

State of Alaska FY2013 Governor's Operating Budget

Department of Environmental Conservation Spill Prevention and Response Results Delivery Unit Budget Summary

Spill Prevention and Response Results Delivery Unit

Contribution to Department's Mission

Reduce unlawful oil and hazardous substance contamination in the environment.

Core Services

- Manage Division resources to protect public health and the environment through the safe handling and cleanup of oil and hazardous substances.
- Ensure that producers, transporters and distributors of crude oil and refined oil products prevent oil spills, and are fully prepared materially and financially to clean up spills.
- Prevent and mitigate the effects of oil and hazardous substance releases and ensure their cleanup through government planning and rapid response.
- Oversee and conduct cleanups at contaminated sites in Alaska.
- Prevent releases from underground storage tanks.
- Manage the Oil and Hazardous Substance Release Prevention and Response Fund as a viable, long-term funding source for the state's core spill prevention and response initiatives.

Major Activities to Advance Strategies

- Ensure emergency response and removal of oil and hazardous substance releases.
- Ensure the remediation of contaminated sites.
- Review regulated facility and vessel applications for compliance with oil discharge prevention and contingency plan requirements.
- Review oil discharge prevention and contingency plan requirements and update regulations.

Key RDU Challenges

Sustain state's core spill prevention, preparedness, and response capability in the face of declining revenues. The Division's goals are prevention, preparedness, and response. Three programs in the Division implement a wide array of interrelated activities to meet these goals. The programs include the Prevention and Emergency Response Program, the Industry Preparedness and Pipeline Operations Program, and the Contaminated Sites Program. The programs are designed to meet the Department's statutory obligation to protect human health and the environment while fostering economic growth and resource development through rational, unambiguous, predictable and integrated regulatory requirements.

The conservation surcharge revenue has been declining due to the reduction in crude oil production from a peak of 2 million barrels per day to an FY2013 forecast of 612,000 barrels per day. The conservation surcharge revenue has declined to a point where it can no longer sustain the Division's core spill prevention, preparedness and response programs.

New state regulations are being phased in for multi-phase and produced water pipelines. Compliance oversight for the new regulations includes development of field inspection strategies, engineering reviews and a compliance inspection program.

Significant Changes in Results to be Delivered in FY2013

None.

Major RDU Accomplishments in 2011

- Received 1,689 spill reports, conducted follow-up for 722 and initiated emergency responses to 22 significant spills statewide.
- Conducted 115 inspections of regulated facilities and completed 558 review and administrative decisions for oil spill contingency plans.
- Completed assessment, clean up or monitoring at 811 contaminated sites.
- Implemented newly updated and advanced computer software and database development techniques to improve the speed and functionality of future software and databases.
- Centralized the database development and support team to streamline documentation, enhance Divisional support and improve communication within the database development team and among the sections of the Division.
- Developed and published a new design for the Division's website in timely accordance with mandate from the Governor's Office.

Contact Information
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**Spill Prevention and Response
RDU Financial Summary by Component**

All dollars shown in thousands

	FY2011 Actuals				FY2012 Management Plan				FY2013 Governor			
	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds
Formula Expenditures None.												
Non-Formula Expenditures												
Spill Prev. & Resp. Director	311.3	0.0	0.0	311.3	281.9	0.0	0.0	281.9	289.2	0.0	0.0	289.2
Contaminated Sites Program	3,751.3	335.7	3,792.2	7,879.2	3,679.2	90.7	3,868.5	7,638.4	3,783.3	92.3	4,521.8	8,397.4
Industry Prep. & Pipeline Op.	4,156.2	328.7	275.7	4,760.6	4,203.9	417.8	300.2	4,921.9	4,313.5	424.4	304.8	5,042.7
Prevention and Emerg. Response	3,922.5	254.6	0.0	4,177.1	4,277.6	0.0	0.0	4,277.6	4,393.8	0.0	0.0	4,393.8
Response Fund Administration	1,333.1	2.5	18.0	1,353.6	1,467.6	0.0	41.8	1,509.4	1,491.6	0.0	42.4	1,534.0
Totals	13,474.4	921.5	4,085.9	18,481.8	13,910.2	508.5	4,210.5	18,629.2	14,271.4	516.7	4,869.0	19,657.1

**Spill Prevention and Response
Summary of RDU Budget Changes by Component
From FY2012 Management Plan to FY2013 Governor**

All dollars shown in thousands

	<u>Unrestricted Gen (UGF)</u>	<u>Designated Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
FY2012 Management Plan	659.4	13,250.8	508.5	4,210.5	18,629.2
Adjustments which will continue current level of service:					
-Spill Prev. & Resp. Director	0.0	7.3	0.0	0.0	7.3
-Contaminated Sites Program	0.0	104.1	1.6	103.3	209.0
-Industry Prep. & Pipeline Op.	10.0	99.6	6.6	4.6	120.8
-Prevention and Emerg. Response	0.0	116.2	0.0	0.0	116.2
-Response Fund Administration	0.0	24.0	0.0	0.6	24.6
Proposed budget increases:					
-Contaminated Sites Program	0.0	0.0	0.0	550.0	550.0
FY2013 Governor	669.4	13,602.0	516.7	4,869.0	19,657.1