total over \$18.8 million, but fluctuate somewhat from year to year.

Additional details (cost and revenue projections) are shown in the table on the next page. The table shows that in the first year, the costs barely cover the revenues, but that the revenues grow every year thereafter. By FY 2006, the land disposal income fund includes a balance of more than \$5 million and the excess, beginning with that year's surplus of \$535K, is transferred to the general fund by operation of law under SB 283.

The number of new positions in the program would be either 8 or 9, of which 3 are needed for land title work.

(Continued on next page)

	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
COSTS						
Existing Cost of Component (See P. 1)	\$ 1,303	\$ 1,374	\$ 1,374	\$ 1,374	\$ 1,374	\$ 1,374
Additional \$2,271 to fund first 55,000 acres to be offered in FY 02 and 03, and continued funding for sales thereafter:						
Comprehensive Re-offe	\$ 275	\$ 323	\$ 48	-	-	-
Remot	\$ 418	\$ 418	\$ 418	\$ 418	\$ 418	\$ 418
Subdivision	\$ 100	\$ 300	\$ 376	\$ 376	\$ 376	\$ 376
Total Cost:	\$ 2,096	\$ 2,415	\$ 2,216	\$ 2,168	\$ 2,168	\$ 2,168
REVENUES						
Revenues from Past Sales	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600
Revenues from Planned FY 01 Sales	\$ 700	\$ 433	\$ 466	\$ 366	\$ 366	\$ 366
Revenues from FY 02 and Future Sales		\$ 750	\$ 1,245	\$ 1,315	\$ 1,515	\$ 1,715
Total Revenue:	\$ 2,300	\$ 2,783	\$ 3,311	\$ 3,281	\$ 3,481	\$ 3,681
FUND BALANCE						
Balance of Land Disposal Income Fund at year's end:	\$ 204	\$ 572	\$ 1,667	\$ 2,780	\$ 4,093	\$ 5,606
Amount Spilled Over to the General Fund	-	-	-	-	-	\$ 606

SB

296

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. SB 296

Revision Date/Time (Note if correction) 03/28/00 9:40 AM Dept. Affected Environmental Conservation
Title An act relating to charges for state services BRU Air and Water
Component Water Quality

Sponsor Senate Finance
Requester Senate Resources Component No. 2062

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	113.5	75.4	50.8	50.8	50.8	50.8
Travel	10.0	7.5	5.0	5.0	5.0	5.0
Contractual	131.3	31.6	27.6	25.1	25.1	25.1
Supplies	2.0	1.5	1.0	1.0	1.0	1.0
Equipment	15.0	0.0	0.0	0.0	0.0	0.0
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	271.8	116.0	84.4	81.9	81.9	81.9

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	(356.8)	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	271.8	492.0	84.4	81.9	81.9	81.9
1005 GF/Program Receipts		158.5				
1037 GF/Mental Health						
1108 Stat Pgm Receipts		(534.5)				
TOTAL	271.8	116.0	84.4	81.9	81.9	81.9

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time	2	1	0	0	0	0
Part-time	0	1	2	2	2	2
Temporary	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Please see attached explanation.

Prepared by: Barbara Frank
Division: Administrative Services
Approved by Commissioner: [Signature]
Agency: Department of Environmental Conservation

Phone 465-5010
Date/Time 3/28/00 9:36 AM
Date 3 28 00

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Reduction in Revenues Collected

The bill limits costs which can be recovered rather than current language that permits full cost recovery. As a result, less revenues can be collected. The department conducted an in depth analysis of the data collected by the Solid Waste program in FY 1999 to project lost revenues. Data collected by the Solid Waste program is the best quality and most complete. It is representative of likely impacts of limiting the hourly rates and reducing the pool of costs which can be recovered. Based on that analysis, program revenues collected would drop by 56%. The bill tempered this by increasing the rate allowed to cover actual benefits. With a delayed implementation date, the loss of revenues is reflected in the second year of the fiscal notes.

A secondary issue is the goal to establish as many fixed fees as possible. It is not possible to project how many fees will be collected as fixed, negotiated agreements or time and materials. Fees collected under negotiated agreements can be treated as statutory program receipts but fixed or time and materials billings may not. A department can not ask for additional GF program receipt authority as an RPL. As a result, the Water Quality fiscal note returns all receipt authority to general fund program receipts.

The bill exempts businesses with less than 20 people from paying for inspection travel. The impact is expected in Water Quality. In Water Quality, collections will be reduced by 19.2 beginning in year 2. This is based on an estimate of 100 state, 200 placer mines, and 190 general permits being issued to businesses with less than 20 employees.

Tracking Costs and Time and Materials Billings

The intent of the bill is to have fixed fees where feasible. However, when it is not feasible, the department must be able to bill time and materials. Time tracking will be needed at the desktop of individual employees. The costs of time tracking is allocated equally to the programs affected by the bill. The department selected a program the department currently uses called "Timeslips" to respond to the uniform accounting and invoicing system requirements. It is in use by the air and the food safety and sanitation programs.

Savings are available starting in year two by basing the four year fixed fee review on estimated rather than actual costs. Actual costs require the department to do ¼ hour time tracking on all designated regulatory services by all affected employees. Staff will analyze and prepare customized reporting from the time tracking records to support the actual costs adjustments to fixed fees. The agency proposes to use estimated rather than actual costs for both the original and subsequent updates to fixed fees. If that change were made that savings would be:

Solid Waste

Delete Env Tech II	52.2
Reduce Time Accounting	19.1

Drinking Water and Domestic Wastewater

Delete Env Tech II	52.2
Reduce Time Accounting	19.1

Water Quality

Reduce Env Tech II	26.1
Reduce Time Accounting	19.1

Total Savings Available 187.8

Increased Costs for Regulatory Process, Negotiation, Appeals and Petitions

Third, the bill increases costs by requiring the agency to set standard designated regulatory services fees in regulation; by allowing permittees to negotiate permit costs; and allowing appeals of charges based on both objective and subjective criteria.

There is a strong preference to have predictable fixed fees for services. Initially the fixed fees are estimates but in future revisions actuals are required. Developing those fixed fees will require examination of invoices and records to date to categorize different activities. Using the regulatory process will require program staff to examine similarities in services, administrative staff to assign costs, a regulation specialist to prepare regulatory language, and services of an attorney. Contractual costs will be incurred for public notices and hearings.

Appeals are permitted and envisioned on the billings. Resolving informal and formal appeals will require program staff to examine the text of the billing, administrative staff to research comparables and assign costs, and will also require the assistance of a regulations specialist. The bill reduces the need for assistance from a paralegal after the initial regulation process in year 1.

