

State of Alaska FY2002 Governor's Operating Budget

Department of Environmental Conservation
Spill Prevention and Response
Budget Request Unit

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BRU Mission

Reduce unlawful oil and hazardous substance contamination in the environment.

BRU Services Provided

- Ensure oil handlers prevent spills from their tanks, tankers, barges, and pipelines.
- Ensure that government and industry are prepared to respond to spills with adequate funding, personnel, equipment and technical resources.
- Ensure that all spills are cleaned up as quickly as possible to minimize damage to human health and the environment.
- Return contaminated properties to safe and appropriate reuse.
- Track and recover state response and cleanup costs from responsible parties and seek compensation for damages to the state's natural resources.

BRU Goals and Strategies

- 1) PREVENT OIL AND HAZARDOUS WASTE SPILLS
 - Implement prevention plans with industry to reduce the occurrence of costly spills.
 - In cooperation with industry and special interest stakeholders, sponsor a best available spill technology conference to review technologies currently available worldwide.
 - Publish quarterly and annual spill and hazardous substance release summary reports.
 - Implement measures to prevent spills from home heating fuel tanks.
 - Ensure that effective leak detection and spill prevention measures are employed.
- 2) BE PREPARED TO RESPOND TO OIL AND HAZARDOUS SUBSTANCE SPILLS
 - Verify that facility and vessel operators have adequate resources to respond to oil spills.
 - Conduct spill response exercises and drills and inspect response equipment inventories.
 - Certify that operators are financially responsible.
 - Build on existing community spill response agreements and complete the placement of response equipment packages in high-risk communities.
 - Include non-tank vessels and the Alaska Railroad in the state's oil and hazardous substance spill contingency plans and financial responsibility requirements to ensure that operators are prepared and capable of mounting a prompt and effective spill response.
- 3) RESPOND TO OIL AND HAZARDOUS SUBSTANCE SPILLS
 - Ensure prompt and effective response to spills and protection of human health and the environment.
 - Identify and notify responsible parties of the need to take action.
 - Apply consistent and measurable cleanup standards.
 - Contract private specialists to assess and clean up spills when a responsible party cannot be identified.
- 4) CLEAN UP OIL AND HAZARDOUS SUBSTANCE SPILLS
 - Augment or take over cleanup if the responsible party is unable to complete a timely and adequate cleanup without assistance.
 - Ensure the cleanup of high-priority contaminated sites.
 - Expand the Voluntary Cleanup Program to increase the rate of cleanup of lower priority sites.
 - Continue efforts to clean up state-owned facilities.

Key BRU Issues for FY2001 – 2002

The department is responsible for managing the Response Fund to address state spill prevention and response priorities. There has been a significant decline in revenue due to decreasing flow through the Trans-Alaska Pipeline System. In order to sustain the state's long-term spill prevention, preparedness, response and cleanup ability it will be necessary to ensure that annual funding requests from the prevention account are consistent with the revenue generated by the surcharge.

The division must also implement new regulations requiring contingency plans and proof of financial responsibility for all self-propelled vessels exceeding 400 gross registered tonnage and railroad tank cars.

Major BRU Accomplishments for FY2000

PREVENTION

Jointly developed and instituted winter vessel-operating restrictions with the U.S. Coast Guard to prevent tanker spills in Cook Inlet.

Developed corrective action plans with industry to address deficiencies identified in inspections, audits and drills.

Brought 99% of state-owned underground storage tanks into compliance with spill prevention requirements.

Worked with industry to improve response capability resulting in the acquisition and dedication of an additional three new prevention and response tugs for service in Prince William Sound consistent with the state's best available technology requirements.

PREPAREDNESS

Enhanced statewide hazardous materials response capability and readiness through training and demonstration exercises in Kodiak and Unalaska in close coordination with local officials.

Participated in 48 spill drills and exercises including major equipment deployment drills in Prince William Sound, the Beaufort Sea, and Cook Inlet in cooperation with industry, state and federal agencies.

RESPONSE

Received 2,311 spill reports and conducted 799 field response activities, including site visits and other follow-up actions.

CLEANUP

Ensured the prompt and effective cleanup and restoration of the environment from the effects of over 65 significant spills.

Completed 49 contaminated site cleanups, 11 of which were under the voluntary cleanup program.

Issued 112 "no further action" letters for underground storage tank cleanups.

Spill Prevention and Response
BRU Financial Summary by Component

All dollars in thousands

	FY2000 Actuals				FY2001 Authorized				FY2002 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
Formula Expenditures None.												
Non-Formula Expenditures												
Spill Prev. & Resp. Director	0.0	0.0	180.8	180.8	0.0	0.0	196.8	196.8	0.0	0.0	197.9	197.9
Contaminated Sites Program	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3,122.2	4,082.7	7,204.9
Industry Prep. & Pipeline Op.	0.0	0.0	2,243.6	2,243.6	0.0	8.5	2,647.7	2,656.2	0.0	8.5	3,114.6	3,123.1
Prevention and Emerg. Response	0.0	0.0	3,000.4	3,000.4	0.0	0.0	3,166.9	3,166.9	0.0	0.0	3,135.4	3,135.4
Response Fund Administration	0.0	0.0	1,577.1	1,577.1	0.0	0.0	1,617.2	1,617.2	0.0	32.0	1,752.4	1,784.4
Local Emergency Planning Comm	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	310.9	310.9
Totals	0.0	0.0	7,001.9	7,001.9	0.0	8.5	7,628.6	7,637.1	0.0	3,162.7	12,593.9	15,756.6

Spill Prevention and Response

Proposed Changes in Levels of Service for FY2002

Due to the BP/Phillips Merger Charter for Development of the Alaskan North Slope, additional effort will be required to coordinate the assessment and cleanup of "orphaned" contaminated sites and the spill prevention and response portion of the Environmental Commitment associated with oil field development with British Petroleum, Phillips Alaska, Inc., and the various state (Natural Resources, Transportation and Public Facilities, Fish and Game) and federal (Bureau of Land Management, Corps of Engineers, Fish and Wildlife Service) agencies that may have a regulatory responsibilities associated with this matter. Costs will be reimbursed by British Petroleum based on the agreement in the Charter for Development of the Alaskan North Slope.

Commencing in FY 2001, contingency plans and proof of financial responsibility are required of all self-propelled nontank vessels exceeding 400 gross registered tonnage and for railroad tank cars. Over 1,000 additional vessels and tank cars have applied under this requirement. An increment is being requested to fund a permanent position to process and review financial responsibility documentation, maintain the associated database, and issue certificates of financial responsibility for newly regulated vessels and tank cars.

Spill Prevention and Response

Summary of BRU Budget Changes by Component

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>
FY2001 Authorized	0.0	8.5	7,628.6	7,637.1
Adjustments which will continue current level of service:				
-Spill Prev. & Resp. Director	0.0	0.0	1.1	1.1
-Contaminated Sites Program	0.0	6.0	8.3	14.3
-Industry Prep. & Pipeline Op.	0.0	0.0	89.9	89.9
-Prevention and Emerg. Response	0.0	0.0	-31.5	-31.5
-Response Fund Administration	0.0	32.0	135.2	167.2
Proposed budget decreases:				
-Industry Prep. & Pipeline Op.	0.0	0.0	-200.5	-200.5
-Local Emergency Planning Comm	0.0	0.0	-90.8	-90.8
Proposed budget increases:				
-Contaminated Sites Program	0.0	0.0	109.4	109.4
-Industry Prep. & Pipeline Op.	0.0	0.0	577.5	577.5
FY2002 Governor	0.0	3,162.7	12,593.9	15,756.6