

ALASKA LEGISLATURE COMMITTEE FILES 2001-2002 8672

10479 HOUSE TRANSPORTATION

ANALYSIS: (continued)

Of the remaining 300,300 transactions, approximately 40,000 were trailers which generally will not have a separate liability policy. DMV does not intend to ask for proof of insurance when registering trailers. Approximately 10,000 were larger commercial trucks which are already required to file proof of insurance with Division of Vehicle Enforcement in DOT. DMV does not intend to verify insurance on these vehicles.

That leaves 250,300 vehicle registration transactions in which DMV must verify insurance before registering the vehicle. In the verification process DMV must ensure that the vehicle or driver is included in the policy and that the policy is in effect at the time of registration. Since this is a new requirement many of the customers will not be aware of the requirement and will be turned away necessitating a second visit to DMV. DMV must also spend time addressing customer complaints/comments on the new requirements. It is estimated that on an average an additional 2 minutes per transaction will be needed. To absorb this workload DMV will need an additional 4.5 positions.

Approximately 29,000 of these transactions were done on electronic venues such as the web or phone which required no human intervention to process the transaction. It will not be possible to verify insurance in these venues so all of these transactions will revert back to the DMV field offices. It will require 1.5 positions to process these transactions.

Many of the registrations renewals processed by mail will have to be returned because insurance proof not submitted. This will increase customer complaints which will take employee time to address. Additional postage costs are estimated to be \$5,000.

These costs reflect what will be needed to comply with the requirements of the bill but this will not have a substantial impact on uninsured drivers. The registration period for most vehicles is 2 years whereas the typical insurance policy is only written for 6 months and this leaves the potential for large gaps in coverage. The only effective method is to have continuous electronic verification with the insurance companies. There are vendors who provide this service and the annual cost is based on the number of registered vehicles. At a typical cost of \$2 per vehicle, the cost for this service in Alaska would be \$1.4 million per year.

Summary of Costs

6 PFT positions @ \$39,477	236,862
Standard Equipment, Supplies, phone @ \$8678	52,068
Postage	5,000
Advertising (first two years)	20,000
TOTAL	\$313,930

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: CSHB 39 (TRAN)
() Publish Date: _____

Revision Date/Time (Note if correction): 02/03/01 9:01 a.m. Dept. Affected: Corrections
Title: Vehicle Registration/DWI/Forfeiture BRU: 271
Component: Institutions
Sponsor: Representative Kott
Requester: Transportation Committee Component Number: 1381

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services	60.2	60.2	60.2	60.2	60.2	60.2
Travel						
Contractual	226.0	226.0	226.0	226.0	226.0	226.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	286.2	286.2	286.2	286.2	286.2	286.2

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	226.0	226.0	226.0	226.0	226.0	226.0
Other/MHTAAR	60.2	60.2	60.2	60.2	60.2	60.2
TOTAL	286.2	286.2	286.2	286.2	286.2	286.2

Estimate of any current year (FY2001) cost: 0.0

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)

The Department of Corrections has contracted for Inmate Substance Abuse Treatment Services (ISAT) since 1993. There have been no budget increments since that time for these programs. The Department is having increasing trouble maintaining its current level of care because of the inability to increase contracts. Several measures have been taken to try to accommodate the situation without decreasing level of service. The Department has reached a point where we are no longer going to be able to maintain the level of care that we currently have, let alone increase it to facilitate increased concern over treatment in the facilities. We have an increment in the Governor's 02 budget to provide for one full time assessment specialist who would be able to help accurately refer inmates to appropriate programs so there is an increase in efficiencies in the system. We also have an increment for increasing the funding to support our ISAT contracts. Without these increments we will be unable to continue to provide the very basic service that we currently provide to attempt to stop this cycle of repeat offenders.

Prepared by: Candace Brower Phone 465-4652
Division: Commissioner's Office Date/Time 2/3/01 12:00 AM
Approved by: _____ Date _____
Agency: Department of Corrections

For distribution information, call the Governor's Legislative Office

FISCAL NOTE

**STATE OF ALASKA
2001 LEGISLATIVE SESSION**

Fiscal Note Number: _____
 Bill Version: CS HB 39 (TRA)
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Health & Social Services
 Title: An Act Relating to registration of motor vehicles; BRU: Alcohol & Drug Abuse Svcs
relating to treatment required upon col Component: Alcohol Safety Action Program
 Sponsor: Rep. Kott
 Requester: Judiciary Component Number: 305

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
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						
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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 (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2001) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Section 2 states that upon conviction treatment shall occur, as much as possible, while incarcerated. This has no impact on DHSS.

Section 3 amends AS 47.37.040(14) and has no fiscal impact on the Division of Alcoholism and Drug Abuse

Prepared by: Loren A. Jones Phone 269-7153
 Division: Alcoholism and Drug Abuse Date/Time 2/5/01 1:29 PM
 Approved by: Elmer A. Lindstrom, Special Assistant Date 2/5/01 1:29 PM
 Agency: Department of Health & Social Services

For distribution information, call the Governor's Legislative Office

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: CSHB 39 (TRA) WD "C"
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Law
Title "An Act relating to registration of motor vehicles; BRU Criminal Division
relating to treatment . . . operating a motor vehicle . . ." Component All
Sponsor Representative Kott
Requester House Transportation Committee Component No. 2198-99;2201-03/61/79

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
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						
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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 (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2001) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
CSHB 39 (TRA) Work Draft "C" makes the following statutory changes: 1) The Division of Motor Vehicles would be prohibited from registering a vehicle if the applicant does not have the motor vehicle insurance required by law. 2) The bill requires treatment conditions imposed by the court as part of a sentence for DWI be completed by the offender while incarcerated, as much as is possible. 3) In addition, the Division of Alcohol and Drug Abuse would be required to cooperate with public groups both in establishing and conducting programs designed to deal with DWIs, and in facilitating, coordinating, and monitoring data between public groups interested in deterring DWI offenses.

In the prior version of this bill, the primary financial impact on the Department of Law was due to the elimination of "look back" for felony DWI. Work Draft "C" removes this provision. The bill as drafted in Work Draft "C" will have no fiscal impact on the Department of Law.

Prepared by: Joan M. Kasson Phone 465-5370
Division: Attorney General's Office Date/Time 2/2/01 12:34 PM
Approved by: Kathryn Daughetee for Bruce M. Botelho, Attorney General Date 2/2/01
Agency: Department of Law

For distribution information, call the Governor's Legislative Office

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: CS for HB 39 (Trans)
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Public Safety
Title: An Act relating to registration of motor vehicles; BRU: AST Detachment
relating to treatment required upon conviction of operating ... Component: AST Detachment
Sponsor: Representative Kott
Requester: House Transportation Committee Component Number: 2325

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
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						
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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 (Specify Type)						
TOTAL						

Estimate of any current year (FY2001) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill is not expected to have a fiscal impact.

Prepared by: Royce Weller, Special Assistant Phone 465-2649
Division: Office of the Commissioner Date/Time 2/1/01 12:00 AM
Approved by: Glenn G. Godfrey, Commissioner Date 2/1/01
Agency: Department of Public Safety

For distribution information, call the Governor's Legislative Office

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: CSHB39(TRA)
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
Title: "An Act relating to registration of motor vehicles..." BRU: Legal & Advocacy
Sponsor: Representative Kott Component: Public Defender Agency
Requester: (H) TRA Component Number: 1631

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
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 (FY2001) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

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

The Transportation Committee Substitute for HB39 will have no fiscal impact on the Public Defenders' Office.

Prepared by: Barbara Brink, Director Phone (907) 334-4414
Division: Public Defender Agency Date/Time 2/5/2001 9:00AM
Approved by: Jim Duncan, Commissioner Date 2/5/01
Agency: Department of Administration

For distribution information, call the Governor's Legislative Office

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

BILL NO. HB 39 work draft
22-LS0201C

Revision Date/Time (Note if correction) _____ Dept. Affected _____
 Title DWI Offenses BRU Alaska Court System
 Component Trial Courts
 Sponsor Rep. Pete Kott
 Requester House Transportation Committee Component No. 768

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
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						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
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 (FY2001) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS. (Attach a separate page if necessary)
 The court system does not anticipate any fiscal impact from the passage of draft committee substitute for HB 39 22-LS0201C dated 2/1/01.

Prepared by: Douglas Wooliver *[Signature]* Phone 463-4750
 Division Alaska Court System Date/Time 02/01/01 2:30 p.m.
 Approved by: Stephanie Cole *[Signature]* Date 2/1/01
 Agency Alaska Court System

For distribution information, call the Governor's Legislative Office

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

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


State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

January 15, 2001

SUBJECT: Sectional Summary of HB 39 - Driving while intoxicated

TO: Representative Pete Kott
Attn: Roger

FROM: Michael L. Ford 
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. Requires the Department of Administration to refuse to register a vehicle if the driver has a suspended or revoked driver's license or fails to provide proof of insurance.

Section 2. Requires a motor vehicle used by a person convicted of driving with a suspended or revoked driver's license to be forfeited.

Section 3. Requires a motor vehicle used by a person convicted of driving while intoxicated to be forfeited.

Section 4. Requires that alcoholism treatment for a person convicted of D.W.I. occur as much a possible, while incarcerated.

Section 5. Provides that a third conviction for D.W.I. constitutes a class C felony. Repeals the requirement that a third conviction must occur within a five year period. Requires a motor vehicle used by a person convicted of felony driving while intoxicated to be forfeited.

Section 6. Repeals the requirement that a conviction for D.W.I. only counts as a previous conviction if the offense occurs within the preceding 10 years.

Section 7. Provides for procedures for vehicle forfeiture for D.W.I.

CORRECTION

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



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

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
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Mail Stop 3101


State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

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January 15, 2001

SUBJECT: Sectional Summary of HB 39 - Driving while intoxicated

TO: Representative Pete Kott
Attn: Roger

FROM: Michael F. Ford 
Legislative Counsel

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Section 4. Requires that alcoholism treatment for a person convicted of D.W.I. occur as much as possible, while incarcerated.

Section 5. Provides that a third conviction for D.W.I. constitutes a class C felony. Repeals the requirement that a third conviction must occur within a five year period. Requires a motor vehicle used by a person convicted of felony driving while intoxicated to be forfeited.

Section 6. Repeals the requirement that a conviction for D.W.I. only counts as a previous conviction if the offense occurs within the preceding 10 years.

Section 7. Provides for procedures for vehicle forfeiture for D.W.I.

Representative Pete K
January 15, 2001
Page 2

Section 8. Technical amendment.

Section 9. Technical amendment.

Section 10. Technical amendment.

Section 11. Requires the division of alcoholism and drug abuse to assist public groups working for a reduction in D.W.I. offenses.

Section 12. Applicability section.

Section 13. Effective date.

If I may be of further assistance, please advise.

MFF:lmb
01-015.lmb

CS HOUSE BILL 39 (TRA) FISCAL NOTES SUMMARY

Expenditures/Revenues

Operating Expenditures	<u>FY 02</u>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 05</u>	<u>FY 06</u>	<u>FY 07</u>
Personal Services	297.1	297.1	297.1	297.1	297.1	297.1
Travel						
Contractual	260.8	252.3	232.3	232.3	232.3	232.3
Supplies	9.9	2.1	2.1	2.1	2.1	2.1
Equipment	32.4					
Land & Structures						
Grants & Claims						
Misc.						
TOTAL OPERATING	600.2	551.5	531.5	531.5	531.5	531.5

Capital Expenditures

Change in Revenues

FUND SOURCE

1002 Federal Rcpt						
1003 GF Match						
1004 GF	314.0	265.3	245.3	245.3	245.3	245.3
1005 GF/Program Rcpt						
1037 GF/Mental Health	226.0	226.0	226.0	226.0	226.0	226.0
Other/MHTAAR	60.2	60.2	60.2	60.2	60.2	60.2
TOTAL	600.2	551.5	531.5	531.5	531.5	531.5

Positions

Full Time	7.0	7.0	7.0	7.0	7.0	7.0
Part Time						

Consists of:

Administration (Div Motor Vehicles)
Corrections

Zero Fiscal Notes:

Law
Public Safety
Administration (Public Defender)
Health & Social Services
Court System

Prepared by Mike Kriebler, Transportation Aide
14-Feb-01

FISCAL NOTE

**STATE OF ALASKA
2001 LEGISLATIVE SESSION**

Fiscal Note Number: _____
 Bill Version: CSHB 39(TRA)
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
 Title: An act relating to registration of motor vehicles, BRU: Motor Vehicles
to operating a motor vehicle, aircraft, or watercraft..... Component: _____
 Sponsor: Representative Kott
 Requester: H (Trans) Component Number: 2348

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services	236.9	236.9	236.9	236.9	236.9	236.9
Travel						
Contractual	34.8	26.3	6.3	6.3	6.3	6.3
Supplies	9.9	2.1	2.1	2.1	2.1	2.1
Equipment	32.4	0.0	0.0	0.0	0.0	0.0
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	314.0	265.3	245.3	245.3	245.3	245.3

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	314.0	265.3	245.3	245.3	245.3	245.3
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	314.0	265.3	245.3	245.3	245.3	245.3

Estimate of any current year (FY2001) cost: 0.0

POSITIONS

Full-time	6	6	6	6	6	6
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Proposed CSHB39(tra) would require that the DMV verify that an applicant for vehicle registration provide proof of motor vehicle insurance under AS 28.22 before issuing a vehicle registration.

In Calendar Year 2000 there were approximately 385,300 original or renewal registrations processed. Approximately 100,000 of these were processed by business partners (car dealers or inspection stations). Under this bill, the partners would have to verify insurance on any transactions they process but this would not have a fiscal impact on DMV since the partners are not paid for these transactions. It may have an impact on the partners in that, with the added complexity and attendant customer complaints, they may not wish to continue this service. If this occurs, these transactions would revert back to a DMV office for processing and would require an additional 4 PFT positions that are not included in this fiscal note.

Prepared by: Charles R. Hosack Phone 269-5559
 Division: Motor Vehicles Date/Time 2/5/01 3PM
 Approved by: Jim Duncan, Commissioner Date 2/5/01
 Agency: Department of Administration

For distribution information, call the Governor's Legislative Office

ANALYSIS: (continued)

Of the remaining 300,300 transactions, approximately 40,000 were trailers which generally will not have a separate liability policy. DMV does not intend to ask for proof of insurance when registering trailers. Approximately 10,000 were larger commercial trucks which are already required to file proof of insurance with Division of Vehicle Enforcement in DOT. DMV does not intend to verify insurance on these vehicles.