YEAR 1

Solid Waste

Increased Costs to Implement SB 296:

(Regulations)

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry
Including Public Notices, Advertising, Mailing and Copying, Hearings
Time Tracking/Cost Accounting System

Legal Support - Regulations Specialist

Total Increased Costs Year 1:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Technician II	43.2	5.0	3.0	1.0	7.5	59.7	59.7			59.7	1
Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings Time Tracking/Cost Accounting System			100.0			100.0	100.0			100.0	
			62.1			62.1	62.1			62.1	
Legal Support - Regulations Specialist			18.2			18.2	18.2			18.2	
Total Increased Costs Year 1:	43.2	5.0	183.3	1.0	7.5	240.0	240.0	0.0	0.0	240.0	1

Drinking Water & Domestic Wastewater

Increased Costs to Implement SB 296:

(Regulations)

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry
Including Public Notices, Advertising, Mailing and Copying, Hearings
Time Tracking/Cost Accounting System

Legal Support - Regulations Specialist

Total Increased Costs Year 1:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Technician II	43.2	5.0	3.0	1.0	7.5	59.7	59.7			59.7	1
Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings Time Tracking/Cost Accounting System			12.0			12.0	12.0			12.0	
			62.1			62.1	62.1			62.1	
Legal Support - Regulations Specialist			18.2			18.2	18.2			18.2	
Total Increased Costs Year 1:	43.2	5.0	95.3	1.0	7.5	152.0	152.0	0.0	0.0	152.0	1

Water Quality

Increased Costs to Implement SB 296:

(Regulations)

Env. Specialist IV

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry
Including Public Notices, Advertising, Mailing and Copying, Hearings
Time Tracking/Cost Accounting System

Legal Support - Regulations Specialist

Total Increased Costs Year 1:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Specialist IV	70.3	5.0	3.0	1.0	7.5	86.8	86.8			86.8	1
Env. Technician II	43.2	5.0	3.0	1.0	7.5	59.7	59.7			59.7	1
Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings Time Tracking/Cost Accounting System			45.0			45.0	45.0			45.0	
			62.1			62.1	62.1			62.1	
Legal Support - Regulations Specialist			18.2			18.2	18.2			18.2	
Total Increased Costs Year 1:	113.5	10.0	131.3	2.0	15.0	271.8	271.8	0.0	0.0	271.8	2

YEAR 2

Solid Waste

Increased Costs to Implement SB 296:

(Regulations, Negotiations, Appeals, Petitions)

Env. Specialist III

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry
Including Public Notices, Advertising, Mailing and Copying, Hearings
Time Tracking/Cost Accounting System

Total Increased Costs Year 2:

Lost Revenues Funding Source Switch

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Specialist III	62.2	5.0	3.0	1.0	7.5	78.7	78.7			78.7	1
Env. Technician II	43.2	5.0	3.0	1.0	0.0	52.2	52.2			52.2	1
Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings Time Tracking/Cost Accounting System			5.0			5.0	5.0			5.0	
			22.1			22.1	22.1			22.1	
Total Increased Costs Year 2:	105.4	10.0	33.1	2.0	7.5	158.0	158.0	0.0	0.0	158.0	2
Lost Revenues Funding Source Switch							230.4	(230.4)		0.0	

Drinking Water & Domestic Wastewater

Increased Costs to Implement SB 296:

(Regulations, Negotiations, Appeals, Petitions)

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry
Including Public Notices, Advertising, Mailing and Copying, Hearings
Time Tracking/Cost Accounting System

Total Increased Costs Year 2:

Lost Revenues Funding Source Switch

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Technician II	43.2	5.0	3.0	1.0	0.0	52.2	52.2			52.2	1
Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings Time Tracking/Cost Accounting System			22.1			22.1	22.1			22.1	
Total Increased Costs Year 2:	43.2	5.0	25.1	1.0	0.0	74.3	74.3	0.0	0.0	74.3	1
Lost Revenues Funding Source Switch							156.1	(156.1)		0.0	

Water Quality

Increased Costs to Implement SB 296:

(Regulations, Negotiations, Appeals, Petitions)

Env. Specialist IV

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry
Including Public Notices, Advertising, Mailing and Copying, Hearings
Time Tracking/Cost Accounting System

Total Increased Costs Year 2:

Lost Revenues Funding Source Switch

Lost Revenues for Inspection Travel Businesses < 20 employees

Change Statutory Program Receipts to GF Prgm Receipts

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Specialist IV	32.2	2.5	1.5	0.5	0.0	36.7	36.7			36.7	0.5
Env. Technician II	43.2	5.0	3.0	1.0	0.0	52.2	52.2			52.2	1
Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings Time Tracking/Cost Accounting System			5.0			5.0	5.0			5.0	
			22.1			22.1	22.1			22.1	
Total Increased Costs Year 2:	75.4	7.5	31.6	1.5	0.0	116.0	116.0	0.0	0.0	116.0	1.5
Lost Revenues Funding Source Switch							356.8	(78.9)	(277.9)	0.0	
Lost Revenues for Inspection Travel Businesses < 20 employees							19.2	(19.2)		0.0	
Change Statutory Program Receipts to GF Prgm Receipts								256.6	(256.6)	0.0	

YEAR 3

Solid Waste

Increased Costs to Implement SB 296:

(Regulations, Negotiations, Appeals, Petitions)

Env. Specialist III

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry
Including Public Notices, Advertising, Mailing and Copying, Hearings
Time Tracking/Cost Accounting System

Total Increased Costs Year 3:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Specialist III	62.2	5.0	3.0	1.0	0.0	71.2	71.2			71.2	1
Env. Technician II	43.2	5.0	3.0	1.0	0.0	52.2	52.2			52.2	1
(Other Related Costs)											
Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings Time Tracking/Cost Accounting System			5.0			5.0	5.0			5.0	
			22.1			22.1	22.1			22.1	
Total Increased Costs Year 3:	105.4	10.0	33.1	2.0	0.0	150.5	150.5	0.0	0.0	150.5	2

Drinking Water & Domestic Wastewater

Increased Costs to Implement SB 296:

(Regulations, Negotiations, Appeals, Petitions)

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry
Including Public Notices, Advertising, Mailing and Copying, Hearings
Time Tracking/Cost Accounting System

Total Increased Costs Year 3:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Technician II	43.2	5.0	3.0	1.0	0.0	52.2	52.2			52.2	1
(Other Related Costs)											
Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings Time Tracking/Cost Accounting System						0.0				0.0	
			22.1			22.1	22.1			22.1	
Total Increased Costs Year 3:	43.2	5.0	25.1	1.0	0.0	74.3	74.3	0.0	0.0	74.3	1

Water Quality

Increased Costs to Implement SB 296:

(Regulations, Negotiations, Appeals, Petitions)

Env. Specialist IV

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry
Including Public Notices, Advertising, Mailing and Copying, Hearings
Time Tracking/Cost Accounting System

Total Increased Costs Year 3:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Specialist IV	32.2	2.5	1.5	0.5	0.0	36.7	36.7			36.7	0.5
Env. Technician II	18.6	2.5	1.5	0.5	0.0	23.1	23.1			23.1	0.5
(Other Related Costs)											
Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings Time Tracking/Cost Accounting System			2.5			2.5	2.5			2.5	
			22.1			22.1	22.1			22.1	
Total Increased Costs Year 3:	50.8	5.0	27.6	1.0	0.0	84.4	84.4	0.0	0.0	84.4	1

YEAR 4+

Solid Waste

Increased Costs to Implement SB 296:

(Regulations, Negotiations, Appeals, Petitions)

Env. Specialist III

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry
Including Public Notices, Advertising, Mailing and Copying, Hearings
Time Tracking/Cost Accounting System

Total Increased Costs Year 4+:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Specialist III	28.1	2.5	1.5	0.5	0.0	32.6	32.6			32.6	0.5
Env. Technician II	43.2	5.0	3.0	1.0	0.0	52.2	52.2			52.2	1
(Other Related Costs)											
Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings Time Tracking/Cost Accounting System			5.0			5.0	5.0			5.0	
			22.1			22.1	22.1			22.1	
Total Increased Costs Year 4+:	71.3	7.5	31.6	1.5	0.0	111.9	111.9	0.0	0.0	111.9	1.5

Drinking Water & Domestic Wastewater

Increased Costs to Implement SB 296:

(Regulations, Negotiations, Appeals, Petitions)

