

STATE OF ALASKA
THE LEGISLATURE

1994

Source
CSSJR 40(RES)

Legislative
Resolve No.
22



Urging the Congress to amend the Oil Pollution Act of 1990 with respect to the financial responsibility requirements for offshore exploration and production facilities.

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

WHEREAS the Congress enacted the Oil Pollution Act of 1990 in order to prevent shipping accidents and to ensure that there would be adequate money immediately available to respond to oil pollution discharges, especially those discharges occurring in the ocean; and

WHEREAS the Act increased from \$36,000,000 to \$150,000,000 the amount of financial responsibility that must be demonstrated by offshore exploration and production facilities; and

WHEREAS the definition of "offshore" in the Act covers facilities in, on, or under navigable waters of the United States; and

WHEREAS the Alaska State Legislature is concerned that this definition may be interpreted to apply to all marinas, port authorities, utility companies, gas stations, trucking companies, railroads, pipelines, farms, and airports in almost every area of Alaska; and

WHEREAS the potential effect on the Alaska economy could be severe because it is unlikely that any but the largest companies will be able to demonstrate the \$150,000,000

of financial responsibility required under the Act; and

WHEREAS the broad coverage of the Act is well beyond the historical purview of the Minerals Management Service, United States Department of the Interior, which enforces the Act; and

WHEREAS the Act provides a sliding scale for proof of financial responsibility for vessels but requires \$150,000,000 of proof of financial responsibility for all offshore facilities, regardless of risk to the environment from a potential spill; and

WHEREAS the Alaska State Legislature agrees with the requirements of the Act to the extent that they relate to large companies conducting offshore activities on the outer continental shelf, but does not agree that the same financial responsibility requirements should apply to small companies that are only indirectly related to offshore activities;

BE IT RESOLVED that the Alaska State Legislature urges the Congress to amend the Oil Pollution Act of 1990 so that the financial responsibility requirements of persons involved in oil operations more closely reflect the relative risks of those operations; and be it

FURTHER RESOLVED that, in particular, facilities on the outer continental shelf should be the only facilities subject to the kind of high financial responsibility requirements now contained in the Act.

COPIES of this resolution shall be sent to the Honorable Al Gore, Vice-President of the United States and President of the U.S. Senate; the Honorable Robert C. Byrd, President Pro Tempore of the U.S. Senate; the Honorable Thomas S. Foley, Speaker of the U.S. House of Representatives; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.