That leaves 250,300 vehicle registration transactions in which DMV must verify insurance before registering the vehicle. In the verification process DMV must ensure that the vehicle or driver is included in the policy and that the policy is in effect at the time of registration. Since this is a new requirement many of the customers will not be aware of the requirement and will be turned away necessitating a second visit to DMV. DMV must also spend time addressing customer complaints/comments on the new requirements. It is estimated that on an average an additional 2 minutes per transaction will be needed. To absorb this workload DMV will need an additional 4.5 positions.

Approximately 29,000 of these transactions were done on electronic venues such as the web or phone which required no human intervention to process the transaction. It will not be possible to verify insurance in these venues so all of these transactions will revert back to the DMV field offices. It will require 1.5 positions to process these transactions.

Many of the registrations renewals processed by mail will have to be returned because insurance proof was not submitted. This will increase customer complaints which will take employee time to address. Additional postage costs are estimated to be \$5,000.

These costs reflect what will be needed to comply with the requirements of the bill but this will not have a substantial impact on uninsured drivers. The registration period for most vehicles is 2 years whereas the typical insurance policy is only written for 6 months and this leaves the potential for large gaps in coverage. The only effective method is to have continuous electronic verification with the insurance companies. There are vendors who provide this service and the annual cost is based on the number of registered vehicles. At a typical cost of \$2 per vehicle, the cost for this service in Alaska would be \$1.4 million per year.

Summary of Costs

6 PFT positions @ \$39,477	236,862
Standard Equipment, Supplies, phone @ \$8678	52,068
Postage	5,000
Advertising (first two years)	20,000
TOTAL	\$313,930

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: CSHB 39 (TRAN)
 () Publish Date: _____

Revision Date/Time (Note if correction): 02/03/01 9:01 a.m. Dept. Affected: Corrections
 Title: Vehicle Registration/DWI/Forfeiture BRU: 271
 Component: Institutions
 Sponsor: Representative Kott
 Requester: Transportation Committee Component Number: 1381

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services	60.2	60.2	60.2	60.2	60.2	60.2
Travel						
Contractual	226.0	226.0	226.0	226.0	226.0	226.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	286.2	286.2	286.2	286.2	286.2	286.2

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	226.0	226.0	226.0	226.0	226.0	226.0
Other/MHTAAR	60.2	60.2	60.2	60.2	60.2	60.2
TOTAL	286.2	286.2	286.2	286.2	286.2	286.2

Estimate of any current year (FY2001) cost: 0.0

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)

The Department of Corrections has contracted for Inmate Substance Abuse Treatment Services (ISAT) since 1993. There have been no budget increments since that time for these programs. The Department is having increasing trouble maintaining its current level of care because of the inability to increase contracts. Several measures have been taken to try to accommodate the situation without decreasing level of service. The Department has reached a point where we are no longer going to be able to maintain the level of care that we currently have, let alone increase it to facilitate increased concern over treatment in the facilities. We have an increment in the Governor's 02 budget to provide for one full time assessment specialist who would be able to help accurately refer inmates to appropriate programs so there is an increase in efficiencies in the system. We also have an increment for increasing the funding to support our ISAT contracts. Without these increments we will be unable to continue to provide the very basic service that we currently provide to attempt to stop this cycle of repeat offenders.

Prepared by: Candace Brower Phone 465-4652
 Division: Commissioner's Office Date/Time 2/3/01 12:00 AM
 Approved by: _____ Date _____
 Agency: Department of Corrections

For distribution information, call the Governor's Legislative Office

FISCAL NOTE

**STATE OF ALASKA
2001 LEGISLATIVE SESSION**

Fiscal Note Number: _____
 Bill Version: CS HB 39 (TRA)
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Health & Social Services
 Title: An Act Relating to registration of motor vehicles; BRU: Alcohol & Drug Abuse Svcs
relating to treatment required upon coi Component: Alcohol Safety Action Program
 Sponsor: Rep. Kott
 Requester: Judiciary Component Number: 305

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
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						
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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 (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2001) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Section 2 states that upon conviction treatment shall occur, as much as possible, while incarcerated. This has no impact on DHSS.

Section 3 amends AS 47.37.040(14) and has no fiscal impact on the Division of Alcoholism and Drug Abuse.

Prepared by: Loren A. Jones Phone 269-7153
 Division: Alcoholism and Drug Abuse Date/Time 2/5/01 1:29 PM
 Approved by: Elmer A. Lindstrom, Special Assistant Date 2/5/01 1:29 PM
 Agency: Department of Health & Social Services

For distribution information, call the Governor's Legislative Office

FISCAL NOTE

**STATE OF ALASKA
2001 LEGISLATIVE SESSION**

Fiscal Note Number: _____
 Bill Version: CSHB 39 (TRA) WD "C"
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Law
 Title "An Act relating to registration of motor vehicles; relating to treatment . . . operating a motor vehicle . . ." BRU Criminal Division
 Component All
 Sponsor Representative Kolt
 Requester House Transportation Committee Component No. 2198-99;2201-03/61/79

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
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						
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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 (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2001) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
 CSHB 39 (TRA) Work Draft "C" makes the following statutory changes: 1) The Division of Motor Vehicles would be prohibited from registering a vehicle if the applicant does not have the motor vehicle insurance required by law. 2) The bill requires treatment conditions imposed by the court as part of a sentence for DWI be completed by the offender while incarcerated, as much as is possible. 3) In addition, the Division of Alcohol and Drug Abuse would be required to cooperate with public groups both in establishing and conducting programs designed to deal with DWIs, and in facilitating, coordinating, and monitoring data between public groups interested in deterring DWI offenses.

In the prior version of this bill, the primary financial impact on the Department of Law was due to the elimination of "look back" for felony DWI. Work Draft "C" removes this provision. The bill as drafted in Work Draft "C" will have no fiscal impact on the Department of Law.

Prepared by: Joan M. Kasson Phone 465-5370
 Division Attorney General's Office Date/Time 2/2/01 12:34 PM
 Approved by: Kathryn Daughhete for Bruce M. Botelho, Attorney General Date 2/2/01
 Agency Department of Law

For distribution information, call the Governor's Legislative Office

FISCAL NOTE

**STATE OF ALASKA
2001 LEGISLATIVE SESSION**

Fiscal Note Number: _____
 Bill Version: CS for HB 39 (Trans)
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Public Safety
 Title: An Act relating to registration of motor vehicles; BRU: AST Detachment
relating to treatment required upon conviction of operating ... Component: AST Detachment
 Sponsor: Representative Kott
 Requester: House Transportation Committee Component Number: 2325

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
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						
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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 (Specify Type)						
TOTAL						

Estimate of any current year (FY2001) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill is not expected to have a fiscal impact.

Prepared by: Royce Weller, Special Assistant Phone 465-2649
 Division: Office of the Commissioner Date/Time 2/1/01 12:00 AM
 Approved by: Glenn G. Godfrey, Commissioner Date 2/1/01
 Agency: Department of Public Safety

For distribution information, call the Governor's Legislative Office

FISCAL NOTE

**STATE OF ALASKA
2001 LEGISLATIVE SESSION**

Fiscal Note Number: _____
 Bill Version: CSHB39(TRA)
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
 Title: "An Act relating to registration of motor vehicles..." BRU: Legal & Advocacy
 Component: Public Defender Agency
 Sponsor: Representative Kott
 Requester: (H) TRA Component Number: 1631

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
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 (FY2001) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The Transportation Committee Substitute for HB39 will have no fiscal impact on the Public Defenders' Office.

Prepared by: Barbara Brink, Director Phone (907) 334-4414
 Division: Public Defender Agency Date/Time 2/5/2001 9:00AM
 Approved by: Jim Duncan, Commissioner Date 2/5/01
 Agency: Department of Administration

For distribution information, call the Governor's Legislative Office

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

BILL NO. HB 39 work draft
22-LS0201\C

Revision Date/Time (Note if correction) _____	Dept. Affected _____
Title <u>DWI Offenses</u>	BRU <u>Alaska Court System</u>
	Component <u>Trial Courts</u>
Sponsor <u>Rep. Pete Kott</u>	
Requester <u>House Transportation Committee</u>	Component No. <u>768</u>

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
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						
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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 (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2001) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The court system does not anticipate any fiscal impact from the passage of draft committee substitute for HB 39 22-LS0201\C dated 2/1/01.

Prepared by: <u>Douglas Wooliver</u>	Phone <u>463-4750</u>
Division: <u>Alaska Court System</u>	Date/Time: <u>02/01/01 2:30 p.m.</u>
Approved by: <u>Stephanie Cole</u>	Date: <u>2/1/01</u>
Agency: <u>Alaska Court System</u>	

For distribution information, call the Governor's Legislative Office

FISCAL NOTE

**STATE OF ALASKA
2001 LEGISLATIVE SESSION**

Fiscal Note Number: _____
 Bill Version: HB 39
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Corrections
 Title: Vehicle Registration/DWI/Forfeiture BRU: 271
 Component: All
 Sponsor: Representative Kott
 Requester: House Transportation Committee Component Number: 694

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services	330.0	1,789.5	1,789.5	1,789.5	1,789.5	1,789.5
Travel	0.0	70.0	70.0	70.0	70.0	70.0
Contractual	6.0	100.5	100.5	100.5	100.5	100.5
Supplies	3.0	65.5	113.5	113.5	113.5	113.5
Equipment	12.0	58.0	0.0	0.0	0.0	0.0
Land & Structures						
Grants & Claims						
Miscellaneous	23,093.9	35,925.3	36,888.9	36,888.9	36,888.9	36,888.9
TAL OPERATING	23,444.9	38,008.8	38,962.4	38,962.4	38,962.4	38,962.4

CAPITAL EXPENDITURES	90,595.0					
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	114,039.9	38,008.8	38,962.4	38,962.4	38,962.4	38,962.4
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	114,039.9	38,008.8	38,962.4	38,962.4	38,962.4	38,962.4

Estimate of any current year (FY2001) cost: 0.0

POSITIONS

Full-time	6	35	35	35	35	35
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

There are three elements in this bill that have a direct fiscal impact on the Department of Corrections. They are:
 #1. The section that removes the 5 year look-back for 3rd time DWI offenders, thus making all 3rd time offenders felons regardless of when they had their two previous convictions. According to the Department of Law, based on DMV records from 1999, (and looking back ten years) this will capture an estimated 800 new convicted felons. If we subtract the current average misdemeanor sentence from the current average felony sentence for each category of offender (e.g. 3rd, 4th, 5th, etc) and multiply that by the percentages of those offenders in the pool of 800, we calculate how many additional mandays will be required. We then multiply that by \$88/day (combination of half time in hard beds and half time in CRCs) and the result is the additional operating cost for this piece alone (\$19,105,040 in FY02; \$31,846,496 in FY03; \$32,810,008 in FY04; FY05, FY06 & FY07).

New felons will require more probation officers to write pre-sentence reports and supervise them once they are in the

Prepared by: Candace Brower Phone 465-4652
 Division: Commissioner's Office Date/Time 1/30/01/10:30 p.m.
 Approved by: Margaret Pugh Date 1/31/01
 Agency: Department of Corrections

For distribution information, call the Governor's Legislative Office

ANALYSIS: (continued)community. Felony DWI caseloads are considered labor intensive because these individuals often violate conditions of probation and require petitions to revoke probation. Given 800 new felons at 50 per probation officer, the Department would need an additional 16 probation officers to supervise caseloads, 6 probation officers to write pre-sentence reports plus 8 Criminal Justice Technicians and 5 clerical staff in order to be able to support the increase. The positions will need the requisite equipment, supplies, etc. FY02 would only require the 6 new probation officers that would do the pre-sentence reports because no one will likely be getting out the first year.

The Department of Corrections is always experiencing a shortage of prison beds and this infusion of new felons would really expand the system beyond critical mass. The \$90,595,000 (in 1999 dollars) capital cost for expanding existing facilities to accommodate the offenders addressed in this bill were first presented in the Department's Expansion Plan several years ago:

221 beds Palmer Correctional Center
48 beds Yukon-Kuskokwim Correctional Center
256 beds Wildwood Correctional Center
80 beds Fairbanks Correctional Center
64 beds Mat-Su Pre-Trial Facility
64 beds Lemon Creek Correctional Center
733 Total

The remaining 67 offenders (800 less 733) might be able to be absorbed at the new Anchorage Jail, and that will still leave 800 offenders in Arizona.

#2. The section that removes the 10 year lookback for 2nd time DWI offenders adds an additional \$19,840 per year. That is the percentage of 2nd time DWI offenders who go their second conviction after a 10 year period.

#3. The section requiring alcohol treatment to be completed during incarceration, when possible. To accommodate the 800 new felons would require an additional \$4,059,004 (which is reflected in the miscellaneous number).

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 39
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Public Safety
 Title: Registration of Motor Vehicle, Operating Motor BRU: AST Detachment
Vehicle, Aircraft, Watercraft while intoxicated & Drivers License Component: AST Detachment
 Sponsor: Representative Kott
 Requester: Transportation Component Number: 2325

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services	47.6	47.6	47.6	47.6	47.6	47.6
Travel	5.0	5.0	5.0	5.0	5.0	5.0
Contractual	198.1	198.1	198.1	198.1	198.1	198.1
Supplies	2.5	2.5	2.5	2.5	2.5	2.5
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	253.2	253.2	253.2	253.2	253.2	253.2

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	253.2	253.2	253.2	253.2	253.2	253.2
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	253.2	253.2	253.2	253.2	253.2	253.2

Estimate of any current year (FY2001) cost: 0.0

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)

The Department of Public Safety estimates it will require \$253.2 GF at a minimum for handling 250 vehicles that are forfeitures under HB 39. This legislation will require one full-time Procurement Specialist I, range 14 position to manage the inventory (200 vehicles and 50 snow-machines). Included in this analysis are the transportation costs, storage costs, DMV Fees, and I/M Test Fees. The transportation costs include twenty-five percent of the vehicles would require long-distance transportation (vehicle transport contractor - \$900 per vehicle) and seventy-five percent by short-distance (towing companies - \$50 per vehicle). The storage of vehicle (\$450 annually) and snow-machine (\$350 annually) would be contracted out to general automobile/RV storage facilities.