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry
Including Public Notices, Advertising, Mailing and Copying, Hearings
Time Tracking/Cost Accounting System

Total Increased Costs Year 4+:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Technician II	43.2	5.0	3.0	1.0	0.0	52.2	52.2			52.2	1
(Other Related Costs)											
Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings Time Tracking/Cost Accounting System						22.1	22.1			22.1	
			22.1			22.1	22.1			22.1	
Total Increased Costs Year 4+:	43.2	5.0	25.1	1.0	0.0	74.3	74.3	0.0	0.0	74.3	1

Water Quality

Increased Costs to Implement SB 296:

(Regulations, Negotiations, Appeals, Petitions)

Env. Specialist IV

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry
Including Public Notices, Advertising, Mailing and Copying, Hearings
Time Tracking/Cost Accounting System

Total Increased Costs Year 4+:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Specialist IV	32.2	2.5	1.5	0.5	0.0	36.7	36.7			36.7	0.5
Env. Technician II	18.6	2.5	1.5	0.5	0.0	23.1	23.1			23.1	0.5
(Other Related Costs)											
Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings Time Tracking/Cost Accounting System			2.5			2.5	2.5			2.5	
			22.1			22.1	22.1			22.1	
Total Increased Costs Year 4+:	50.8	5.0	25.1	1.0	0.0	81.9	81.9	0.0	0.0	81.9	1

Personal Services New Position Detail

Department of Environmental Conservation

Scenario: FY2001 Legislative Fiscal Note Info
 Component: Water Quality (2062)
 BRU Name: Air and Water Quality

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range & Steps	Budgeted Months	Split / Annual Count Salary	COLA	Premium Pay	Annual Benefits	Total Costs	
18-#007	Environmental Spec IV	FT	A	GG	Anchorage	1A	20 C	12.0	53,724	0	0	16,560	70,284	
Justification:							Funding Detail:							
Implementation of SB 296							1004 General Fund Receipts 100.00% 70,284							
											Total Funding:		100.00%	70,284
18-#011	Environmental Tech II	FT	A	GG	Anchorage	1A	12 C	12.0	31,068	0	0	12,097	43,165	
Justification:							Funding Detail:							
Implementation of SB 296							1004 General Fund Receipts 100.00% 43,165							
											Total Funding:		100.00%	43,165

Component Summary:

Total New Positions: 2

Fund Description	Fund Percent	Fund Amount
1004 General Fund Receipts	100.00%	113,449
Total Funding:		100.00% 113,449

Note: If a position is split, an asterisk (*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (**) will appear in this column.

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. SB 296

Revision Date/Time (Note if correction) 03/28/00 9:40 AM Dept. Affected Environmental Conservation
 Title An act relating to charges for state services BRU Environmental Health
 Component Drinking Water
 Sponsor Senate Finance
 Requester Senate Resources Component No. 2066

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	43.2	43.2	43.2	43.2	43.2	43.2
Travel	5.0	5.0	5.0	5.0	5.0	5.0
Contractual	95.3	25.1	25.1	25.1	25.1	25.1
Supplies	1.0	1.0	1.0	1.0	1.0	1.0
Equipment	7.5	0.0	0.0	0.0	0.0	0.0
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	152.0	74.3	74.3	74.3	74.3	74.3

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
-----------------------------	------------	------------	------------	------------	------------	------------

CHANGE IN REVENUES ()	0.0	(156.1)	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	152.0	230.4	74.3	74.3	74.3	74.3
1005 GF/Program Receipts		(156.1)				
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	152.0	74.3	74.3	74.3	74.3	74.3

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time	1	1	1	1	1	1
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Please see attached explanation.

Prepared by: Barbara Frank
 Division: Administrative Services
 Approved by Commissioner: [Signature]
 Agency: Department of Environmental Conservation

Phone 465-5010
 Date/Time 3/28/00 9:36 AM
 Date 3 28 00

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Reduction in Revenues Collected

The bill limits costs which can be recovered rather than current language that permits full cost recovery. As a result, less revenues can be collected. The department conducted an in depth analysis of the data collected by the Solid Waste program in FY 1999 to project lost revenues. Data collected by the Solid Waste program is the best quality and most complete. It is representative of likely impacts of limiting the hourly rates and reducing the pool of costs which can be recovered. Based on that analysis, program revenues collected would drop by 56%. The bill tempered this by increasing the rate allowed to cover actual benefits. With a delayed implementation date, the loss of revenues is reflected in the second year of the fiscal notes.

A secondary issue is the goal to establish as many fixed fees as possible. It is not possible to project how many fees will be collected as fixed, negotiated agreements or time and materials. Fees collected under negotiated agreements can be treated as statutory program receipts but fixed or time and materials billings may not. A department can not ask for additional GF program receipt authority as an RPL. As a result, the Water Quality fiscal note returns all receipt authority to general fund program receipts.

The bill exempts businesses with less than 20 people from paying for inspection travel. The impact is expected in Water Quality. In Water Quality, collections will be reduced by 19.2 beginning in year 2. This is based on an estimate of 100 state, 200 placer mines, and 190 general permits being issued to businesses with less than 20 employees.

Tracking Costs and Time and Materials Billings

The intent of the bill is to have fixed fees where feasible. However, when it is not feasible, the department must be able to bill time and materials. Time tracking will be needed at the desktop of individual employees. The costs of time tracking is allocated equally to the programs affected by the bill. The department selected a program the department currently uses called "Timeslips" to respond to the uniform accounting and invoicing system requirements. It is in use by the air and the food safety and sanitation programs.

Savings are available starting in year two by basing the four year fixed fee review on estimated rather than actual costs. Actual costs require the department to do ¼ hour time tracking on all designated regulatory services by all affected employees. Staff will analyze and prepare customized reporting from the time tracking records to support the actual costs adjustments to fixed fees. The agency proposes to use estimated rather than actual costs for both the original and subsequent updates to fixed fees. If that change were made that savings would be:

Solid Waste

Delete Env Tech II	52.2
Reduce Time Accounting	19.1

Drinking Water and Domestic Wastewater

Delete Env Tech II	52.2
Reduce Time Accounting	19.1

Water Quality

Reduce Env Tech II	26.1
Reduce Time Accounting	19.1

Total Savings Available	187.8
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Increased Costs for Regulatory Process, Negotiation, Appeals and Petitions

Third, the bill increases costs by requiring the agency to set standard designated regulatory services fees in regulation; by allowing permittees to negotiate permit costs; and allowing appeals of charges based on both objective and subjective criteria.

There is a strong preference to have predictable fixed fees for services. Initially the fixed fees are estimates but in future revisions actuals are required. Developing those fixed fees will require examination of invoices and records to date to categorize different activities. Using the regulatory process will require program staff to examine similarities in services, administrative staff to assign costs, a regulation specialist to prepare regulatory language, and services of an attorney. Contractual costs will be incurred for public notices and hearings.

Appeals are permitted and envisioned on the billings. Resolving informal and formal appeals will require program staff to examine the text of the billing, administrative staff to research comparables and assign costs, and will also require the assistance of a regulations specialist. The bill reduces the need for assistance from a paralegal after the initial regulation process in year 1.

