

# **State of Alaska FY2002 Governor's Operating Budget**

Department of Law  
Environmental Law  
Component

## **Component: Environmental Law**

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### **Component Mission**

Mission statement is included at the department summary and BRU levels.

### **Component Services Provided**

Environmental Law provides legal representation to state agencies for the investigation, defense and prosecution of claims regarding contaminated sites around the state as well as legal advice on environmental matters. The section also provides legal representation to state agencies for the defense and prosecution of claims regarding the EXXON VALDEZ oil spill, the reimbursement of oil spill-related costs and the expenditure of restoration funds. It provides legal services in connection with obtaining recovery of the state's contribution to the Trans-Alaska Pipeline Liability Fund. Environmental Law also provides paralegal services, data collection and processing to support the activities. The budgeted cost of the Environmental Law section is relatively modest in comparison to the revenues that may be returned to the state treasury through its efforts.

The section was established in 1989 in the aftermath of the EXXON VALDEZ oil spill to force superior court in action against Exxon, Alyeska, and the TAPS Owner Companies alleging a number of violations of state law and seeking a broad array of damages, including a claim for injuries to the state's natural resources. In March 1991, the state filed an action in federal court seeking restoration costs and natural resource damages under the Clean Water Act. That effort has culminated in a remarkable series of agreements that have brought over \$1 billion to the state for restoration of the oil spill impacted area and reimbursement of state and federal response, damage assessment, and litigation expenditures. While the case has settled as to the state's claims and liabilities, work remains concerning expenditure of the restoration funds and securing reimbursement of oil spill-related expenses. Some closely related matters, such as recovering the state's contribution to the Trans-Alaska Pipeline Liability Fund, are also undertaken through this component.

In 1993 the expertise of the EXXON VALDEZ litigation team was, in part, redirected to initiate and implement a special project to force the cleanup and to recover for costs and damages related to contaminated sites around the state that pose an imminent or substantial threat to public health or the environment.

In order to deal effectively with these environmental threats and to ensure that those responsible for environmental degradation pay for the costs to the state of their actions, DEC requires substantial assistance from the Department of Law. [See "DEC Cost Recovery Policy & Procedures" (August 1993)]. Department staff, utilizing information from DEC's contaminated sites database, gather information and documentation on the priority sites. Department attorneys then perform a legal analysis of the sites' potential for responsible party cleanup or state cost recovery action. To accomplish this, the department identifies "responsible parties" at these priority sites as well as those parties' financial ability to initiate remediation and the potential for success of legal action. In consultation with DEC, department attorneys pursue appropriate enforcement actions to ensure cleanup at these sites or recommend to DEC that the state initiate a state led cleanup. In either case, the department pursues appropriate reimbursement of any state cleanup expenditures. The department consults with DEC in decisions to release a potentially responsible party from liability when available evidence indicates that the party is not, in fact, liable.

The Environmental section defends environmental lawsuits against the state. The section is also involved in prosecuting a cruise line that fouled Alaska's waters with oil and hazardous wastes and continues to be involved in the state's oversight of the cruise ship industry. Finally, the department uses funds from this component to provide advice to agencies, primarily DEC, about environmental compliance issues.

## **Component Goals and Strategies**

Maximize the state's efforts to secure cleanup of contaminated sites and to ensure, to the greatest extent possible, that the costs of such cleanup are borne by the responsible parties.

Provide advice to the Department of Environmental Conservation (DEC) for measures relating to protection of the environment.

Minimize the monetary exposure of the state to claims by the United States and third parties for damages relating to environmental problems.

Ensure that EXXON VALDEZ costs are reimbursed to the fullest extent possible and that the available restoration funds are expended in accordance with law and for the maximum benefit of the Alaska environment.

Recover for the state costs to which it is entitled arising out of the EXXON VALDEZ oil spill.

Work with state and federal agencies and the EXXON VALDEZ Oil Spill Trustee Council to provide for the appropriate restoration of the natural resources damaged by the EXXON VALDEZ oil spill.

Obtain complete recovery of those contributions made by the state to the Trans-Alaska Pipeline Liability Fund.

Work with state agencies in the prosecution of litigation related to cleanup and cost recovery from responsible parties for contaminated sites in the state.

Promote responsible protection for the environment of Alaska.

Provide for the defense of environmental claims against the state.

## **Key Component Issues for FY2001 – 2002**

No key issues.