The following costs are not included in this fiscal note: the administrative fee charged for the sale of vehicles (5% - 10% of sale proceeds); loan payoff of vehicles forfeited; and secure arrangements for vehicle storage.

Prepared by: Lt. Steve Dunnagan Phone 269-4532
 Division: Alaska State Troopers Date/Time 1/31/01 11:30am
 Approved by: Glenn G. Godfrey, Commissioner Date 1/31/01
 Agency: Department of Public Safety

For distribution information, call the Governor's Legislative Office

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 39
 () Publish Date: _____

Revision Date/Time (Note if correction): _____
 Title: An act relating to registration of motor vehicles,
to operating a motor vehicle, aircraft, or watercraft.....
 Sponsor: Representative Kott
 Requester: House Transportation

Dept. Affected: Administration
 BRU: Motor Vehicles
 Component: _____
 Component Number: 2348

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services	430.2	430.2	430.2	430.2	430.2	430.2
Travel						
Contractual	38.3	10.5	10.5	10.5	10.5	10.5
Supplies	18.2	3.5	3.5	3.5	3.5	3.5
Equipment	59.3	0.0	0.0	0.0	0.0	0.0
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	546.0	444.2	444.2	444.2	444.2	444.2

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	546.0	444.2	444.2	444.2	444.2	444.2
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	546.0	444.2	444.2	444.2	444.2	444.2

Estimate of any current year (FY2001) cost: 0.0

POSITIONS

Full-time	10					
Part-time	1					
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Section 1 of this bill will have a fiscal impact in that DMV shall refuse to register a vehicle or renew a registration if the applicant does not have a driver license and the applicant's license or privilege to drive is suspended or revoked. The insurance requirement would have no fiscal impact because the current program of self-certification could continue. While the remainder of this bill addresses DWI issues, the language of Section 1 requires DMV to take actions on all suspensions or revocations regardless of the cause.

(Continued)

Prepared by: Charles R. Hosack
 Division: Motor Vehicles
 Approved by: Jim Duncan, Commissioner
 Agency: Department of Administration

Phone 269-5559
 Date/Time 1/31/01 11:00 am
 Date 1/31/01

For distribution information, call the Governor's Legislative Office

ANALYSIS: (continued)

This provision is difficult to administer because the driver license and vehicle data bases are not linked electronically. In the driver license program there is a requirement to positively identify the person so that convictions can be placed on the correct record. In the vehicle program identification of that specific property is key and there is no requirement to positively identify each vehicle owner. In fact there is not a requirement to use a complete legal name on ownership or registration records. This fact plus the issues of multiple ownership, business ownership, etc, makes it difficult and cumbersome to link the two data bases. DMV's estimate of a project to link the two data bases is \$1.5 to \$2 million for contract programming staff and would take 2 years to complete. This is no small undertaking and would not allow the provision to be implemented by the effective date of the bill.

Because there is no electronic link it will be necessary to review the driving record of each applicant every time a registration transaction is done. The annual volume of these transactions is 350,000 which includes both new and renewal transactions.

There are four areas of the registration program where this section will have a fiscal impact.

1. Business Partners - DMV uses business partners such as car dealers and emission inspection stations to process registrations. These partners are linked electronically to DMV for processing in real time and they operate much the same as a DMV office. Driver license information is confidential by statute and these partners are not allowed access to this information. These partners process 65,000 registration transactions annually and they would have to deny registration based on the applicants driver license status. DMV cannot give them access to driver information so it will be necessary to develop a new computer application that will allow query by driver license but will only return a "Yes" or "No" indicator based on the driving record status. This work will be done by a contract for programming service at the state's standard contract rates.

160 Hours x \$122.77 per hour = \$19,643
ITG contract administration fee = \$ 659

Note: Although it is not a cost to the state, vehicle sales may be affected if the dealer's inquiry returns a "no" reply on the purchaser.

2. Web/Phone Renewal Services - These electronic venues are completely automated so there is not a possibility to review the applicant's record to determine if the license is suspended or revoked. A person other than the owner could renew the registration if they were willing to pay for it and this complicates the problem further. These services will be discontinued and it is assumed that the applicants will now go to a DMV office or use the mail to renew registrations. The volume of transactions on these two venues is 30,000 annually. Using the standard renewal rate, one employee can process 20,000 transactions so this will require 1.5 PFT positions plus equipment and other costs.

1 PFT position and 1 PPT position, range 10 \$59,215
Equipment and associated costs \$17,356

ANALYSIS: (continued)

3. DMV Field Office Work - The remainder of the renewal transactions, 285,000 annually, will be done at a DMV office and it will be necessary to review the driving record prior to issuing the registration. This volume will lengthen the transaction and wait times and will require additional staffing to compensate. Assuming one employee can do 50,000 reviews annually then it will require 6 new PFT position for this work. In addition the mail renewal program would need 1 additional PFT position to ensure registrations are completed in a timely manner and returned to the owner. The annual volume of mail renewals is 70,000 and DMV is required to meet rigid time constraints in this program.

7 PFT positions, range 10	\$276,339
Equipment and associated costs	\$ 60,746

4. Hearing Process - Whenever DMV refuses to register a vehicle it is required to offer the opportunity to have a hearing as a matter of due process. There are approximately 15,000 license suspensions or revocations each year. It is estimated that 10% will request a hearing. This is the same average that request hearings on driver license actions. This volume will require 1 hearing officer and 1 support person.

1 PFT Hearing Officer, range 16	\$55,119
1 PFT position for admin support, range 10	\$39,477
Equipment and associated costs	\$17,356

Summary Costs (First Year)

Personal Services (10 PFT, 1 PPT)	\$430.2
Associated Costs	
Contractual	\$ 38.3
Commodities	\$ 18.2
Equipment	\$ 59.3
Total	\$546.0

FISCAL NOTE

**STATE OF ALASKA
2001 LEGISLATIVE SESSION**

Fiscal Note Number: _____
 Bill Version: HB 39
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Law
 Title "An Act relating to registration of motor vehicles, BRU Criminal Division
to operating a motor vehicle . . . while intoxicated . . ." Component 3rd-4th Judicial Districts
 Sponsor Representative Kott
 Requester House Transportation Committee Component No. 2261;2279;2201

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services	563.1	563.1	563.1	563.1	563.1	563.1
Travel	1.8	1.8	1.8	1.8	1.8	1.8
Contractual	87.0	87.0	87.0	87.0	87.0	87.0
Supplies	7.5	7.5	7.5	7.5	7.5	7.5
Equipment	39.0					
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	698.4	659.4	659.4	659.4	659.4	659.4

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	698.4	659.4	659.4	659.4	659.4	659.4
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	698.4	659.4	659.4	659.4	659.4	659.4

Estimate of any current year (FY2001) cost: 0.0

POSITIONS

Full-time	7	7	7	7	7	7
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
 HB 39 makes several changes to the law that are associated with driving while intoxicated: 1) The Division of Motor Vehicles would be prohibited from registering a vehicle if the applicant does not have a valid driver's license or the license has been suspended or revoked, or if the applicant does not have the motor vehicle insurance required by law. 2) A person convicted of driving while their license was canceled, suspended, revoked would, in addition to current penalties, be subject to having the vehicle used in the commission of the offense forfeited. 3) Eliminates the "look back" time limit for the second offense of misdemeanor DWI and refusal to take a breath test. No matter how long ago the first offense occurred, under this change the second offense would be subject to the same penalty. Under current law, the state can only "look back" ten years for a first offense, and if that offense is older than ten years, it may not be considered. For charging and sentencing purposes, the second offense becomes the first again. 4) Requires the vehicle used during a second DWI offense (but not necessarily refusal) be forfeited upon conviction. 5) Eliminates the "look back" time limit for the third offense of felony DWI. Under current law, the state can only look back five years for a prior DWI conviction. 6) Requires the vehicle used during the third DWI be forfeited upon conviction. The bill also requires that alcohol

Prepared by: Joan M. Kasson Phone 465-5370
 Division Attorney General's Office Date/Time 1/30/01 4:41 PM
 Approved by: Kathryn Daughthetee for Bruce M. Botelho, Attorney General Date 01/30/2001
 Agency Department of Law

For distribution information, call the Governor's Legislative Office

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

BILL NO. HB 39

ANALYSIS CONTINUATION

treatment conditions imposed by the court as part of a sentence for DWI be completed by the offender while incarcerated, as much as is possible, and that the Division of Alcohol and Drug Abuse cooperate with public groups both in establishing and conducting programs designed to deal with DWIs, and in facilitating, coordinating, and monitoring data between public groups interested in deterring DWI offenses.

The Department of Law will be impacted financially primarily by the elimination of "look back" for felony DWI. The elimination of misdemeanor DWI "look back" for the second offense will have little, if any, impact, because the second offense remains a misdemeanor, which are much less resource intensive than felonies for the Department of Law.

Eliminate Five Year "Look Back" for Felony DWI:

Based on both Department of Correction and Division of Motor Vehicle data, it is estimated that elimination of the limit on how old prior convictions must be in order for the third offense to be charged as felony DWI will result in approximately 1,000 new felony DWI referrals in the first year after enactment of this bill. The Criminal Division estimates approximately 95 percent of these will be accepted for prosecution, based on acceptance rates for current felony DWI prosecutions and estimates of how many are currently screened out because prior convictions are outside the five-year look back period. This would mean approximately 850 new felony prosecutions in the year following the effective date of this bill.

Felony prosecutions are much more resource intensive than misdemeanor prosecutions. Because the penalties are so much higher, defendants are more likely to vigorously challenge the charge, and less likely to settle prior to trial. The Department of Law anticipates it would need five new FTE attorney positions and one FTE paraprofessional to handle this huge volume of new felony cases, to both screen the referrals and prosecute those that are accepted. Two attorney positions and the paraprofessional would be located in the Anchorage District Attorney's Office. The Fairbanks, Palmer, and Kenai District Attorney's Offices would each require one new attorney position.

Using the department's FY02 standard attorney cost schedule, the fiscal impact from this legislation would be \$659.4. This cost includes clerical support, communications, space, supplies, data processing, and other normal overhead expenses. The standard cost does not include one-time new equipment purchases, and \$6,500 per position is added in FY02 for this purpose. Proportionate support position funding is included in the standard attorney cost schedule at a rate of approximately one support position for every three professional positions. Position authorizations are required, however, and one FTE support position is requested for the Anchorage DAO, along with \$6,500 for one-time equipment costs. The remaining clerical support funding embedded in the rate will be used to reduce clerical support vacancy so that the other three new attorneys' clerical burden can be handled.

Component	Position	100	200	300	400	500	TOTAL
2261 - 3rd Judicial District: Anchorage (Anchorage DAO)							
	2 PFT Attorney	\$242.2	\$0.8	\$37.4	\$3.2	\$13.0	\$296.6
	2 PFT Paraprofessional	\$78.7	\$0.2	\$12.2	\$1.1	\$6.5	\$98.7
	1 PFT Legal Secretary					\$6.5	\$6.5
2279 - 3rd Judicial District: Outside Anchorage (Kenai and Palmer DAOs)							
	2 PFT Attorney	\$121.1	\$0.4	\$18.7	\$1.6	\$6.5	\$148.3
2201 - 4th Judicial District (Fairbanks DAO)							
	1 PFT Attorney	\$121.1	\$0.4	\$18.7	\$1.6	\$6.5	\$148.3
TOTAL		\$563.1	\$1.8	\$87.0	\$7.5	\$39.0	\$698.4

FISCAL NOTE

**STATE OF ALASKA
2001 LEGISLATIVE SESSION**

Fiscal Note Number: _____
 Bill Version: HB39
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
 Title: "An Act relating to registration of motor vehicles..." BRU: Legal & Advocacy
 Component: Public Defender Agency
 Sponsor: Representative Kott
 Requester: (H) TRA Component Number: 1631

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services	434.1	434.1	434.1	434.1	434.1	434.1
Travel	16.3	16.3	16.3	16.3	16.3	16.3
Contractual	121.5	121.5	121.5	121.5	121.5	121.5
Supplies	9.6	9.6	9.6	9.6	9.6	9.6
Equipment	35.8	3.5	3.5	3.5	3.5	3.5
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	617.3	585.0	585.0	585.0	585.0	585.0

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	617.3	585.0	585.0	585.0	585.0	585.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	617.3	585.0	585.0	585.0	585.0	585.0

Estimate of any current year (FY2001) cost: 0.0

POSITIONS

Full-time	5	5	5	5	5	5
Part-time	1	1	1	1	1	1
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The main provision of this bill that would affect the Public Defender Agency is Section 5. That section would eliminate the five year "look back" provision for Felony Driving While Intoxicated (DWI) cases. Under current law the third DWI is a felony if the defendant has been convicted two or more times within the previous five years. Section 5 would make any third DWI a felony no matter how long ago the prior DWI convictions were entered.

Based on figures provided by the Department of Law, the Public Defender Agency estimates that there would be 850 new Felony DWI prosecutions per year. The Public Defender Agency estimates that we would be appointed to represent defendants in 80% of these cases, and 680 new felony cases would be added to our caseload.

Prepared by: Barbara Brink, Director Phone (907) 334-4414
 Division: Public Defender Agency Date/Time 01/31/01 3PM
 Approved by: _____ Date 1/31/01
 Agency: Department of Administration

For distribution information, call the Governor's Legislative Office

ANALYSIS: (continued)

Using established caseload standards, the Agency will need four full time attorneys and one half-time attorney to handle this increased caseload. With this many new Attorneys added to our staff, we will need one additional Legal Secretary. Our Anchorage office has the lowest Attorney-Support Staff ratio, so we would locate the Legal Secretary in Anchorage.

The Alaska Court System's statistics on Felony DWI prosecutions show that Anchorage, Fairbanks, and Palmer have the highest number of Felony DWI cases. Of these three court locations, Anchorage has the greatest number of Felony DWI's, while Fairbanks has the highest rate of growth. Therefore, we will place two full-time Attorneys in Anchorage, one full-time and one half-time Attorney in Fairbanks, and one full-time Attorney in Palmer.