YEAR 1

Solid Waste

Increased Costs to Implement SB 296:

(Regulations)

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry
Including Public Notices, Advertising, Mailing and Copying, Hearings
Time Tracking/Cost Accounting System
Legal Support - Regulations Specialist

Total Increased Costs Year 1:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Technician II	43.2	5.0	3.0	1.0	7.5	59.7	59.7			59.7	1
Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings Time Tracking/Cost Accounting System			100.0			100.0	100.0			100.0	
Legal Support - Regulations Specialist			62.1			62.1	62.1			62.1	
			18.2			18.2	18.2			18.2	
Total Increased Costs Year 1:	43.2	5.0	183.3	1.0	7.5	240.0	240.0	0.0	0.0	240.0	1

Drinking Water & Domestic Wastewater

Increased Costs to Implement SB 296:

(Regulations)

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry
Including Public Notices, Advertising, Mailing and Copying, Hearings
Time Tracking/Cost Accounting System
Legal Support - Regulations Specialist

Total Increased Costs Year 1:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Technician II	43.2	5.0	3.0	1.0	7.5	59.7	59.7			59.7	1
Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings Time Tracking/Cost Accounting System			12.0			12.0	12.0			12.0	
Legal Support - Regulations Specialist			62.1			62.1	62.1			62.1	
			18.2			18.2	18.2			18.2	
Total Increased Costs Year 1:	43.2	5.0	95.3	1.0	7.5	152.0	152.0	0.0	0.0	152.0	1

Water Quality

Increased Costs to Implement SB 296:

(Regulations)

Env. Specialist IV

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry
Including Public Notices, Advertising, Mailing and Copying, Hearings
Time Tracking/Cost Accounting System
Legal Support - Regulations Specialist

Total Increased Costs Year 1:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Specialist IV	70.3	5.0	3.0	1.0	7.5	86.8	86.8			86.8	1
Env. Technician II	43.2	5.0	3.0	1.0	7.5	59.7	59.7			59.7	1
Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings Time Tracking/Cost Accounting System			45.0			45.0	45.0			45.0	
Legal Support - Regulations Specialist			62.1			62.1	62.1			62.1	
			18.2			18.2	18.2			18.2	
Total Increased Costs Year 1:	113.5	10.0	131.3	2.0	15.0	271.8	271.8	0.0	0.0	271.8	2

YEAR 2

Solid Waste

Increased Costs to Implement SB 296:

(Regulations, Negotiations, Appeals, Petitions)

Env. Specialist III

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry
Including Public Notices, Advertising, Mailing and Copying, Hearings
Time Tracking/Cost Accounting System

Total Increased Costs Year 2:

Lost Revenues Funding Source Switch

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Specialist III	62.2	5.0	3.0	1.0	7.5	78.7	78.7			78.7	1
Env. Technician II	43.2	5.0	3.0	1.0	0.0	52.2	52.2			52.2	1
Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings Time Tracking/Cost Accounting System			5.0			5.0	5.0			5.0	
			22.1			22.1	22.1			22.1	
Total Increased Costs Year 2:	105.4	10.0	33.1	2.0	7.5	158.0	158.0	0.0	0.0	158.0	2
Lost Revenues Funding Source Switch							230.4	(230.4)		0.0	

Drinking Water & Domestic Wastewater

Increased Costs to Implement SB 296:

(Regulations, Negotiations, Appeals, Petitions)

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry
Including Public Notices, Advertising, Mailing and Copying, Hearings
Time Tracking/Cost Accounting System

Total Increased Costs Year 2:

Lost Revenues Funding Source Switch

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Technician II	43.2	5.0	3.0	1.0	0.0	52.2	52.2			52.2	1
Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings Time Tracking/Cost Accounting System			22.1			22.1	22.1			22.1	
Total Increased Costs Year 2:	43.2	5.0	25.1	1.0	0.0	74.3	74.3	0.0	0.0	74.3	1
Lost Revenues Funding Source Switch							156.1	(156.1)		0.0	

Water Quality

Increased Costs to Implement SB 296:

(Regulations, Negotiations, Appeals, Petitions)

Env. Specialist IV

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry
Including Public Notices, Advertising, Mailing and Copying, Hearings
Time Tracking/Cost Accounting System

Total Increased Costs Year 2:

Lost Revenues Funding Source Switch

Lost Revenues for Inspection Travel Businesses < 20 employees

Change Statutory Program Receipts to GF Prgm Receipts

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Specialist IV	32.2	2.5	1.5	0.5	0.0	36.7	36.7			36.7	0.5
Env. Technician II	43.2	5.0	3.0	1.0	0.0	52.2	52.2			52.2	1
Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings Time Tracking/Cost Accounting System			5.0			5.0	5.0			5.0	
			22.1			22.1	22.1			22.1	
Total Increased Costs Year 2:	75.4	7.5	31.6	1.5	0.0	116.0	116.0	0.0	0.0	116.0	1.5
Lost Revenues Funding Source Switch							356.8	(78.9)	(277.9)	0.0	
Lost Revenues for Inspection Travel Businesses < 20 employees							19.2	(19.2)		0.0	
Change Statutory Program Receipts to GF Prgm Receipts								256.6	(256.6)	0.0	

YEAR 3

Solid Waste

Increased Costs to Implement SB 296:

(Regulations, Negotiations, Appeals, Petitions)

Env. Specialist III

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry

Including Public Notices, Advertising, Mailing and Copying, Hearings

Time Tracking/Cost Accounting System

Total Increased Costs Year 3:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Specialist III	62.2	5.0	3.0	1.0	0.0	71.2	71.2			71.2	1
Env. Technician II	43.2	5.0	3.0	1.0	0.0	52.2	52.2			52.2	1
Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings			5.0			5.0	5.0			5.0	
Time Tracking/Cost Accounting System			22.1			22.1	22.1			22.1	
Total Increased Costs Year 3:	105.4	10.0	33.1	2.0	0.0	150.5	150.5	0.0	0.0	150.5	2

Drinking Water & Domestic Wastewater

Increased Costs to Implement SB 296:

(Regulations, Negotiations, Appeals, Petitions)

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry

Including Public Notices, Advertising, Mailing and Copying, Hearings

Time Tracking/Cost Accounting System

Total Increased Costs Year 3:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Technician II	43.2	5.0	3.0	1.0	0.0	52.2	52.2			52.2	1
Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings						0.0				0.0	
Time Tracking/Cost Accounting System			22.1			22.1	22.1			22.1	
Total Increased Costs Year 3:	43.2	5.0	25.1	1.0	0.0	74.3	74.3	0.0	0.0	74.3	1

Water Quality

Increased Costs to Implement SB 296:

(Regulations, Negotiations, Appeals, Petitions)

Env. Specialist IV

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry

Including Public Notices, Advertising, Mailing and Copying, Hearings

Time Tracking/Cost Accounting System

Total Increased Costs Year 3:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Specialist IV	32.2	2.5	1.5	0.5	0.0	36.7	36.7			36.7	0.5
Env. Technician II	18.6	2.5	1.5	0.5	0.0	23.1	23.1			23.1	0.5
Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings			2.5			2.5	2.5			2.5	
Time Tracking/Cost Accounting System			22.1			22.1	22.1			22.1	
Total Increased Costs Year 3:	50.8	5.0	27.6	1.0	0.0	84.4	84.4	0.0	0.0	84.4	1

YEAR 4+

Solid Waste

Increased Costs to Implement SB 296:

(Regulations, Negotiations, Appeals, Petitions)

Env. Specialist III

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry

Including Public Notices, Advertising, Mailing and Copying, Hearings

Time Tracking/Cost Accounting System

Total Increased Costs Year 4+:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Specialist III	28.1	2.5	1.5	0.5	0.0	32.6	32.6			32.6	0.5
Env. Technician II	43.2	5.0	3.0	1.0	0.0	52.2	52.2			52.2	1
Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings			5.0			5.0	5.0			5.0	
Time Tracking/Cost Accounting System			22.1			22.1	22.1			22.1	
Total Increased Costs Year 4+:	71.3	7.5	31.6	1.5	0.0	111.9	111.9	0.0	0.0	111.9	1.5