## **Major Component Accomplishments for FY2000**

In FY 2000, the department recovered over \$2,071,000 for state costs and penalties related to contaminated sites, obtained cleanup agreements with polluters with an estimated value of almost \$4.1 million, and recovered approximately \$3,750,000 for EXXON VALDEZ oil spill related matters. To accomplish this, the department expended only \$1,385,000.

During FY 2000, the State received approximately \$24.7 million from the Trans-Alaska Pipeline Liability Fund as a result of the efforts of the Department.

In separate activities under this component, the department defended several potentially significant lawsuits where the state was alleged to have violated environmental laws with claimed damages in the millions of dollars. The department successfully prosecuted litigation against a cruise line which fouled Alaska's waters with oil and hazardous wastes and continues to be involved in the state's oversight of that industry. The department also participated in lawsuits, such as those involving the Prince William Sound contingency plan, where the interests of the state are under attack based upon alleged violations of environmental laws.

## **Statutory and Regulatory Authority**

AS 44.23.020

**Environmental Law**  
**Component Financial Summary**

All dollars in thousands

	FY2000 Actuals	FY2001 Authorized	FY2002 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	1,009.0	953.8	903.6
72000 Travel	14.9	38.8	43.9
73000 Contractual	331.8	254.2	287.6
74000 Supplies	15.7	29.9	33.8
75000 Equipment	13.4	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>1,384.8</b>	<b>1,276.7</b>	<b>1,268.9</b>
<b>Funding Sources:</b>			
1004 General Fund Receipts	592.5	607.5	607.8
1005 General Fund/Program Receipts	0.0	33.5	33.5
1007 Inter-Agency Receipts	371.6	157.7	156.8
1053 Investment Loss Trust Fund	0.0	3.7	0.0
1055 Inter-agency/Oil & Hazardous Waste	420.7	473.1	470.8
1108 Statutory Designated Program Receipts	0.0	1.2	0.0
<b>Funding Totals</b>	<b>1,384.8</b>	<b>1,276.7</b>	<b>1,268.9</b>

**Estimated Revenue Collections**

Description	Master Revenue Account	FY2000 Actuals	FY2001 Authorized	FY2001 Cash Estimate	FY2002 Governor	FY2003 Forecast
<b>Unrestricted Revenues</b>						
None.		0.0	0.0	0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Restricted Revenues</b>						
Interagency Receipts	51015	371.6	157.7	181.2	156.8	156.8
General Fund Program Receipts	51060	0.0	33.5	33.5	33.5	33.5
Statutory Designated Program Receipts	51063	0.0	1.2	0.0	0.0	0.0
Investment Loss Trust Fund	51393	0.0	3.7	0.0	0.0	0.0
Interagency Recs./Oil & Hazardous Waste	51395	420.7	473.1	449.9	470.8	470.8
<b>Restricted Total</b>		<b>792.3</b>	<b>669.2</b>	<b>664.6</b>	<b>661.1</b>	<b>661.1</b>
<b>Total Estimated Revenues</b>		<b>792.3</b>	<b>669.2</b>	<b>664.6</b>	<b>661.1</b>	<b>661.1</b>

## Environmental Law

## Proposed Changes in Levels of Service for FY2002

None.

**Summary of Component Budget Changes**  
**From FY2001 Authorized to FY2002 Governor**

*All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2001 Authorized</b>	<b>644.7</b>	<b>0.0</b>	<b>632.0</b>	<b>1,276.7</b>
<b>Adjustments which will continue current level of service:</b>				
-Convert Special FY2001 Labor Cost Fund Sources to GF	1.2	0.0	-1.2	0.0
-Year 2 Labor Costs - Net Change from FY 2001	-4.6	0.0	-3.2	-7.8
<b>FY2002 Governor</b>	<b>641.3</b>	<b>0.0</b>	<b>627.6</b>	<b>1,268.9</b>

## Environmental Law

## Personal Services Information

Authorized Positions			Personal Services Costs	
	FY2001 Authorized	FY2002 Governor		
Full-time	12	11	Annual Salaries	721,779
Part-time	2	1	COLA	15,446
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	204,002
			<i>Less 4.00% Vacancy Factor</i>	(37,649)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>14</b>	<b>12</b>	<b>Total Personal Services</b>	<b>903,578</b>

## Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Assoc Attorney II	1	0	0	0	1
Attorney III	1	0	0	0	1
Attorney IV	3	1	1	0	5
Attorney V	2	0	0	0	2
Legal Secretary I	1	0	0	0	1
Legal Secretary II	1	0	0	0	1
Paralegal Asst II	1	0	0	0	1
<b>Totals</b>	<b>10</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>12</b>