HB39 Estimate of Costs					
			Procurement Specialist I, Range 14, Anchorage		47,600
			Travel for Auctions		5,000
Type	Location	Vendor	Shipment or Annual Cost	Est. Annual #	Cost
Snowmachine	Bethel/Nome - Anc	NAC	\$ 210	50	\$ 10,500
Vehicle	Long Distance (25%)	AK Veh Tran	\$ 900	50	\$ 45,000
Vehicle	Short Distance (75%)	Towing Co.	\$ 50	150	\$ 7,500
I/M Test	Fbx/Anc - 30% of 200	Xpress Lube	\$ 55	60	\$ 3,300
DMV Fees		DMV	\$ 78	200	\$ 15,600
Snowmachine Storage	Anch, Palmer, Fbx	Auto / RV	\$ 350	50	\$ 17,500
Vehicle Storage	Anch, Palmer, Fbx	Auto / RV	\$ 450	200	\$ 90,000
Contractual Cost for Position (phones, computer, postage, DP Svc)					\$ 8,700
			Total Contractual Costs		\$ 198,100
Office and DP Supplies for Position			Total Supply Costs		\$ 2,500
			Fiscal Note Total		\$ 253,200
Assumption: 800 convictions, 30% forfeited (200 vehicles and 50 snowmachines).					
Analysis does not include: 1. secure arrangement for vehicle storage. 2. Sale of Vehicle 5% Admin Fee.					
3. Vehicle Loan Payoff - forfeited vehicles.					

HB

44

Alaska State Legislature



Committees:

Transportation
Chair

Resources
Vice Chair

Economic Development,
Trade & Tourism

During Interim: (June-Dec.)
Mat-Su LIO
600 E. Railroad Avenue
Wasilla, AK 99654
(907) 376-2679
Fax: 373-4745

During Session: (Jan.-May)
State Capitol
Juneau, AK 99801-1182
(907) 465-2679
Fax: 465-4822
1-800-505-2678

Representative Beverly Masek

MEMORANDUM

Dt: January 12, 2001

To: Representative Vic ^{Vic}Kohring

Fr: Representative Beverly Masek ^{BM}

Re: HB 44 - Joe Redington, Sr. Memorial Road

I would appreciate your consideration in scheduling HB 44 at your earliest convenience. This legislation is intended to recognize a truly great Alaskan for his achievements and contributions to our State. Joe Redington, Sr. is widely recognized as the "Father of the Iditarod" and rightly so. His tireless efforts firmly established the Last Great Race as a premier sporting event of worldwide prominence.

I look forward to working with you in establishing this tribute to Joe and if there are any additional items you would need before hearing this legislation, please let me know.

Toni Utt
 HC30 Box 5446
 Wasilla, AK 99654
 (907)376-9275 phone
 (907)373-7719 fax
 toniutt@mtaonline.net e-mail

JAN 30 REC'D

date: 1/31/01
 to: Rep. Bev Masek 373-4745
 Rep. Vic Kohring 373-4729
 Rep. Scott Ogan 373-4724
 re: Renaming of KGB Road

* is in district 28.

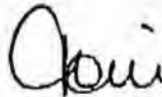
Dear Representatives:

I have known Joe & Vi Redington for 30 years and would love to see a road named after Joe, but wouldn't it be easier to name a new road ~ one that isn't already on all the state maps and the road signs wouldn't have to be replaced?

I live on Knik Goose Bay Road and it is so much easier to either say Knik Rd. or KGB Rd. than Redington Historical Trail - and with Knik being called such for over 30 years - it's going to be just like the Anchorage Airport and Mt. Denali - most of us STILL call them the International Airport and Mt. McKinley! A Heritage Center down by the Knik Museum (which is close to the Iditarod Trail) would be a much more memorable memoriam than to rename an existing road.

Please think long and hard before passing this one!

Sincerely,



Toni Utt

2/5/01

- I CALLED + EXPLAINED

"CO-NAMING" - THAT MADE HER HAPPY.

- ALSO TOLD HER THAT THE "TRAIL" NAME MIGHT OPEN
 ACCESS FEDERAL TRACK FUNDS

22-LS0076F
Utermohle
1/22/01

CS FOR HOUSE BILL NO. 44(TRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY THE HOUSE TRANSPORTATION COMMITTEE

**Offered:
Referred:**

Sponsor(s): REPRESENTATIVES MASEK, Mulder, Bunde, Dyson, Moses, Halcro, Kerttula

A BILL

FOR AN ACT ENTITLED

1 **"An Act designating the Joe Redington, Sr., Memorial Trail."**

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

3 *** Section 1. AS 35.40 is amended by adding a new section to read:**

4 **Sec. 35.40.140. Joe Redington, Sr., Memorial Trail.** The portion of the
5 Knik-Goose Bay Road in the Matanuska-Susitna Borough between milepost 0 and
6 milepost 15 is concurrently designated as the Joe Redington, Sr., Memorial Trail.

Committees:

Transportation
Chair

Resources
Vice Chair

Economic Development,
Trade & Tourism

Alaska State Legislature



Representative Beverly Masek

During Interim: (June-Dec.)
Mat-Su LIO
600 E. Railroad Avenue
Wasilla, AK 99654
(907) 376-2679
Fax: 373-4745

During Session: (Jan.-May)
State Capitol
Juneau, AK 99801-1182
(907) 465-2679
Fax: 465-4822
1-800-505-2678

Sponsor Statement for HB 44

Joe Redington, Sr. Memorial Road

Joe Redington, Sr. was a true Alaskan hero. Because of his determination and singular purpose of mind, an event that inspires the imagination of people from all over the globe has brought Alaska and Alaskans worldwide recognition. The Iditarod Sled Dog Race is a uniquely Alaskan event that has served many purposes that should inspire pride in all Alaskans. Joe Redington, Sr. is widely recognized as the "Father of the Iditarod" and has had many accolades attributed to him since his passing.

The Iditarod Race headquarters is on the Knik-Goose Bay Road. A little farther out on the same highway is the Redington Homestead where for many years Joe raised and trained his dog teams. It was from his home in Knik that Mr. Redington began the effort to establish the Iditarod Sled Dog Race. I believe that it would be appropriate along with all the other efforts recognizing Joe to name the road that passes by his old homestead and the Iditarod Race Headquarters after him.

HOUSE BILL NO. 44

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

BY REPRESENTATIVES MASEK, Mulder, Bunde, Dyson, Moses, Halcro

Introduced: 1/10/01

Referred: Transportation

A BILL

FOR AN ACT ENTITLED

1 **"An Act designating the Joe Redington, Sr., Memorial Road."**

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

3 *** Section 1.** AS 35.40 is amended by adding a new section to read:

4 **Sec. 35.40.140. Joe Redington, Sr., Memorial Road.** The portion of the
5 Knik-Goose Bay Road in the Matanuska-Susitna Borough between milepost 0 and
6 milepost 15 is concurrently designated as the Joe Redington, Sr., Memorial Road.

HB

55

Alaska State Legislature

House of Representatives



Transportation Committee

Rep. Kohring, Chair
Rep. Masek, Vice-Chair
Rep. Kapsner
Rep. Kookesh
Rep. Ogan
Rep. Scalzi
Rep. Wilson

To: Representative Mulder, Chair
House Finance Committee
Representative William, Chair
House Finance Committee

From: Representative Kohring *M*
Chair, House Transportation Committee

Date: February 7, 2001

Re: HB 55, Oil Discharge Prevention: Non-Tank Vessels/Railroad

Yesterday, the House Transportation Committee passed HB 55 out to the next committee of referral with the fiscal note prepared by the Department of Environmental Conservation. During the hearings, I expressed my concerns that more DEC employees would be hired and that the DEC budget would increase.

The fiscal note shows that the funding source is the Oil/Hazardous Fund. Legislative financial analysts provided fund balance projections for the next few years (attached). DEC concurred with the projections. The projections show the fund to be steadily decreasing. **However, the projections did not include the fiscal note impacts.** Therefore, the cost of HB 55 will cause the Fund to decrease at a faster rate.

I am requesting that the Finance Committee to reduce the Department of Environmental Conservation budget each year by amount equal to the annual expenses shown in the HB 55 fiscal note. This will result in a "net zero impact."

<u>FY 02</u>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 05</u>	<u>FY 06</u>	<u>FY 07</u>
78.0	297.7	276.1	141.5	141.5	141.5

The purpose of keeping the SPAR budget at the same level is to ensure that the "470 Fund" remains healthy. It would be unfortunate if the 470 Fund would be depleted at a faster rate due to HB 55, inadvertently impacting other SPAR programs.

cc: House Transportation Committee Members

**OIL AND HAZARDOUS SUBSTANCE RELEASE PREVENTION AND RESPONSE FUND
FUND PROJECTION TO 2004**

Description	Response Mitigation Account (RMA)	Response Surcharge Account (RSA) 2c	Prevention Mitigation Account (PMA)	Prevention Surcharge Account (PSA) 3c	Storage Tank Assistance Fund
FY02					
Estimated FY01 amounts available to be appropriated into the OHSRPRF for use during FY02.	51,276.5		5,379.5	\$9,300.0	1,924.7
Estimated Beginning Balance FY02	\$51,276.5		\$25,206.0		\$1,957.5
FY02 Estimated Operating Budget			13,457.0		957.5
FY02 Estimated Capital Budget			7,600.0		1,000.0
FY02 Storage Tank Asst Fund Approp			1,924.7		
Estimated Balance Fiscal Year Ending 6/30/02	\$51,276.5		\$2,224.3		\$0.0
FY03					
Estimated FY02 amounts available to be appropriated into the OHSRPRF for use during FY03.	0.0	0.0	5,379.5	\$9,800.0	875.0
Investment Income*			2,563.8		
Estimated Beginning Balance FY03	\$51,276.5		\$19,967.7		\$875.0
FY03 Estimated Operating Budget	0.0		13,500.0		875.0
FY03 Estimated Capital Budget	0.0		3,500.0		0.0
FY03 Storage Tank Asst Fund Approp			875.0		
Estimated Balance Fiscal Year Ending 6/30/03	\$51,276.5		\$2,092.7		\$0.0
FY04					
Estimated FY03 amounts available to be appropriated into the OHSRPRF for use during FY04.		0.0	5,379.5	\$9,900.0	875.0
Investment Income*			2,563.8		
Estimated Beginning Balance FY04	\$51,276.5		\$19,936.0		\$875.0
FY04 Estimated Operating Budget	0.0		13,500.0		875.0
FY04 Estimated Capital Budget	0.0		3,500.0		0.0
FY03 Storage Tank Asst Fund Approp			875.0		
Estimated Balance Fiscal Year Ending 6/30/04	\$51,276.5		\$2,061.0		\$0.0

* Investment income for this projection is calculated at 5% only on the Response Account. Investment income is earned on the other funds as well, but this is not included in this projection.

**OIL AND HAZARDOUS SUBSTANCE RELEASE PREVENTION AND RESPONSE FUND
FUND PROJECTION TO 2004**

Description	Response Mitigation Account (RMA)	Response Surcharge Account (RSA) 2c	Prevention Mitigation Account (PMA)	Prevention Surcharge Account (PSA) 3c	Storage Tank Assistance Fund
FY02					
Estimated FY01 amounts available to be appropriated into the OHSRPRF for use during FY02.	46,195.5	0.0	5,618.8	9,400.00	10,092.9 3,000.0
Estimated Beginning Balance FY02	\$46,195.5		\$15,018.8		\$13,092.9
FY02 Estimated Operating Budget	0.0		14,325.0		957.5
FY02 Estimated Capital Budget	5,000.0		2,600.0		1,000.0
Emergency Response Activities, Avg cost	540.0				
Estimated Balance Fiscal Year Ending 6/30/02	\$40,655.5		(\$1,906.2)		\$11,135.4
FY03					
Estimated FY02 amounts available to be appropriated into the OHSRPRF for use during FY03.	50.0	0.0	0.0	8,900.00	0.0 3,000.0
Estimated Beginning Balance FY03	\$40,705.5		\$6,993.8		\$14,135.4
FY03 Estimated Operating Budget	0.0		15,000.0		875.0
FY03 Estimated Capital Budget	737.0		3,750.0		2,350.0
Emergency Response Activities, Avg cost	540.0				
Estimated Balance Fiscal Year Ending 6/30/03	\$39,428.5		(\$11,756.2)		\$10,910.4
FY04					
Estimated FY03 amounts available to be appropriated into the OHSRPRF for use during FY04.	50.0	0.0	0.0	8,400.00	0.0 3,000.0
Estimated Beginning Balance FY04	\$39,478.5		(\$3,356.2)		\$13,910.4
FY04 Estimated Operating Budget	0.0		15,000.0		875.0
FY04 Estimated Capital Budget	737.0		3,750.0		2,350.0
Emergency Response Activities, Avg cost	540.0				
Estimated Balance Fiscal Year Ending 6/30/04	\$38,201.5		(\$22,106.2)		\$10,685.4

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: CS HB 55 (TRA)
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Envir. Conservation
 Title: Oil Discharge Prevention: Nontank Vessels/RR BRU: Spill Prev. & Response
 Component: Industry Prep. and Pipeline

Sponsor: Rules
 Requester: Transportation Component Number: 1922

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services	59.7	232.5	232.5	119.4	119.4	119.4
Travel	3.5	14.0	14.0	7.0	7.0	7.0
Contractual	7.5	28.6	26.8	13.7	13.7	13.7
Supplies	0.4	1.6	1.6	0.8	0.8	0.8
Equipment	6.9	21.0	1.2	0.6	0.6	0.6
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	78.0	297.7	276.1	141.5	141.5	141.5

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						
1052 OHSRPRF - Prevention Account	78.0	297.7	276.1	141.5	141.5	141.5
TOTAL	78.0	297.7	276.1	141.5	141.5	141.5

Estimate of any current year (FY2001) cost: 0.0

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)
 Funding is from the Oil and Hazardous Substance Release Prevention and Response Fund's Prevention Account.