Drinking Water & Domestic Wastewater

Increased Costs to Implement SB 296:

(Regulations, Negotiations, Appeals, Petitions)

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry

Including Public Notices, Advertising, Mailing and Copying, Hearings

Time Tracking/Cost Accounting System

Total Increased Costs Year 4+:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Technician II	43.2	5.0	3.0	1.0	0.0	52.2	52.2			52.2	1
Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings											
Time Tracking/Cost Accounting System			22.1			22.1	22.1			22.1	
Total Increased Costs Year 4+:	43.2	5.0	25.1	1.0	0.0	74.3	74.3	0.0	0.0	74.3	1

Water Quality

Increased Costs to Implement SB 296:

(Regulations, Negotiations, Appeals, Petitions)

Env. Specialist IV

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry

Including Public Notices, Advertising, Mailing and Copying, Hearings

Time Tracking/Cost Accounting System

Total Increased Costs Year 4+:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Specialist IV	32.2	2.5	1.5	0.5	0.0	36.7	36.7			36.7	0.5
Env. Technician II	18.6	2.5	1.5	0.5	0.0	23.1	23.1			23.1	0.5
Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings			2.5			2.5	2.5			2.5	
Time Tracking/Cost Accounting System			22.1			22.1	22.1			22.1	
Total Increased Costs Year 4+:	50.8	5.0	25.1	1.0	0.0	81.9	81.9	0.0	0.0	81.9	1

Personal Services New Position Detail

Department of Environmental Conservation

Scenario: FY2001 Legislative Fiscal Note Info
 Component: Drinking Water (2066)
 BRU Name: Environmental Health

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range & Steps	Budgeted Months	Split / Annual Count	Annual Salary	COLA	Premium Pay	Annual Benefits	Total Costs
18-#019	Environmental Tech II	FT	A	GG	Anchorage	1A	12C	12.0		31,068	0	0	12,097	43,165
Justification:							Funding Detail:							
Implementation of SB 296							1004	General Fund Receipts					100.00%	43,165
Total Funding:												100.00%	43,165	

Component Summary:

Total New Positions: 1

Fund Description	Fund Percent	Fund Amount
1004 General Fund Receipts	100.00%	43,165
Total Funding:	100.00%	43,165

Note: If a position is split, an asterisk (*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (**) will appear in this column.

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. SB 296

Revision Date/Time (Note if correction) 03/28/00 9:40 AM Dept. Affected Environmental Conservation
 Title An act relating to charges for state services BRU Environmental Health
 Component Solid Waste Management
 Sponsor Senate Finance
 Requester Senate Resources Component No. 2344

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	43.2	105.4	105.4	71.3	71.3	71.3
Travel	5.0	10.0	10.0	7.5	7.5	7.5
Contractual	183.3	33.1	33.1	31.6	31.6	31.6
Supplies	1.0	2.0	2.0	1.5	1.5	1.5
Equipment	7.5	7.5	0.0	0.0	0.0	0.0
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	240.0	158.0	150.5	111.9	111.9	111.9

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	(230.4)	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	240.0	388.4	150.5	111.9	111.9	111.9
1005 GF/Program Receipts		(230.4)				
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	240.0	158.0	150.5	111.9	111.9	111.9

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time	1	2	2	1	1	1
Part-time	0	0	0	1	1	1
Temporary	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Please see attached explanation.

Prepared by: Barbara Frank Phone 465-5010
 Division Administrative Services Date/Time 3/28/00 9:36 AM
 Approved by Commissioner [Signature] Date 3.28.00
 Agency Department of Environmental Conservation

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Reduction in Revenues Collected

The bill limits costs which can be recovered rather than current language that permits full cost recovery. As a result, less revenues can be collected. The department conducted an in depth analysis of the data collected by the Solid Waste program in FY 1999 to project lost revenues. Data collected by the Solid Waste program is the best quality and most complete. It is representative of likely impacts of limiting the hourly rates and reducing the pool of costs which can be recovered. Based on that analysis, program revenues collected would drop by 56%. The bill tempered this by increasing the rate allowed to cover actual benefits. With a delayed implementation date, the loss of revenues is reflected in the second year of the fiscal notes.

A secondary issue is the goal to establish as many fixed fees as possible. It is not possible to project how many fees will be collected as fixed, negotiated agreements or time and materials. Fees collected under negotiated agreements can be treated as statutory program receipts but fixed or time and materials billings may not. A department can not ask for additional GF program receipt authority as an RPL. As a result, the Water Quality fiscal note returns all receipt authority to general fund program receipts.

The bill exempts businesses with less than 20 people from paying for inspection travel. The impact is expected in Water Quality. In Water Quality, collections will be reduced by 19.2 beginning in year 2. This is based on an estimate of 100 state, 200 placer mines, and 190 general permits being issued to businesses with less than 20 employees.

Tracking Costs and Time and Materials Billings

The intent of the bill is to have fixed fees where feasible. However, when it is not feasible, the department must be able to bill time and materials. Time tracking will be needed at the desktop of individual employees. The costs of time tracking is allocated equally to the programs affected by the bill. The department selected a program the department currently uses called "Timeslips" to respond to the uniform accounting and invoicing system requirements. It is in use by the air and the food safety and sanitation programs.

Savings are available starting in year two by basing the four year fixed fee review on estimated rather than actual costs. Actual costs require the department to do ¼ hour time tracking on all designated regulatory services by all affected employees. Staff will analyze and prepare customized reporting from the time tracking records to support the actual costs adjustments to fixed fees. The agency proposes to use estimated rather than actual costs for both the original and subsequent updates to fixed fees. If that change were made that savings would be:

Solid Waste

Delete Env Tech II	52.2
Reduce Time Accounting	19.1

Drinking Water and Domestic Wastewater

Delete Env Tech II	52.2
Reduce Time Accounting	19.1

Water Quality

Reduce Env Tech II	26.1
Reduce Time Accounting	19.1

Total Savings Available	187.8
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Increased Costs for Regulatory Process, Negotiation, Appeals and Petitions

Third, the bill increases costs by requiring the agency to set standard designated regulatory services fees in regulation: by allowing permittees to negotiate permit costs; and allowing appeals of charges based on both objective and subjective criteria.

There is a strong preference to have predictable fixed fees for services. Initially the fixed fees are estimates but in future revisions actuals are required. Developing those fixed fees will require examination of invoices and records to date to categorize different activities. Using the regulatory process will require program staff to examine similarities in services, administrative staff to assign costs, a regulation specialist to prepare regulatory language, and services of an attorney. Contractual costs will be incurred for public notices and hearings.

Appeals are permitted and envisioned on the billings. Resolving informal and formal appeals will require program staff to examine the text of the billing, administrative staff to research comparables and assign costs, and will also require the assistance of a regulations specialist. The bill reduces the need for assistance from a paralegal after the initial regulation process in year 1.