Funding and staffing needs are based on the assumption that approximately 500 contingency plan applications covering more than 900 vessels and the Alaska Railroad will be submitted for approval under the new requirements. This is based on the number of financial responsibility applications that have been submitted by the same operators under existing law. It is assumed that the vast majority of reviews will be done under the "streamlined" process, but each operator has the option of submitting a more detailed individual plan to meet the requirements. Assuming about 480 streamlined applications and 20 individual plan reviews, staff will be reviewing approximately 500 plans every three years (165 plans per year), with corresponding drills and verifications at the facilities covered by the legislation on an annual basis. CONTINUED ON NEXT PAGE

Prepared by: Larry Dietrick Phone 465-5255
 Division: Spill Prevention and Response Date/Time 2/9/01 9:00 AM
 Approved by: Kurt Fredriksson Date 2/9/01
 Agency: DEC

For distribution information, call the Governor's Legislative Office

ANALYSIS: (continued)

This needs analysis takes into account the "phasing in" of requirements over the three fiscal years prior to full program implementation and the increased level during the initial plan review process. In year 1 (FY 02) (1) Environmental Specialist III will be added to the Industry Preparedness and Pipeline Program (IPPP) to draft and promulgate regulations to implement the legislation and provide technical assistance and training to the spill cooperatives, the Marine Exchange, and other stakeholders. In year 2 (FY 03) operators will begin to submit plans under the new regulations to the Department. These plans will be conditionally approved by the Department upon receipt, and plan reviews will be staggered over the three-year plan renewal cycle to smooth out staff workload. In FY 03 the IPPP Marine Vessel Section will add (1) permanent Environmental Specialist III and (2) nonpermanent Environmental Specialist IIIs to assist in registration of primary response action contractors, initial reviews of the plans, and technical assistance to stakeholders in gaining compliance with the new regulations. The nonpermanent ES III positions will carry over into FY 04 in order to continue to assist in these activities and in drills and verifications, which will also be conducted on a three-year cycle beginning with the first year's approved plans. This analysis anticipates that in FY 05 the bulk of initial reviews will be completed and the two permanent ES IIIs will be responsible for plan renewals, drills and verifications in this and subsequent years. This fiscal note relies heavily on the ability of ships' agents, spill cooperatives and the newly-formed Marine Exchange to facilitate streamlined contingency plans and shared response capabilities. In FY 04 the Department will assess the actual workload associated with these activities and may modify its FY 05 budget request based on this assessment.

The annual travel budget for year 1 includes funding to attend public and task force meetings, information workshops on the new regulations, and other related duties. The year 2 travel budget adds related costs for technical assistance in contingency plan development and review. Year 3 and subsequent travel budgets include funding for on-site facility verifications, drills and exercises, and training. Contractual costs will fund ongoing support costs such as telephones, copiers, office space, postage, and training as new staff are added. Costs budgeted in supplies will fund office and scientific supplies. Equipment funds are requested to purchase equipment such as office furniture and computers and provide continued maintenance and replacement.



Alaska Department of Environmental Conservation

Alaska's Oil Spill Safety Net

Task Force on Motorized Oil Transport

**FINAL
REPORT
December 15, 2000**



Information Insights, Inc.
751 Old Richardson Hwy., Suite 235
Fairbanks, AK 99701
(907) 452-2461
<http://www.infoinsights.com>

TASK FORCE ON MOTORIZED OIL TRANSPORT

STEERING COMMITTEE

Commissioner Michele Brown, Chair
Representative Pete Kott
Senator Drue Pearce

TASK FORCE MEMBERS

Eric Britten, Container Ship Industry
Gene Burden, Noncrude Industry
Jim Carter, Regional Citizens' Advisory Council
Scott Carter, Spot Charter
Larry Dietrick, Director, Division of Spill Prevention and Response, DEC
Lee Eglund, Alaska Petroleum Distributors & Transporters
John Hansen, Cruise Ship Industry
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Lurilla Lee, Fishing Industry
Doug Lentsch, Oil Spill Response Cooperative
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Heather McCarty, Fishing Industry
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Ernie Piper, Alaska Railroad Corporation
Jeff Thompson, Shipping Agent

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PREVENTION WORK GROUP CO-CHAIRS

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TASK FORCE ON MOTORIZED OIL TRANSPORT FINAL REPORT
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I. EXECUTIVE SUMMARY

Financial responsibility and oil spill response planning requirements have been in place since 1990 for tank vessels carrying petroleum as their principal cargo. Senate Bill 273, enacted by the 2000 Alaska Legislature, established similar requirements for nontank vessels of more than 400 gross tons, and for railroad tank cars.

The new law establishes a response planning standard (RPS) for "containment and control of 15 percent of the maximum oil capacity" of the nontank vessel or railroad train within 48 hours. Cleanup is required "within the shortest possible time consistent with minimizing damage to the environment."

The bill established the Task Force on Motorized Oil Transport and charged the Task Force with determining how to implement the response planning standard. The Legislature also passed Senate Concurrent Resolution 1, setting the membership of the Task Force as well as the requirements for the Task Force report. The resolution asked the Task Force to recommend Alaska statutes and regulations to achieve the response planning standard in a practical and cost-efficient manner, use of fleet plans, vessel agents, generic contingency plans, streamlined contingency plans and spill prevention measures, and inspection measures. This report completes the Task Force work under SB 273 and SCR 1.

The Task Force recommends implementing the standard with measures that are:

- **Realistic**, capable of being implemented with available technology and expertise;
- **Effective**, providing real protection to the environment;
- **Economically feasible**, capable of being implemented without unreasonable costs; and
- **Flexible**, providing a wide variety of options and choices for vessel owners and shippers to meet the requirements of the law.

The Task Force made recommendations regarding the response planning standard in recognition of federal pre-emption issues. The recommendations provide a means of implementing the response planning standard that includes fleet plans, vessel agents, a streamlined contingency planning process, and voluntary spill prevention measures.

The recommendations recognize the existing framework of response planning requirements for tank vessels while providing opportunities for vessel owners and operators to determine their most efficient means of meeting the standard. The Task Force envisions that market forces will yield several alternative compliance choices for most vessel owners.

The requirements of these recommendations apply only to vessels in state waters, generally within three miles of shore.

Summary - Response Planning Standard

The Task Force recommends the response planning standard be based on an assumed sea state of a maximum three foot wave height.

Control and containment equipment, including sufficient boom to extend three times the length of the vessel, must be stationed within a vessel's area of operation. Skimming equipment for cleanup must be able to clean up 15 percent of the maximum oil capacity of the vessel within five days and appropriate storage must be available, or be able to reach the area within 24 hours. The Task Force recommends that vessels have an opportunity to demonstrate to the department that they carry less fuel in Alaska waters than the maximum tankage of the vessel, and when the actual fuel volume is demonstrated to be less than the maximum tankage and approved by DEC, the response planning standard will be based on the lesser volume.

Summary - Contingency Plans

Contingency planning to meet the response planning standard should be a streamlined process that includes demonstration that the vessel

- meets the financial responsibility requirements of state law (COFR);
- has designated an individual who is qualified to make decisions about a spill on behalf of the vessel owner (QI),
- has a response action plan that includes
 1. initial notification procedures such as those contained in the shipboard oil pollution emergency plan (SOPEP);
 2. a contract with a primary response action contractor or use of equivalent resources, to contain and control 15 percent of the maximum oil capacity of the vessel; and
 3. a contract with an incident management team or equivalent resources and
- meets applicable federal and International Maritime Organization requirements

A vessel owner can demonstrate a vessel plan through three options:

- I. By contracting with primary response action contractors for containment and control, cleanup and incident management;
- II. By demonstrating to the department equivalent resources for containment, control, cleanup and incident management; or

III. By a combination of A and B.

A vessel fleet, operated by a single owner or by a group of independent owners, can prepare a plan for a group of vessels, demonstrating to the department the fleet plan meets the requirements of the law using any of the three options. Vessels can be added to a fleet through a simple fleet plan amendment process. Vessel agents, acting as response plan facilitators, can prepare generic contingency plans, designed to be activated by vessels entering state waters on short notice.

The Task Force recommends that the Department of Environmental Conservation act upon contingency plans under tight timeframes. The department advised the Task Force that additional staff will be needed to meet the recommended timelines, which will require additional funding. Public review opportunities continue to exist through review of primary response action contractor plans and by electronic posting of a listing of contingency plan filings.

The Task Force recommends a simple schedule of tabletop drills for vessels contracting with primary response action contractors and full deployment drills for vessels using alternative resources.

The Task Force recommends standardizing oil spill incident command using the NIIMS ICS system as modified for oil spills.

Summary - Prevention

The Task Force recommends that all affected nontank vessels comply with applicable federal and international requirements.

The Task Force recommends a prevention credit program for voluntary measures taken by vessels to prevent or reduce the likelihood of oil spills. The program would give recognition to vessels in the form of extended contingency plan review cycles and a vessel award program. The program is designed to accommodate differences in vessel types and potential for undertaking prevention measures. The Task Force does not recommend any reduction in the response planning standard be part of a prevention credit program.

Summary - Alaska Railroad

The Task Force endorses the Alaska Railroad Risk Assessment process, and recommends the process be followed through to completion. The Alaska Railroad should undergo a Contingency and Prevention Plan review under the rigor of existing law for currently regulated industry.

Conclusion

The Task Force on Motorized Oil Transport unanimously adopted this report and believes its recommendations meet the Alaska Legislature's request for implementation

of the Response Planning Standard set forth in SB 273 and SCR 1, providing increased protection of the environment at a reasonable cost to affected vessel owners and operators.

The Task Force recommendations were reached through a consensus process in response to its obligations under the provisions of SB 273 and SCR 1. The recommendations have implications for both state law and regulations. In an effort to meet its obligations and assist the legislature, the Task Force has incorporated recommendations requiring legislative action formatted as draft legislation. The Task Force also reached consensus that any legislation in response to Senate Bill 273 avoid changes to oil spill laws beyond those described in this report.

The Task Force has prepared the appended draft legislation, developed by the Task Force, that we believe reflects the balance of interests envisioned by the Task Force. The Task Force recommends legislation be adopted to fully implement SB 273 without substantive legislative amendment to the recommendations. The Task Force recommends the Legislature adopt a Letter of Intent with this draft legislation, incorporating by reference this report, the documents the Task Force used in preparing the report, and the transcripts of the Task Force meetings, to serve as a record of the legislative intent for any future interpretation of the legislation and to be used by the Department of Environmental Conservation as a guideline for drafting regulations to implement the legislation.

II. TASK FORCE AND WORK GROUP PROCESS

Financial responsibility and oil spill response planning requirements have been in place since 1990 for tank vessels carrying petroleum as their principal cargo. Senate Bill 273 enacted by the 2000 Alaska Legislature established similar requirements for nontank vessels of more than 400 gross tons, and for railroad tank cars.

The new law establishes a response planning standard (RPS) for "containment and control of 15 percent of the maximum oil capacity" of the nontank vessel or railroad train within 48 hours. Cleanup is required "within the shortest possible time consistent with minimizing damage to the environment."

The bill established the Task Force on Motorized Oil Transport and charged the Task Force with determining how to implement the response planning standard. The Task Force is to report its recommendations to the Legislature on or before the first day of the 2001 session. The Task Force decided to finalize its report by December 1, 2000.

Also approved by the 2000 Legislature was SCR 1, a resolution directing the Task Force to address several specific issues in its report. SB 273 and SCR 1 are found in Section XIV.

At its first meeting, on July 11, 2000, the Task Force decided to accomplish its work by establishing several work groups, including the Response Planning Work Group, Prevention Work Group and Contingency Plan Work Group. The Task Force hired contractors to facilitate the process and to provide specialized expertise to the Task Force and work groups. DEC established a project website to provide public information about the Task Force and notice of Task Force and work group meetings (<http://www.state.ak.us/dec/nontank>).

The three work groups held a series of public meetings, using expertise from the Task Force membership, the facilitators and contractors, and members of the public. The meeting agendas and summaries of actions were posted to the project website.

Recommendations of the work groups were forwarded to the Task Force, which decided on recommendations to the Legislature.

At its second meeting, the Task Force reached consensus that it would task itself to recommend *realistic, effective, economically feasible* and *flexible* response strategies to achieve the response planning standard required by SB 273.

1. *Realistic* means capable of being implemented with available technology and expertise within a reasonable timeframe.
2. *Effective* means providing real protection to the environment at the level required by the law, not just the appearance of protection.
3. *Economically feasible* means capable of being implemented without imposing unreasonable cost increases on vessel owners or operators or on their customers.
4. *Flexible* means providing for improvements and changes in methods and requirements to reflect changes in technology, the volume of vessel or Railroad tankcar trade, expertise, and other parameters.

At its second meeting, the Task Force heard reports from the work groups, adopted initial recommendations guiding completion of the work group efforts, determined the structure of the Task Force report to the Legislature, and set a timetable for project completion.

In the third meeting, the Task Force decided on recommendations forwarded from the work groups, and dealt with recommendations for which the work groups had not reached consensus.

At its final meeting in December, the Task Force unanimously approved this report, the draft legislation and letter of intent, and the summary of statutory and regulatory changes.

III. TASK FORCE RECOMMENDATIONS

The Task Force unanimously adopted thirty-one recommendations relating to how nontank vessels exceeding 400 gross registered tons will meet the requirements enacted in SB 273. These recommendations are organized by the work group area:

- Response Planning Standard
- Contingency Plan
- Prevention
- Alaska Railroad

Certain recommendations will require statutory changes, while others can be accomplished by regulation or in administrative procedures. Section IX of the report shows how the recommendations are intended to be adopted – by specific statutory change, by broad statutory authority, by regulation, or otherwise.

IV. RESPONSE PLANNING STANDARD RECOMMENDATIONS

The Response Planning Standard Work Group dealt with issues relating to achievement of the response planning standard. The group developed background information on

- the existing oil spill response equipment obtained by the spill response cooperatives under the tank vessel prevention and response program,
- the schedule for deployment of new equipment under the agreement between DEC and the Alaska Petroleum Distributors and Transporters (APD&T),
- the vessels traveling in Alaska waters that use marine pilots, and
- the vessels filing financial responsibility forms with the State of Alaska.

The recommendations set out below deal with the conditions under which the response planning standard will be met, the equipment necessary to meet the requirement to contain and control an oil spill within 48 hours of a spill, and spill cleanup requirements.

General recommendations

1. **Wave height planning standard.** The Task Force recommends the response planning standard be based on an assumed sea state of a maximum three foot wave height.

The state of the sea is an important variable in the technical feasibility of containment, control and recovery operations. As wave heights increase, recovery becomes problematic, and eventually impossible. The 3-foot-or-less wave height planning standard adopted by the Task Force is the same standard as was approved by DEC for tank vessel oil spill response planning by the Alaska Petroleum Distributors and Transporters (APD&T), a group formed by the major Alaska barge transporters of non-persistent fuel oil.