YEAR 1

Solid Waste

Increased Costs to Implement SB 296:

(Regulations)

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry
Including Public Notices, Advertising, Mailing and Copying, Hearings
Time Tracking/Cost Accounting System
Legal Support - Regulations Specialist

Total Increased Costs Year 1:

71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
43.2	5.0	3.0	1.0	7.5	59.7	59.7			59.7	1
		100.0			100.0	100.0			100.0	
		62.1			62.1	62.1			62.1	
		18.2			18.2	18.2			18.2	
43.2	5.0	183.3	1.0	7.5	240.0	240.0	0.0	0.0	240.0	1

Drinking Water & Domestic Wastewater

Increased Costs to Implement SB 296:

(Regulations)

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry
Including Public Notices, Advertising, Mailing and Copying, Hearings
Time Tracking/Cost Accounting System
Legal Support - Regulations Specialist

Total Increased Costs Year 1:

71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
43.2	5.0	3.0	1.0	7.5	59.7	59.7			59.7	1
		12.0			12.0	12.0			12.0	
		62.1			62.1	62.1			62.1	
		18.2			18.2	18.2			18.2	
43.2	5.0	95.3	1.0	7.5	152.0	152.0	0.0	0.0	152.0	1

Water Quality

Increased Costs to Implement SB 296:

(Regulations)

Env. Specialist IV

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry
Including Public Notices, Advertising, Mailing and Copying, Hearings
Time Tracking/Cost Accounting System
Legal Support - Regulations Specialist

Total Increased Costs Year 1:

71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
70.3	5.0	3.0	1.0	7.5	86.8	86.8			86.8	1
43.2	5.0	3.0	1.0	7.5	59.7	59.7			59.7	1
		45.0			45.0	45.0			45.0	
		62.1			62.1	62.1			62.1	
		18.2			18.2	18.2			18.2	
113.5	10.0	131.3	2.0	15.0	271.8	271.8	0.0	0.0	271.8	2

YEAR 2

Solid Waste

Increased Costs to Implement SB 296:

(Regulations, Negotiations, Appeals, Petitions)

Env. Specialist III

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry
Including Public Notices, Advertising, Mailing and Copying, Hearings
Time Tracking/Cost Accounting System

Total Increased Costs Year 2:

Lost Revenues Funding Source Switch

71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
62.2	5.0	3.0	1.0	7.5	78.7	78.7			78.7	1
43.2	5.0	3.0	1.0	0.0	52.2	52.2			52.2	1
		5.0			5.0	5.0			5.0	
		22.1			22.1	22.1			22.1	
105.4	10.0	33.1	2.0	7.5	158.0	158.0	0.0	0.0	158.0	2
						230.4	(230.4)		0.0	

Drinking Water & Domestic Wastewater

Increased Costs to Implement SB 296:

(Regulations, Negotiations, Appeals, Petitions)

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry
Including Public Notices, Advertising, Mailing and Copying, Hearings
Time Tracking/Cost Accounting System

Total Increased Costs Year 2:

Lost Revenues Funding Source Switch

71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
43.2	5.0	3.0	1.0	0.0	52.2	52.2			52.2	1
		22.1			22.1	22.1			22.1	
43.2	5.0	25.1	1.0	0.0	74.3	74.3	0.0	0.0	74.3	1
						156.1	(156.1)		0.0	

Water Quality

Increased Costs to Implement SB 296:

(Regulations, Negotiations, Appeals, Petitions)

Env. Specialist IV

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry
Including Public Notices, Advertising, Mailing and Copying, Hearings
Time Tracking/Cost Accounting System

Total Increased Costs Year 2:

Lost Revenues Funding Source Switch

Lost Revenues for Inspection Travel Businesses < 20 employees

Change Statutory Program Receipts to GF Prgm Receipts

71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
32.2	2.5	1.5	0.5	0.0	36.7	36.7			36.7	0.5
43.2	5.0	3.0	1.0	0.0	52.2	52.2			52.2	1
		5.0			5.0	5.0			5.0	
		22.1			22.1	22.1			22.1	
75.4	7.5	31.6	1.5	0.0	116.0	116.0	0.0	0.0	116.0	1.5
						356.8	(78.9)	(277.9)	0.0	
						19.2	(19.2)		0.0	
						256.6	(256.6)		0.0	

YEAR 3

Solid Waste

Increased Costs to Implement SB 296:

(Regulations, Negotiations, Appeals, Petitions)

Env. Specialist III

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry

Including Public Notices, Advertising, Mailing and Copying, Hearings

Time Tracking/Cost Accounting System

Total Increased Costs Year 3:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Specialist III	62.2	5.0	3.0	1.0	0.0	71.2	71.2			71.2	1
Env. Technician II	43.2	5.0	3.0	1.0	0.0	52.2	52.2			52.2	1
Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings			5.0			5.0	5.0			5.0	
Time Tracking/Cost Accounting System			22.1			22.1	22.1			22.1	
Total Increased Costs Year 3:	105.4	10.0	33.1	2.0	0.0	150.5	150.5	0.0	0.0	150.5	2

Drinking Water & Domestic Wastewater

Increased Costs to Implement SB 296:

(Regulations, Negotiations, Appeals, Petitions)

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry

Including Public Notices, Advertising, Mailing and Copying, Hearings

Time Tracking/Cost Accounting System

Total Increased Costs Year 3:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Technician II	43.2	5.0	3.0	1.0	0.0	52.2	52.2			52.2	1
Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings						0.0				0.0	
Time Tracking/Cost Accounting System			22.1			22.1	22.1			22.1	
Total Increased Costs Year 3:	43.2	5.0	25.1	1.0	0.0	74.3	74.3	0.0	0.0	74.3	1

Water Quality

Increased Costs to Implement SB 296:

(Regulations, Negotiations, Appeals, Petitions)

Env. Specialist IV

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry

Including Public Notices, Advertising, Mailing and Copying, Hearings

Time Tracking/Cost Accounting System

Total Increased Costs Year 3:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Specialist IV	32.2	2.5	1.5	0.5	0.0	36.7	36.7			36.7	0.5
Env. Technician II	18.6	2.5	1.5	0.5	0.0	23.1	23.1			23.1	0.5
Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings			2.5			2.5	2.5			2.5	
Time Tracking/Cost Accounting System			22.1			22.1	22.1			22.1	
Total Increased Costs Year 3:	50.8	5.0	27.6	1.0	0.0	84.4	84.4	0.0	0.0	84.4	1

YEAR 4+

Solid Waste

Increased Costs to Implement SB 296:

(Regulations, Negotiations, Appeals, Petitions)

Env. Specialist III

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry

Including Public Notices, Advertising, Mailing and Copying, Hearings

Time Tracking/Cost Accounting System

Total Increased Costs Year 4+:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Specialist III	28.1	2.5	1.5	0.5	0.0	32.6	32.6			32.6	0.5
Env. Technician II	43.2	5.0	3.0	1.0	0.0	52.2	52.2			52.2	1
Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings			5.0			5.0	5.0			5.0	
Time Tracking/Cost Accounting System			22.1			22.1	22.1			22.1	
Total Increased Costs Year 4+:	71.3	7.5	31.6	1.5	0.0	111.9	111.9	0.0	0.0	111.9	1.5

Drinking Water & Domestic Wastewater

Increased Costs to Implement SB 296:

(Regulations, Negotiations, Appeals, Petitions)

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry

Including Public Notices, Advertising, Mailing and Copying, Hearings

Time Tracking/Cost Accounting System

Total Increased Costs Year 4+:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Technician II	43.2	5.0	3.0	1.0	0.0	52.2	52.2			52.2	1
Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings						0.0				0.0	
Time Tracking/Cost Accounting System			22.1			22.1	22.1			22.1	
Total Increased Costs Year 4+:	43.2	5.0	25.1	1.0	0.0	74.3	74.3	0.0	0.0	74.3	1

Water Quality

Increased Costs to Implement SB 296:

(Regulations, Negotiations, Appeals, Petitions)

Env. Specialist IV

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry

Including Public Notices, Advertising, Mailing and Copying, Hearings

Time Tracking/Cost Accounting System

Total Increased Costs Year 4+:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Specialist IV	32.2	2.5	1.5	0.5	0.0	36.7	36.7			36.7	0.5
Env. Technician II	18.6	2.5	1.5	0.5	0.0	23.1	23.1			23.1	0.5
Contractual Support for Reg Development & Facilitation with Industry Including Public Notices, Advertising, Mailing and Copying, Hearings			2.5			2.5	2.5			2.5	
Time Tracking/Cost Accounting System			22.1			22.1	22.1			22.1	
Total Increased Costs Year 4+:	50.8	5.0	25.1	1.0	0.0	81.9	81.9	0.0	0.0	81.9	1

Personal Services New Position Detail

Department of Environmental Conservation

Scenario: FY2001 Legislative Fiscal Note Info
 Component: Solid Waste Management (2344)
 BRU Name: Environmental Health

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range & Steps	Budgeted Months	Split / Annual Count	Annual Salary	COLA	Premium Pay	Annubl Benefits	Total Costs
18-#022	Environmental Tech II	FT	A	GG	Anchorage	1A	12C	12.0		31,068	0	0	12,097	43,165

Justification:

Implementation of SB 296

Funding Detail:

1004	General Fund Receipts	100.00%	43,165
Total Funding:		100.00%	43,165

Component Summary:

Total New Positions: 1

Fund Description	Fund Percent	Fund Amount
1004 General Fund Receipts	100.00%	43,165
Total Funding:		100.00% 43,165

Note: If a position is split, an asterisk (*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (**) will appear in this column.

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. SB 296

Revision Date/Time (Note if correction) _____	Dept. Affected _____	Governor's Office _____
Title <u>An Act relating to charges for state services</u>	BRU	Multiple
	Component _____	Multiple
Sponsor <u>Senate Finance Committee</u>		
Requester <u>Senate Resources Committee</u>	Component No. _____	

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	68.8	70.9	73.0	75.2	77.5	79.8
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	68.8	70.9	73.0	75.2	77.5	79.8

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

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

FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
1002 Federal Receipts						
1003 GF Match						
1004 GF	68.8	70.9	73.0	75.2	77.5	79.8
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	68.8	70.9	73.0	75.2	77.5	79.8

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

POSITIONS	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Full-time						
Part-time	2	2	2	2	2	2
Temporary						

ANALYSIS: (Attach a separate page if necessary)

SB 296 would require the Office of Management and Budget (OMB) to review complaints from any business or individual regarding permit-related charges that these businesses or individuals believe exceed the actual and reasonable direct cost of providing regulatory services. These complaints would come to OMB only if they could not be resolved at the department level. OMB would be required to determine within 30 days whether to uphold the complaint or affirm the relevant permit charges.

In addition, the bill provides that any business or individual can petition OMB to establish a single fee for all regulatory services that are required for the particular type of project being permitted.

(continued - see attached page)

Prepared by: <u>Jack Kreinheder, Senior Policy Analyst</u>	Phone <u>465-4676</u>	
Division: <u>Office of Management and Budget</u>	Date/Time: <u>3/26/00 7:59 AM</u>	
Approved by Commissioner: <u>Annalee McConnell, Director</u>	Date: <u>3-28-00</u>	
<u>Office of the Governor</u>		

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CORRECTION

THE FOLLOWING DOCUMENT(S)
HAVE BEEN REFILMED TO
ASSURE LEGIBILITY OR PAGINATION



Rev. 6/98

Central Microfilm Services
Department of Education & Early Development
State of Alaska

FISCAL NOTE

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

BILL NO. SB 296

Revision Date/Time (Note if correction) _____ Dept. Affected Governor's Office
 Title An Act relating to charges for state services BRU Multiple
 Component Multiple
 Sponsor Senate Finance Committee
 Requester Senate Resources Committee Component No.

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	68.8	70.9	73.0	75.2	77.5	79.8
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	68.8	70.9	73.0	75.2	77.5	79.8

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	68.8	70.9	73.0	75.2	77.5	79.8
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	68.8	70.9	73.0	75.2	77.5	79.8

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time						
Part-time	2	2	2	2	2	2
Temporary						

ANALYSIS: (Attach a separate page if necessary)

SB 296 would require the Office of Management and Budget (OMB) to review complaints from any business or individual regarding permit-related charges that these businesses or individuals believe exceed the actual and reasonable direct cost of providing regulatory services. These complaints would come to OMB only if they could not be resolved at the department level. OMB would be required to determine within 30 days whether to uphold the complaint or affirm the relevant permit charges.

In addition, the bill provides that any business or individual can petition OMB to establish a single fee for all regulatory services that are required for the particular type of project being permitted.

(continued – see attached page)

Prepared by: Jack Kreinheder, Senior Policy Analyst *JKS* Phone 465-4676
 Division Office of Management and Budget Date/Time 3/26/00 7:59 AM
 Approved by Commissioner: Annalee McConnell, Director *Annalee McConnell* Date 3-28-00
Office of the Governor

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SB 296 Fiscal Note Analysis – Continued

These provisions would require OMB to establish the capability to rapidly audit and verify agency documentation for permit-related charges, and to establish multi-agency permit fees upon public petition. OMB does not currently perform these functions or have the staff resources to do this work. It is difficult to predict the volume of permit fee complaints and petitions for establishment of multi-agency permit fees that would result from the bill.

However, we estimate that these functions would require the equivalent of two half-time positions. One half-time position would be required by the Office of Management and Budget to respond to complaints regarding permit-related charges.

An additional half-time position would be required by the Division of Governmental Coordination (DGC) to respond to petitions to establish single multi-agency fees. DGC currently is primarily funded with federal money and required general fund match that cannot be used for these purposes.

Salary and benefits for these two half-time positions would total \$68.8 in the first year, with merit increases in subsequent years. Depending on the volume of work generated by this legislation, additional position(s) may be required in the future.

Under this fiscal note, \$34.4 would be provided to OMB (Component 2144) and \$34.4 would be provided to DGC (Component 18).

OMB
3/26/2000

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. SB 296

Revision Date/Time (Note if correction) _____ Dept. Affected Law
 Title "...relating to charges for state services; BRU Civil Division
requiring that fees levied by resource agencies ..." Component Environmental Law
 Sponsor Senate Finance Committee Legislation/Regulations
 Requester Senate Resources Committee Component No. 2092, 2209

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	57.0	57.0	28.5	28.5	28.5	28.5
Travel	0.3	2.8	2.6	2.6	2.6	2.6
Contractual	9.2	11.7	7.1	7.1	7.1	7.1
Supplies	0.9	0.9	0.5	0.5	0.5	0.5
Equipment	6.5					
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	73.9	72.4	38.7	38.7	38.7	38.7

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	73.9	72.4	38.7	38.7	38.7	38.7
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	73.9	72.4	38.7	38.7	38.7	38.7

Estimate of any current year (FY2000) cost: _____

POSITIONS

Full-time						
Part-time	1	1	1	1	1	1
Temporary						

ANALYSIS: (Attach a separate page if necessary)

SB 296 makes a number of significant changes to the way fees are calculated, billed, and tracked by the Departments of Natural Resources, Environmental Conservation, and Fish and Game. The bill provides for negotiation of reimbursable service agreements and for petitions for narrowly crafted regulatory flat fees from either a single agency or multiple agencies. In addition, SB 296 creates a new appeal process where billings can be appealed to the Office of Management and Budget. These changes would take effect July 1, 2001.