- 2. Schedule for acquiring new equipment. The Task Force recommends that the schedule established under the tank vessel program for the APD&T group to acquire new equipment and place it in service is sufficiently rapid for the additional equipment required to implement the non-tank program.**

The Task Force reviewed the schedules established by the U.S. Coast Guard (USCG) and the Department of Environmental Conservation (DEC) for the acquisition of new equipment by APD&T under the federal Oil Pollution Act of 1990. The potential spill volumes under the APD&T agreement are generally larger than the likely spill amounts under the non-tank program. Moreover, it would be manifestly unfair to require non-tank vessels brought under regulation only this year to meet schedules faster than those approved for vessels that have been regulated since 1990. Under the agreement with APD&T, additional equipment must be sited at Dillingham by July 2001, Bethel by July 2002, Nome by July 2002, and the North Slope by July 2003.

- 3. Vessel operation. The Task Force recommends the language in SB 273 be amended to change "may not cause or permit the operation of a vessel" to "may not operate a vessel."**

The language in SB 273 is confusing and causes concern in the nontank vessel community. This language could, if interpreted incorrectly, cause prospective contractors working on contingency plans or on spill response to withdraw from participation due to concerns about liability issues. The Task Force recommends this technical amendment be the only change to AS 46.04.055(a) considered by the Legislature.

Control and containment recommendations

- 4. Required control and containment equipment. The control and containment equipment required for a nontank vessel to meet its response planning standard (RPS) is containment boom sufficient to extend three times the length of the vessel and an appropriate means for deploying the containment boom.**

The Task Force determined that the immediate response requirements of containment and control of an oil spill within 48 hours can be met with containment boom sufficient to extend three times the length of a regulated vessel, together with an appropriate means for deploying the containment boom.

5. **Stationing of control and containment equipment. Control and containment equipment required for a nontank vessel to meet its response planning standard (RPS) must be stationed within the subarea of the vessel's operation.**

A map showing the ten Alaska subareas is found in Section XIV. The schedule for control and containment equipment will be either immediate or, at the latest, on the APDT schedule. Control and containment equipment, including the required containment boom and an appropriate means for deploying it, must be available when contingency plans are filed.

Cleanup recommendations

6. **Required cleanup equipment. The cleanup equipment required for a nontank vessels to meet its RPS includes skimming capacity capable of cleaning up 15 percent of the maximum oil capacity of the vessel within five days and storage capacity that equals one day's recovery capacity of the chosen skimmer. The skimmer chosen must be appropriate for the predominant type of oil carried by the vessel.**

For example, if the nontank vessel carries 10,000 barrels of fuel, the RPS quantity is 1500 barrels. To meet the RPS, a nontank vessel must have skimming capacity capable of cleaning up 300 barrels of spilled fuel in a day. With a skimmer that recovers 80 percent fuel and 20 percent water, temporary storage capacity must be provided that will hold 360 barrels of liquid in a day (300 barrels of fuel and 60 barrels of water). Storage capacity may be demonstrated by a variety of means.

Acquisition of additional persistent and non-persistent skimming capacity, and additional storage will likely be necessary to meet the Task Force recommendation on required cleanup equipment. Decisions about what equipment, and who will purchase the equipment, are dependent upon vessel owner or operator decisions and will be left to market forces.

7. **Maximum Oil Capacity. The "maximum oil capacity" of a vessel is the total fuel tankage of the vessel, or the demonstrated actual fuel volume that the vessel will not exceed in Alaska waters, as certified by the vessel owner or operator and approved by the Department of Environmental Conservation.**

This recommendation is designed to accommodate the fact that some vessels are currently unable to refuel in Alaska, or may operate with less fuel than their total tankage, and spend all of their time in Alaska waters with less than their total fuel capacity. The Task Force recognizes that there are safety considerations that require vessels in Alaska waters to travel with more than the minimum fuel required for a vessel journey. The Task Force further recognizes that the DEC process for approval of lower actual fuel volumes for marine vessels will not be able to accommodate vessels that enter Alaska waters on short notice.

8. **Stationing of cleanup equipment. To meet the RPS requirement of "cleanup of the discharge within the shortest possible time consistent with minimizing**

damage to the environment," a nontank vessel must either (a) position the required skimming and storage capacity within its subarea of operation; or (b) reasonably demonstrate to DEC the ability to position equipment in its subarea of operation within 24 hours.

Placement of skimming and storage capacity within a subarea ensures that the equipment will be readily available for response. Exceptions to this requirement may be granted if it can be demonstrated that the equipment can be available in the subarea within 24 hours.

The Task Force expects that efficiency and cost factors will influence the non-tank vessel regulated community to move toward centralized positioning of the required skimming and storage capacity. These resources would then be cascaded to the site of a spill as needed.

9. **Schedule for acquiring new cleanup equipment.** Nontank vessels shall be allowed two years from the adoption of regulations implementing SB 273 to have in place the skimmer(s) and associated storage capacity described in their contingency plan.

This implementation schedule compares favorably with the APD&T schedule described above (see discussion following recommendation 2). It gives the regulated vessels time to amortize a portion of the costs of containment and control equipment and phase in the acquisition of new cleanup equipment.

V. CONTINGENCY PLANNING RECOMMENDATIONS

The Contingency Plan Work Group dealt with development of alternative processes for contingency planning. The group determined that contingency plans would be required only for vessels in state waters, excluding innocent passage. The contingency plans required of nontank vessels would be streamlined from those required for tank vessels, would have several options for development to allow for differences in the vessels, ownership and timing of vessels in Alaska waters, and would have timeframes for action that recognize the needs of the affected industries.

10. **Vessel operation outside of state waters.** Nontank vessel contingency plans (C-plans) shall only be required for vessel operations in "waters of the state" (generally within three miles of shore).

The exemption is expected to induce some vessels to remain outside of state waters. In this recommendation, the Task Force uses the statutory definition of "waters of the state" in AS 46.04.900. The Task Force concurs with DEC officials who have concluded that keeping vessels outside state waters will substantially reduce the risks of spills, and contribute to protecting the state's environment. For example, some vessels that call at Dutch Harbor and file a C-plan for that region may choose to remain outside state waters when transiting or working in other subareas, thus avoiding the need to file C-plans

covering operations in those areas. State regulations should ensure that the subarea boundaries extend only to the limit of waters of the state (generally three miles) for purposes of determining whether a nontank vessel traffics in a subarea.

11. Streamlined Contingency Plan process. DEC shall establish a streamlined process for submission and approval of contingency plans for nontank vessels. Under the streamlined process a contingency plan submission shall consist of:

- i) vessel-specific information,**
- ii) a response action plan consisting of**
 - a) initial notification procedures such as those contained in the shipboard oil pollution emergency plan (SOPEP),**
 - b) certification that the applicant is a member of or has a contract with a spill response organization that is a primary response action contractor (PRAC) with a response action plan approved by DEC under requirements similar to that currently required for existing plan holders, and**
 - c) certification that the applicant has contracted with an incident management team (IMT) approved as a primary response action contractor under 18 AAC 75.500-580.**

Evidence demonstrating equivalent capability may be submitted in lieu of (b) and/or (c) to meet the vessel response planning standard.

- iii) a prevention plan certification stating that the applicant vessel complies with applicable federal and International Maritime Organization requirements.**

Much of the vessel-specific information is already contained in the financial responsibility application required to be filed by regulated vessels. This vessel-specific information may be critical to oil spill responders in making decisions regarding vessel salvage, fire fighting, or preventing additional oil from being discharged from the vessel. The Task Force understands prevention plan certification as self-certification, a statement by the applicant attesting the vessel complies with the applicable federal and IMO requirements. There are existing provisions in Alaska law establishing criminal penalties for false affidavits, including both fines and jail time for a person convicted of filing a false claim or affidavit.

12. Alternative Contingency Plan options. DEC shall establish three alternative options for nontank vessel contingency plans (C-plans):

- a) C-Plan Option I: Contract out all duties to PRACs,**
- b) C-Plan Option II: developing equivalent response resources, or**

c) C-Plan Option III: using a combination of equivalent resources and primary response action contractors.

Under C-Plan Option I, a responsible party (RP) contracts with a primary response action contractor with a response action plan approved by DEC, and contracts with an incident management team (IMT) that is an approved PRAC under 18 AAC 75.500-580. Under C-Plan Option II, an RP elects to meet its RPS by providing equivalent spill response resources as those provided by a spill response organization and IMT. RPs could choose a hybrid approach C-Plan Option III, using PRACs for some services while providing some services themselves. Applicants will be allowed to choose from among the three options, provided they meet the requirements of the chosen option. Each of the three options can be used for plans covering single vessels or fleets.

13. Action on Contingency Plans. DEC will complete its review of applications for the addition of a vessel to an already approved fleet plan or generic contingency plan within 5 days. DEC will review an initial full application submitted under C-plan Option I within 15 days of receiving the application; in the event of extenuating circumstances the review may be completed within 5 days. Initial full applications submitted under C-plan Options II or III will be reviewed by DEC within 45 to 90 days. DEC will establish these timeframes for review of contingency plans in regulation.

Because the timeframes for DEC review of nontank vessel contingency plans are critical to the regulated community, the Task Force decided to address this issue in a specific recommendation. DEC will require adequate funding for staff to effect this recommendation. Further, this process is contingent on expedited Alaska Coastal Management Plan (ACMP) review under 6 AAC 50.050.

14. Response plan facilitator. A response plan facilitator (RPF), acting as an agent for a vessel or vessels, may develop a generic contingency plan that is activated by signature of an RP. The RPF will submit a generic plan for a specified area of operation to DEC for approval. This plan will contain all the elements of a contingency plan, except the vessel-specific information, the initial notification procedures or the SOPEP, and the prevention certification stating that the applicant vessel complies with applicable federal and IMO requirements.

A vessel may not enter into Alaska waters until the vessel-specific information, initial notification procedures and prevention certification is added to the plan, the plan is signed by the RP, and DEC has approved it.

An RPF could be a maritime agent, co-op, or specialized agent. An RPF could prepare geographic generic C-plans covering operations in specified areas, coordinate associated paperwork, communicate necessary documents back and forth between vessels and DEC, and assist the vessel in arranging a contract for the initial response of a response action contractor in the event of a spill. No plan certification is issued to the RPF, only to the planholder.

15. Response Action Contractors. For purposes of the laws covering nontank vessels, incident management teams and response planning facilitators who are not responsible parties shall be considered primary response action contractors.

The Task Force is concerned that potential response planning facilitators and incident management teams may be concerned about possible legal liability for acts they perform unless they receive the same immunity from liability provided to other primary response action contractors. Response planning facilitators and incident management services will be defined by statute and regulation as primary response action contractors, receiving the same immunities as other PRACs. The regulations will need to include development of a registration application appropriate for response action contractors who plan to provide only incident management team services, and to create minimum standards for response action contractors providing incident management services.

16. Incident management team. The NIIMS Incident Command System (ICS), as modified for oil spills, will be used to standardize incident command positions and/or functions by C-plan applicants. At a minimum, a contingency plan shall identify the Qualified Individual (QI) and Incident Commander (IC) by name. The QI and IC may be the same person. The C-plan applicant shall be prepared to staff the ICS organization.

Use of an Incident Management Team contractor is anticipated for many vessel owners under the recommendations adopted by the Task Force.

It is assumed that all the command staff positions, including the Finance Section Chief, Planning Section Chief, Operations Section Chief, Logistics Section Chief, and the other command staff positions such as the safety officer, public information officer, etc., and supporting ICS positions would be accessible and available as needed to meet the requirements of the incident in a timely manner. The state should use the same definition for Qualified Individual (QI) that the U.S. Coast Guard uses, which is defined currently at 33 CFR 155.1026.

17. Training programs. The Department of Environmental Conservation should ensure availability in Alaska of training programs on contingency planning and Incident Command System for nontank vessels.

The Task Force believes it is important that the owners and crew of vessels subject to the new contingency planning requirements have access to adequate opportunities for training on oil spill contingency planning and on the NIIMS Incident Command System. The Task Force believes that training programs should be provided by the private sector, and does not expect DEC to provide funding for the programs. The Task Force believes that training in basic issues of contingency planning and incident command procedures will be required for many of the newly-regulated vessels.

18. Application timeframes. Nontank vessel contingency plans shall be due to DEC within 180 days of adoption of the contingency plan regulations. DEC will give conditional approval to all plans submitted on time. Conditional approval will remain in effect until DEC has completed review of a plan. Nontank vessel

contingency plans will be reviewed by DEC every three years. DEC will stagger the initial review process so that all nontank vessel contingency plans do not come up for review in the same year.

In choosing a 180-day timeframe, the Task Force considered the need for appropriate evaluation of C-plan alternatives, implementation planning, and the coordination within the regulated community that will be necessary to establish efficient and cost-effective control, containment and cleanup mechanisms. Regulated entities will be required to state in the C-plan their plans for the ordering and taking delivery of required new equipment.

19. Spot charter vessels. Should the term "spot charter" need to be defined in future regulations or legislation, the Task Force recommends that the state adopt the definition proposed by the Task Force members representing the spot charter industry, i.e., a "vessel contracted to lift a specific cargo on a one-time, periodic, non-scheduled or tramp basis."

There is no definition of "spot charter" in current regulations or legislation. If a definition is required, the Task Force recommends this definition.

20. C-plan electronic postings. The Task Force recommends that DEC electronically post a listing of nontank vessel contingency plan applications and review schedules.

Under the streamlined C-Plan process, public notice is recommended for new contingency plans that do not use co-ops, or for generic contingency plans. Applications for adding vessels to existing approved plans, for activating generic contingency plans, or for vessels that use co-ops will be acted upon in short timeframes. Electronic posting provides an opportunity for the public to know what vessels are activating C-plans. DEC will require adequate funding for staff to effect this recommendation.

21. Public review process. The Task Force endorses the public review process in DEC's review process for tank vessel contingency plans found in 18 AAC 75.415 and 75.455.

Section 415 describes routine amendments to C-plans and provides that such amendments will be reviewed within 30 days of submission, unless there is an addition to a pre-existing C-plan in which case the review period is five days. Section 455 provides the procedures to be followed in processing new applications and non-routine amendments.

22. DEC authority to verify. The Task Force recommends legislation to give DEC statutory authority to verify nontank vessel C-plan compliance.

In the case of a contingency plan under C-plan Option I, the department would verify quantity of fuel, a contract with a spill response cooperative and with an IMT, and that a SOPEP and certificate of financial responsibility (COFR) are onboard the vessel. For C-plan Options II and III, the department would also verify contracts and equipment listed in the plan.

23. Drills. The Task Force recommends that the frequency and type of contingency plan spill drills required of nontank vessels be based on the nontank vessel contingency plan option. Under C-Plan Option I, a maximum of one tabletop spill drill may be required annually. Under C-Plan Options II and III, a maximum of one full deployment drill and one tabletop drill may be required during a three-year C-plan review cycle. The Task Force recommends that a primary response action contractor that provides services exclusively to nontank vessels be drilled a maximum of two times a year by DEC.