Of particular significance to the Department of Law from a cost perspective are: 1) provisions requiring fees levied by the natural resource agencies for designated regulatory services to be based solely

Prepared by: Joan M. Kasson *Joan M. Kasson* Phone 465-5370
 Division Attorney General's Office Date/Time 3/24/00, 4:23 PM
 Approved by Commissioner *Rudger* Bruce M. Botelho, Attorney General Date 3/24/00
 Agency Department of Law

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FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. SB 296

ANALYSIS CONTINUATION

on "actual and reasonable direct costs;" (2) a provision requiring resource agencies, upon request, to negotiate reimbursable service agreements; (3) a provision requiring monthly bills for "designated regulatory services" that provide for each expenditure "sufficient detail to permit a reasonable person to determine whether the time or cost was an actual and reasonable direct cost;" and (4) a provision excluding certain interagency charges from fees.

These proposed changes will cause a significant increase in the workload of the Department of Law. The department will need to assist in the development and review of numerous new fee regulations prior to the effective date of the act. Regulations related costs will be incurred on an ongoing basis as petitions for new regulations continue to be received and as affected natural resource departments change their fees in response to changing costs. The Department of Law will also incur costs as the result of increased need to provide advice to natural resource agencies regarding fees, and reimbursable service agreement (RSA) contract approvals.

In the first year that the new fee requirements are effective, we would expect significant litigation clarifying the provisions as to whether a fee is based on actual and reasonable costs, and whether a billing was sufficiently detailed. Extensive discovery and use of experts will be required.

Given the number of regulations and contract review projects expected to result from this bill, as well as related agency advice, we estimate that an additional one-half of a full time attorney would be needed in FY 2001 and FY 2002. This would be split between the Environmental section and the Legislation and Regulations section. In subsequent years we would expect to need one-quarter of an attorney position in the Environmental Section, there would continue to be some additional regulatory work associated with the requirements of this bill, but we would expect this work would be merged into other DEC regulations projects.

No expert costs or direct case costs are expected during the regulatory phase in FY 2001. However, in FY 2002 and subsequent years, experts and direct case costs are estimated at \$5,000.

Full-time equivalent attorney costs are based on the Civil Division's FY 2001 standard attorney cost schedule (\$93.42/hour x 1442 hours = \$134,712). The hourly rate includes all normal overhead costs, such as clerical support, communications, data processing, lease space costs, supplies, etc. One-time new equipment is not included in the rate (\$6,500), nor direct case costs. These are added separately.

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. SB296

Revision Date/Time: _____ Dept Affected: Natural Resources
 Title: Fees For State Service BRU: Oil & Gas Development
 Component: Pipeline Coordinator
 Sponsor: (S) Finance
 Requestor: (S) Resources Component No. 1191

Expenditures/Revenues (Thousands of Dollars)
 Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006
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 EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES (fund code)	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1108 Stat Desig Prgm Receipts						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2000) cost: \$ N/A

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)

There is no anticipated fiscal impact to the State Pipeline Coordinator's Office associated with implementation of this legislation.

Prepared by: William G. Britt, Jr. Phone: 907-271-5070
 Division: State Pipeline Coordinator's Office Date: 28-Mar-00
 Approved by Commissioner: John Shively Date: 28-Mar-00
 Agency: Natural Resources

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Alaska State Legislature

HOUSE OF REPRESENTATIVES

Committee on Finance

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SB 296/HB 361
Fees for State Service
Sponsor Statement

For many years, the Legislature has debated the issue of appropriate fees for permits provided by the state's resource agencies, particularly the Department of Environmental Conservation. While policy direction has been given through the appropriation process, budgetary authorization for the collection and expenditure of program receipts has failed to address two primary questions. First, what is the appropriate level of fees to be assessed for various services? Second, how can the department be held accountable for delivering the services being charged for in the most efficient manner possible?

Several years ago, the House Finance Committee attempted to provide statutory direction for state agency permitting fees through an amendment to HB 144. Initially, the language was found to be too broad in its application. After working with DEC and representatives from the regulated community to refine the language, the bill passed both the House and Senate. However, the bill failed to return to the House for a concurrence vote on the final day of session. Although the bill failed to pass, the process generated two important outcomes. First, it identified the need for industry-wide consensus and discussions among the affected public and private sector entities. Second, it was determined that regulatory efficiency and permit streamlining could be accomplished in relatively small increments.

Over the last year, a great deal of work has been done with the affected departments and members of various resource industries with the goal of establishing a fee structure based on predictability and accountability. HB 361 is the product of this cooperative effort by the legislature, administration and regulated community. HB 361 includes the following provisions:

- 1) Requires fees levied by a resource agency for a "designated regulatory service" to be based on the actual and reasonable direct cost of providing the service.
- 2) Requires each resource agency to establish a schedule of fixed fees for "*standard* designated regulatory services." These services include simple repetitive permitting activities.
- 3) Requires a resource agency to make an effort to negotiate a reimbursable service agreement at the request of the permittee, unless the activity is covered under a fixed fee. Unsuccessful negotiations result in charges being levied on a time-and-expense basis.
- 4) Requires a resource agency providing a "designated regulatory service" to provide the permittee detailed monthly invoices, unless otherwise negotiated between the agency and the permittee. A permittee may appeal the merit of any invoice first to the agency then to the Office of Management and Budget.
- 5) Provides that a person requiring a "designated regulatory service" may petition a resource agency to adopt regulations establishing a fixed fee.
- 6) Provides that a person requiring more than one regulatory service may petition an agency or if multiple agencies are involved, petition OMB for a single project fee.



Alaska State Legislature

HOUSE OF REPRESENTATIVES

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SB 296/HB 361
Fees for State Service
Sectional Analysis

- Section 1: Exempts fees charged by a resource agency for a designated regulatory service as defined in AS 37.10.058 from limitation that "a fee or other charge that is set by regulation may not exceed the estimated actual costs of the state agency in administering the activity or providing the service."
- Section 2: Sec. 37.10.052 (a) Requires each resource agency to establish a list of fixed fees for standard designated regulatory services. Fixed fees are required to be based upon the estimated average reasonable direct cost of providing the service. Resource agencies are required to review their list of fixed fees at least once every four years and adjust the fees if they do not represent the average actual and reasonable direct cost of providing the service.
- (b) Requires a resource agency to make an effort to negotiate a reimbursable service agreement at the request of the permittee unless the activity is covered under a fixed fee in subsection (a).
- (c) Grants a person requiring more than regulatory service, the right to petition the resource agency involved or if more than one agency, the Office of Management and Budget, for a single fee.
- (d) Requires fees not covered under (a) - (c) to be based solely on the actual and reasonable direct cost incurred by a resource agency providing a regulatory service. Fees under this subsection are required to be computed on a time-and-expense basis.
- Sec. 37.10.054 requires a billing agency to provide monthly invoices unless otherwise negotiated in an agreement under (c). This section also sets out the process for a permittee to appeal the invoice, if the permittee believes the invoice exceeds the actual and reasonable direct cost of providing the service.
- Sec. 37.10.056 Establishes a process for a permittee, requiring a designated regulatory service, to petition the resource agency to adopt regulations that would establish a fixed fee.
- Sec. 37.10.058 Defines direct cost, designated regulatory service, resource agency, and other terminology used in this Act.
- Section 3: Technical change to the Department of Environmental Conservation's statutes to correspond to new sections AS 37.10.050 – 37.10.056.