Spill drills are currently conducted in the tank vessel regulated community for contingency plan holders. The current tank vessel drill program must be modified to fit the circumstances of the nontank vessels. The Task Force recommends a schedule that gives DEC an opportunity to conduct drills at a frequency similar to that of tank vessels for nontank vessels not using co-ops, and less intensive tabletop drills for nontank vessels using coops.

VI. PREVENTION RECOMMENDATIONS

The Prevention Work Group focused its work on methods to prevent oil spills. The recommendations recognize that federal and international law currently specify mandatory prevention measures to be taken by affected vessels. Under the recommendations, any measures above and beyond compliance with federal and international law would be voluntary, but a vessel owner would receive credit for these voluntary measures.

The Task Force's recommendations related to prevention and prevention credit programs were restricted to how those programs relate to non-tank vessels. Prevention credit programs for tank vessels are outside the purview of the Task Force on Motorized Oil Transport.

24. Periodic Review. The Task Force recommends that the Department of Environmental Conservation periodically review all recommendations with the regulated community.

This recommendation is intended to apply to all other recommendations of the Task Force, including response planning standard, contingency plan, prevention and Alaska Railroad issues.

25. Mandatory prevention measures. All affected nontank vessels must comply with applicable federal and international requirements.

The Task Force discussed whether federal vessel requirements should be adopted as state law and, after discussion and legal input from the Alaska Attorney General's office, opted to agree that all affected nontank vessels must comply with applicable federal and international requirements and certify their compliance in their contingency plan applications. The state's attorney explained that if the state adopts the federal requirements, they could be enforced under state law as well as federal law. Alternatively, he advised that the state could require vessel owners to simply self-certify that they meet

the federal requirements. Under this second proposal, if the state found a vessel owner in violation of federal requirements, the violation could be forwarded to the U.S. Coast Guard for applicable enforcement action(s).

26. Reduction in the response planning standard. The Task Force does not recommend reduction of the response planning standard in any nontank vessel prevention credit program.

It is possible that prevention credit issues affecting the response planning standard could evolve over the years. The affected industries and DEC should be prepared to review these issues periodically, as needed.

27. Prevention credit program. The Task Force recommends a prevention credit program that awards vessels credit for measures taken to prevent oil spills. The Task Force recommends the program be based on a list of potential prevention measures by vessel type as stated in the following table. A vessel would become eligible for the prevention credit by achieving 50% of the points available to its vessel category. A vessel eligible for the prevention credit would receive an extended contingency plan review cycle (5 years instead of 3 years), with a corresponding reduction in the frequency of spill drills, and would receive a "Blue Star" vessel award for measures Above and Beyond Compliance with state requirements.

A vessel seeking a prevention credit from the state would consent to state verification of the prevention measures associated with the vessel. The table below is intended as a starting point; as suggested in the last item and in the final recommendation of the Task Force, the Department should work with the industry to update measures on a periodic basis. The Task Force considered other possible prevention credit programs, including tax credits for affected vessels. The Department and the affected industries should review the effectiveness of the proposed prevention credit program on a periodic basis, and recommend any changes to that program. Other suggestions for prevention credits are included in the background documents contained in section XIII of this report.

A vessel could lose a prevention credit or Blue Star award if it failed to meet mandatory and IMP regulations, or if it is found not to have the prevention measures onboard that have been claimed for the credit. There are also penalties under existing Alaska law for filing false statements on state applications, including criminal penalties involving fines and jail time.

Prevention Measures - Weight and Applicability

	Relative Weight	Fishing Vessels		Fish Processors & Tenders		General Cargo		Cruise Ships		Container Ships	
		Applicable?	Weight	Applicable?	Weight	Applicable?	Weight	Applicable?	Weight	Applicable?	Weight
1 Emergency towline or dedicated mooring line with on-board means for deployment	2	Yes	2	Yes	2	Yes	2	Yes	2	Yes	2
2 Emergency on-board dewatering or petroleum pumps	2	Yes	2	Yes	2	Yes	2	Yes	2	Yes	2
3 On-board storage bladder or dedicated tank	2	Yes	2	Yes	2	Yes	2	Yes	2	Yes	2
4 Non-contiguous tank location on vessel	3	No	0	No	0	Yes	3	Yes	3	Yes	3
5 Redundant propulsion systems	3	Yes	3	Yes	3	Yes	3	Yes	3	Yes	3
6 Redundant/integrated navigation systems	1	Yes	1	Yes	1	Yes	1	Yes	1	Yes	1
7 Use of an Alaska marine pilot when not otherwise required by law	2	No	0	No	0	Yes	2	Yes	2	Yes	2
8 Maintaining a transponder, AIS or other vessel location/ident. technology onboard	2	Yes	2	No	0	Yes	2	Yes	2	Yes	2
9 Use of advanced anchoring systems or placement of mooring buoys	1	No	0	Yes	1	Yes	1	Yes	1	Yes	1
10 Comply with bridge safety management practices; meet ISMC requirements before 7/02; licensing, certification, training beyond fed/intl. requirements	1	No	0	No	0	Yes	1	Yes	1	Yes	1
11 Participation in risk assessment process for operations	2	Yes	2	Yes	2	Yes	2	Yes	2	Yes	2
12 Membership in a marine safety organization	1	Yes	1	Yes	1	Yes	1	Yes	1	Yes	1
13 Tugboats staged/on standby	2	No	0	No	0	No	0	Yes	2	Yes	2
14 Additional staged equipment onshore to improve RPS	1	Yes	1	Yes	1	Yes	1	Yes	1	Yes	1
15 Weather/oceanographic equipment and systems	1	No	0	No	0	Yes	1	Yes	1	Yes	1
16 Enhanced maintenance	1	Yes	1	Yes	1	Yes	1	Yes	1	Yes	1
17 Ice classification	2	No	0	No	0	Yes	2	Yes	2	Yes	2
18 Specialized onboard training programs in prevention and response	2	Yes	2	Yes	2	Yes	2	Yes	2	Yes	2
19 Mooring plan	1	No	0	Yes	1	Yes	1	Yes	1	Yes	1
20 Others as proposed by operators	1	Yes	1	Yes	1	Yes	1	Yes	1	Yes	1
Total possible score for category	33		20		20		31		33		33

VII. ALASKA RAILROAD RECOMMENDATIONS

The Task Force recognized that oil spill prevention and response issues and methods for the Alaska Railroad are in many ways different from those for the marine vessel community. The recommendations below recognize the effect of the response planning standard of 15% of fuel carried, and require contingency planning and prevention measures similar to those for the currently regulated tank vessel industry.

28. ARR review under rigor of existing law. The Task Force recommends the Alaska Railroad undergo a contingency and prevention plan review under the rigor of existing law for currently regulated industry.

The Alaska Railroad is different from other nontank vessels covered by SB 273 in that it hauls fuel as cargo rather than for propulsion. For this reason, the Task Force is recommending the Alaska Railroad be treated under existing law for currently regulated industry that is engaged in the transportation of oil and oil products, rather than a new regime similar to the nontank marine vessels under SB 273. Existing regulations, including 18 AAC 75.425, set forth the required components of a contingency plan and are recommended for the Alaska Railroad. All currently regulated facilities are required to file a C-plan consisting of four elements: a response action plan, prevention plan, supplemental information, and a best-available-technology review. Details of what is required in each of these elements differ depending on the kind of facility—pipeline, refinery, etc. Railroads are not currently included in this list; from the standpoint of applying the existing regulation, the railroad probably bears the closest affinity to pipelines. Not all of the facilities where the railroad loads and unloads petroleum are currently required to file C-plans.

29. ARR risk assessment process. The Task Force endorses the Alaska Railroad risk assessment process, and recommends the process be followed through to completion.

The Alaska Railroad's risk assessment process is expected to provide the railroad and the State of Alaska with substantial information about the line risks that could lead to oil spills from railroad tank cars. As such, this process, once concluded, can be a strong oil spill prevention program if all recommendations are implemented. This effort is expected to include coverage of track/engineering issues, mechanical issues, operating issues, determination of critical track segments for possible adverse train dynamics, identification of possible adverse track geometry locations, reviews highway crossing protection issues, derailment and operating safety incidents, rule and efficiency testing data, and evaluates susceptibility to L/V derailments.

30. Railroad RPS. The Task Force recommends the Alaska Railroad follow the response planning standard methodology developed by the Task Force, designed to meet an RPS of 15 percent of maximum fuel carried.

The Alaska Railroad operates within two separate subareas. The railroad's RPS standard of 15 percent in 48 hours was established in SB 273. This differs from the standards for other upland facilities such as pipelines.

VIII. FUNDING RECOMMENDATION

31. Funding of nontank program. The Department of Environmental Conservation will prepare a fiscal note for the nontank legislation. The Task Force recommends the nontank community should not be charged user fees to support the nontank program, and that the program should be funded from the oil and hazardous substance release prevention and response fund and/or state general funds.

The Department of Environmental Conservation will be responsible for preparation of the fiscal note on the draft legislation. The Task Force believes the nontank community should not be charged additional fees to support the nontank program and that it should be funded with these so-called "470 funds" and state general funds.

IX. SUMMARY OF STATUTES AND REGULATIONS

This table shows the Task Force recommendations, with a listing of which ones are included in the draft legislation and which ones are to be included in regulations adopted pursuant to the law.

The legislation will be accompanied by a Letter of Intent to incorporate the report of the Task Force into legislative intent. In this way, a somewhat formal mechanism would exist to provide guidance to the Department of Environmental Conservation when drafting regulations.

MARINE VESSEL RECOMMENDATIONS
Response Planning Standard Recommendations
General Recommendations

SA=Broad Statutory Authority

Recommendation	Reg	Stat	Comment
1. <u>Wave height planning standard.</u> The Task Force recommends the response planning standard be based on an assumed sea state of a maximum three foot wave height.	Y	SA	General statutory authority contained in draft legislation, Section 2, ¶(m).
2. <u>Schedule for acquiring new equipment.</u> The Task Force recommends that the schedule established under the tank vessel program for the APD&T group to acquire new equipment and place it in service is sufficiently rapid for the additional equipment required to implement the non-tank program.	N	N	

Control and containment recommendations

SA=Broad Statutory Authority

Recommendation	Reg	Stat	Comment
3. <u>Vessel operation.</u> The Task Force recommends the language in SB 273 be amended to change "may not cause or permit the operation of a vessel" to "may not operate a vessel."	N	Y	Statutory change included in draft legislation, Section 1.
4. <u>Required control and containment equipment.</u> The control and containment equipment required for a nontank vessel to meet its response planning standard (RPS) is containment boom sufficient to extend three times the length of the vessel and an appropriate means for deploying the containment boom.	Y	SA	General statutory authority contained in draft legislation, Section 2, ¶(m).
5. <u>Stationing of control and containment equipment.</u> Control and containment equipment required for a nontank vessel to meet its response planning standard (RPS) must be stationed within the subarea of the vessel's operation.	Y	N	

Cleanup Recommendations

Recommendation	Reg	Stat	Comment
6. <u>Required cleanup equipment.</u> The cleanup equipment required for a nontank vessel to meet its RPS includes skimming capacity capable of cleaning up 15 percent of the maximum oil capacity of the vessel within five days and storage capacity that equals the one day's recovery capacity of the chosen skimmer. The skimmer chosen must be appropriate for the predominant type of oil carried by the vessel.	Y	SA	General statutory authority contained in draft legislation, Section 2, ¶(m).

SA=Broad Statutory Authority

Recommendation	Reg	Stat	Comment
7. <u>Maximum oil capacity.</u> The "maximum oil capacity" of a vessel is the total fuel tankage of the vessel, or the demonstrated actual fuel volume that the vessel will not exceed in Alaska waters, as certified by the vessel owner or operator and approved by the Department of Environmental Conservation.	Y	SA	General statutory authority contained in draft legislation, Section 2, ¶(m).
8. <u>Stationing of cleanup equipment.</u> To meet the RPS requirement of "cleanup of the discharge within the shortest possible time consistent with minimizing damage to the environment" a nontank vessel must either (a) position the required skimming and storage capacity within its subarea of operation; or (b) reasonably demonstrate to DEC the ability to position equipment in its subarea of operation within 24 hours.	Y	SA	General statutory authority contained in draft legislation, Section 2, ¶(m).
9. <u>Schedule for acquiring new cleanup equipment.</u> Nontank vessels shall be allowed two years from the adoption of regulations implementing SB 273 to have in place the skimmer(s) and associated storage capacity described in their contingency plan.	Y	SA	General statutory authority contained in draft legislation, Section 2, ¶(m).

Contingency planning recommendations

Recommendation	Reg	Stat	Comment
<p>10. <u>Vessel operation outside of state waters.</u> Nontank vessel contingency plans (C-plans) shall only be required for vessel operations in "waters of the state" (generally within three miles of shore).</p>	Y	N	State law applies only to vessels in state waters.

SA=Broad Statutory Authority

Recommendation	Reg	Stat	Comment
<p>11. <u>Streamlined Contingency Plan process.</u> DEC shall establish a streamlined process for submission and approval of contingency plans for nontank vessels. Under the streamlined process a contingency plan submission shall consist of:</p> <ul style="list-style-type: none"> i) vessel-specific information, ii) a response action plan consisting of <ul style="list-style-type: none"> a) initial notification procedures such as those contained in the slipboard oil pollution emergency plan (SOPEP), b) certification that the applicant is a member of a spill response cooperative that is a primary response action contractor (PRAC) with a response action plan approved by DEC under requirements similar to that currently required for existing plan holders, and c) certification that the applicant has contracted with an incident management team (IMT) approved as a primary response action contractor under 18 AAC 75.550-580. <p>Evidence demonstrating equivalent capability may be submitted in lieu of (b) or (c).</p> iii) a prevention plan certification stating that the applicant vessel complies with applicable federal and International Maritime Organization requirements. 	Y	Y	Statutory authority contained in draft legislation, Section 2 ¶(f)-(k).

SA=Broad Statutory Authority

Recommendation	Reg	Stat	Comment
<p>12. <u>Alternative Contingency Plan options</u>. DEC shall establish three alternative options for nontank vessel contingency plans (C-plans):</p> <ul style="list-style-type: none"> a) C-Plan Option I: contract out all duties to PRACs, b) C-Plan Option II: developing equivalent response resources, or c) C-Plan Option III: using a combination of equivalent resources and primary response action contractors. 	Y	SA	Statutory authority contained in draft legislation, Section 2, ¶(f)-(k).
<p>13. <u>Action on Contingency Plans</u>. DEC will complete its review of applications for the addition of a vessel to an already approved fleet plan or generic contingency plan within 5 days. DEC will review an initial full application submitted under C-plan Option I within 15 days of receiving the application; in the event of extenuating circumstances the review may be completed within 5 days. Initial full applications submitted under C-plan Options II or III will be reviewed by DEC within 45 to 90 days. DEC will establish these timeframes for review of contingency plans in regulation.</p>	Y	SA	General statutory authority contained in draft legislation, Section 2, ¶ (m). The timelines are contingent upon favorable ACMP review procedures.
<p>14. <u>Response plan facilitator</u>. A response plan facilitator (RPF), acting as an agent for a vessel or vessels, may develop a generic contingency plan that is activated by signature of an RP. The RPF will submit a generic plan for a specified area of operation to DEC for approval. This plan will contain all the elements of a contingency plan, except the vessel-specific information, the initial notification procedures or the SOPEP, and the prevention certification stating that the applicant vessel complies with applicable federal and IMO requirements.</p>	Y	SA	General statutory authority contained in draft legislation, Section 2, ¶ (m).

SA=Broad Statutory Authority

Recommendation	Reg	Stat	Comment
<p>15. <u>Response Action Contractors.</u> For purposes of the laws covering nontank vessels, incident management teams and response planning facilitators who are not responsible parties shall be considered primary response action contractors.</p>	Y	Y	<p>Statutory authority contained in draft legislation, Sections 5-8. Regulations will explicitly list response planning facilitators and incident management teams as PRACs.</p>
<p>16. <u>Incident management team.</u> The NIIMS Incident Command System (ICS) as modified for oil spills will be used to standardize incident command positions and/or functions by C-plan applicants. At a minimum, a contingency plan shall identify the Qualified Individual (QI) and Incident Commander (IC) by name. The QI and IC may be the same person. The C-plan applicant shall be prepared to staff the ICS organization.</p>	Y	SA	<p>Statutory authority contained in draft legislation, Section 2, ¶(f) – (k) and (m).</p>
<p>17. <u>Training programs.</u> The Department of Environmental Conservation should ensure availability in Alaska of training programs on contingency planning and Incident Command System for nontank vessels.</p>	N	N	
<p>18. <u>Application timeframes.</u> Nontank vessel contingency plans shall be due to DEC within 180 days of adoption of the contingency plan regulations. DEC will give conditional approval to all plans submitted on time. Conditional approval will remain in effect until DEC has completed review of a plan. Nontank vessel contingency plans will be reviewed by DEC every three years. DEC will stagger the initial review process so that all nontank vessel contingency plans do not come up for review in the same year.</p>	Y	SA	<p>Statutory authority contained in draft legislation, Section 2, ¶(k).</p>

SA=Broad Statutory Authority

Recommendation	Reg	Stat	Comment
<p>19. <u>Spot charter vessels</u>. Should the term "spot charter" need to be defined in future regulations or legislation, the Task Force recommends that the state adopt the definition of proposed by the Task Force members representing the spot charter industry, i.e., a "vessel contracted to lift a specific cargo on a one-time, periodic, non-scheduled or tramp basis."</p>	Y	N	
<p>20. <u>C-plan electronic postings</u>. The Task Force recommends that DEC electronically post a listing of nontank vessel contingency plan applications and review schedules.</p>	N	N	
<p>21. <u>Public review process</u>. The Task Force endorses the public review process in DEC's review process for contingency plans found in 18 AAC 75.415 and 75.455.</p>	Y	N	DEC will need to draft similar, but slightly different, regulations to carry out this recommendation
<p>22. <u>DEC authority to verify</u>. The Task Force recommends legislation to give DEC statutory authority to verify nontank vessels for C-plan compliance.</p>	Y	Y	Contained in Section 4 of the draft legislation.
<p>23. <u>Drills</u>. The Task Force recommends that the frequency and type of contingency plan spill drills required of nontank vessels be based on the nontank vessel contingency plan option. Under C-Plan Option I, a maximum of one tabletop spill drill may be required annually. Under C-Plan Options II and III, a maximum of one full deployment drill and one tabletop drill may be required during a three-year C-plan review cycle. The Task Force recommends that a primary response action contractor that provides services exclusively to nontank vessels be drilled a maximum of two times a year by DEC.</p>	Y	SA	General statutory authority contained in draft legislation, Section 2, ¶ (m).

Prevention recommendations

SA=Broad Statutory Authority

Recommendation	Reg	Stat	Comment
24. <u>Periodic review.</u> The Task Force recommends that the Department of Environmental Conservation periodically review all recommendations with the regulated community.	Y	N	Based on the review, additional statutory changes may be possible in the future.
25. <u>Mandatory prevention measures.</u> All affected nontank vessels must comply with applicable federal and international requirements.	Y	N	General statutory authority contained in draft legislation, Section 2, ¶(m).
26. <u>Reduction in the response planning standard.</u> The Task Force does not recommend reduction of the response planning standard in any nontank vessel prevention credit program.	N	N	
27. <u>Prevention credit program.</u> The Task Force recommends a prevention credit program that awards vessels credit for measures taken to prevent oil spills. The Task Force recommends the program be based on a list of recommended prevention measures by vessel type as stated in the prevention credit table. A vessel would become eligible for the prevention credit by achieving 50% of the points available to the vessel category. A vessel eligible for the prevention credit would receive an extended contingency plan review cycle (5 years instead of 3 years), with a corresponding reduction in the frequency of spill drills, and would receive a "Blue Star" vessel award for measures Above and Beyond Compliance with state requirements.	Y	N	

ALASKA RAILROAD RECOMMENDATIONS

SA=Broad Statutory Authority

Recommendation	Reg	Stat	Comment
28. <u>ARR review under rigor of existing law.</u> The Task Force recommends the Alaska Railroad undergo a contingency and prevention plan review under the rigor of existing law for currently regulated industry.	Y	Y [*]	Statutory authority contained in draft legislation, Section 2, ¶ (k)- (l).
29. <u>ARR risk assessment process.</u> The Task Force endorses the Alaska Railroad risk assessment process, and recommends the process be followed through to completion.	N	N	
30. <u>Railroad RPS.</u> The Task Force recommends the Alaska Railroad follow the response planning standard methodology developed by the Task Force, designed to meet an RPS of 15 percent of maximum fuel carried.	Y	Y	General statutory authority contained in draft legislation, Section 2, ¶ (k) - (l).

FUNDING RECOMMENDATIONS

Recommendation	Reg	Stat	Comment
31. <u>Funding of nontank program.</u> The Department of Environmental Conservation will prepare a fiscal note for the nontank legislation. The Task Force recommends the nontank community should not be charged user fees to support the nontank program, and that the program should be funded from the oil and hazardous substance release prevention and response fund and/or state general funds.	N	N	

X. PROPOSED LEGISLATION

_____ **BILL NO.** _____

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE – FIRST SESSION

**BY THE _____ RULES COMMITTEE BY REQUEST OF THE
TASK FORCE ON MOTORIZED OIL TRANSPORT**

Introduced:

Referred:

A BILL

FOR AN ACT ENTITLED

1 **“An Act requiring oil discharge prevention and contingency plans for all self-**
2 **propelled nontank vessels exceeding 400 gross registered tonnage and for**
3 **railroad tank cars and providing for an effective date.”**

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

5 * **Section 1.** AS 46.04.055(a) is amended to read:

6 (a) A person may not [CAUSE OR PERMIT THE OPERATION OF]
7 operate a nontank vessel within the waters of the state or cause or permit the
8 transfer of oil to or from a nontank vessel unless the person has furnished to the
9 department and the department has approved proof of financial ability to respond
10 to damages meeting the requirements of AS 46.04.040. Proof of financial
11 responsibility required under this section is subject to adjustment of dollar amounts
12 under AS 46.04.045 and is established, for a nontank vessel that carries

1 (1) predominantly persistent product, at \$300 per incident for each barrel of
2 oil storage capacity on the vessel or \$5,000,000, whichever is greater; and

3 (2) predominantly nonpersistent product, at \$100 per incident for each
4 barrel of oil storage capacity on the vessel or \$1,000,000, whichever is greater.

5 * Sec. 2. AS 46.04.055 is amended by adding new subsections to read:

6 (f) Effective 180 days after the adoption of regulations under (m) of this
7 section addressing nontank vessels, a person may not operate a nontank vessel
8 within the waters of the state or cause or permit the transfer of oil to or from a
9 nontank vessel unless an oil discharge prevention and contingency plan covering
10 that nontank vessel has been approved by the department and the person is in
11 compliance with the plan.

12 (g) Nontank vessels, nontank vessel contingency plans required by this
13 section, and applicants for and holders of nontank vessel plan contingency plans
14 are subject to the provisions of AS 46.04.030(d)-(l), (n)-(o) and (r).

15 (h) A nontank vessel contingency plan shall consist of

16 (1) vessel-specific information;

17 (2) a response plan consisting of

18 (A) initial notification procedures;

19 (B) a certification that the nontank vessel applicant is a

20 member of, or has a contract with, an oil spill response organization

1 that is an oil spill primary response action contractor with a response
2 action plan approved by the department as meeting the response
3 planning standards of (c)(1) of this section for the maximum oil
4 capacity of the nontank vessel; and

5 (C) a certification that the nontank vessel applicant has
6 contracted with an oil spill primary response action contractor
7 providing incident management team services; and

8 (3) a prevention plan certification stating that the applicant vessel
9 complies with applicable federal and International Maritime Organization
10 requirements.

11 (i) In lieu of satisfying the requirement of (h)(2)(B) of this section through
12 a primary response action contractor, an applicant may demonstrate that it
13 maintains its own oil spill response plan and equivalent equipment, personnel and
14 resources to meet the requirements of this section.

15 (j) In lieu of satisfying the requirement of (h)(2)(C) of this section through
16 a primary response action contractor, an applicant may demonstrate that it
17 maintains its own incident management team in order to implement a planned
18 response to a release or threatened release of oil from its nontank vessel.

19 (k) Effective 180 days after the adoption of regulations under (m) of this
20 section addressing railroad tank cars, a person may not transport oil by railroad

1 tank car or cause or permit the transfer of oil to or from a railroad tank car unless
2 an oil discharge prevention and contingency plan has been approved by the
3 department and the person is in compliance with the plan.

4 (l) Railroad tank cars, railroad tank car contingency plans required by this
5 section, and applicants for and holders of railroad tank car contingency plans are
6 subject to the provisions of AS 46.04.030(d)-(l), (n)-(o), and (r).

7 (m) The department shall adopt regulations to implement the requirements
8 of (c) and (f)-(l) of this section.

9 *Sec. 3. AS 46.04.055(e) is amended to read:

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 of its operation in state
14 waters, irrespective of whether it is a United States or foreign-flag vessel,
15 would constitute innocent passage under the Convention on the Territorial
16 Sea and the Contiguous Zone, April 29, 1958, 15 U.S.T. 1606, or the United
17 Nations Convention on the Law of the Sea 1982, December 10, 1982, U.N.
18 Publication No. E 83.V.5, 21 I.L.M. 1261 (1982), were the vessel a foreign-
19 flag vessel;

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

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

10 *Sec. 4. AS 46.04 is amended by adding a new section to read:

11 **Sec. 46.04.065. Compliance verification for nontank vessels and trains.**

12 (a) In addition to other rights of access or examination conferred upon the
13 department by law or otherwise, the department may at reasonable times and in a
14 safe manner enter and examine nontank vessels and trains in order to ensure
15 compliance with the provisions of this chapter.

16 (b) For purposes of this section, "train" includes tracks, associated
17 facilities, and operations.

18 *Sec. 5. AS 46.03.825(a) is amended to read:

1 (a) A response action contractor who responds to a release or threatened
2 release of oil is not civilly liable for removal costs or damages that result from an
3 act or omission in the course of providing care, assistance, or advice

4 (1) consistent with a contingency plan

5 (A) approved under AS 46.04.030 or 46.04.055 if the response action
6 contractor is listed in the contingency plan; or

7 (B) prepared under AS 46.04.200, 46.04.210, or 33 U.S.C. 1321(d) if the
8 response action contractor is not listed in the contingency plan; or

9 (2) as otherwise directed by the federal or state on-scene coordinator.

10 *Sec. 6. AS 46.03.825(b) is amended to read:

11 (b) The limitation on liability contained in (a) of this section does not apply
12 to

13 (1) an action for personal injury or death or;

14 (2) a response action contractor who

15 (A) would otherwise have been liable for the release or threatened release
16 under AS 46.03.822;

17 (B) acts with gross negligence or intentional misconduct; or

18 (C) has agreed in writing to be listed as a primary response action

19 contractor, who is listed as a primary response action contractor in a contingency

1 plan approved under AS 46.04.030 or 46.04.055, and who fails to respond to a
2 release or threatened release of oil that the primary response action contractor was
3 required to respond to under its contract with the applicable contingency plan
4 holder; this subparagraph does not apply to a primary response action contractor if
5 the failure to respond to a release or threatened release of oil results from a prior
6 and ongoing response under another contingency plan approved under AS
7 46.04.030 or 46.04.055 in which the primary response action contractor has the
8 primary duty to respond and a significant portion of the response action
9 contractor's oil spill cleanup equipment listed in the contingency plan approved
10 under AS 46.04.030 or 46.04.055 is in use.

11 *Sec. 7. AS 46.03.825(f) is amended to read:

12 (f) Nothing in this section is intended to amend AS 46.04.030(l), 46.04.055,
13 or to create a cleanup or performance standard that must be met by a holder of a
14 contingency plan or by a primary response action contractor.

15 *Sec. 8. AS 46.03.825(g) is amended to read:

16 (g) In this section,

17 (1) "consistent" means in substantial compliance with a contingency plan;

18 (2) "primary response action contractor" has the meaning given in AS
19 46.04.035;

1 (3) "response action" means an action taken to respond to a release or
2 threatened release of oil, including mitigation, clean up, marine salvage, incident
3 management team services, response plan facilitator services, or removal of a
4 release or threatened release of oil.

5 *Sec. 9. This Act takes effect immediately under AS 01.10.070(c).