

Mead Treadwell  
Lieutenant Governor  
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OFFICE OF THE LIEUTENANT GOVERNOR  
ALASKA

MEMORANDUM

**TO:** Gary Mendivil, AAC Contact  
Department of Environmental Conservation

**FROM:** Scott Meriwether  
Special Assistant   
907.465.3509

**DATE:** August 6, 2014

**RE:** Filed Permanent Regulations: Department of Environmental Conservation  
  
Department of Environmental Conservation Regulations re: Oil and Other Hazardous  
Substances Pollution Control: Financial Responsibility for Oil Discharges; Consumer  
Price Index Adjustments: 18 AAC 75.235; 18 AAC 75.270

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Attorney General File:	JU2014200077
Regulation Filed:	8/5/2014
Effective Date:	10/1/2014
Print:	211, October 2014

cc with enclosures: Linda Miller, Department of Law  
Crystal Koeneman, Administrative Regulation Review Committee  
Judy Herndon, LexisNexis

JU2014200077

ORDER ADOPTING CHANGES TO  
REGULATIONS OF THE DEPARTMENT OF ENVIRONMENTAL CONSERVATION

The attached three pages of regulations, dealing with 18 AAC 75 (Oil and Other Hazardous Substances Pollution Control) financial responsibility amendments are hereby adopted and certified to be a correct copy of the regulation changes that the Department of Environmental Conservation adopts under the authority of AS 46.03 and AS 46.04 after compliance with the Administrative Procedure Act (AS 44.62), specifically including notice under AS 44.62.190 and 44.62.200 and opportunity for public comment under AS 44.62.210.

This action is not expected to require an increased appropriation.

Although no public comments were received, the Department of Environmental Conservation paid special attention to the cost to private persons of the regulatory action being taken. The Department of Environmental Conservation also gave special attention to alternate practical methods in this regulatory action, as required by AS 46.03.024.

The regulation changes adopted under this order take effect on October 1, 2014 as provided in AS 46.04.045.

DATE: June 3, 2014  
Anchorage, Alaska



Larry Hartig, Commissioner  
Department of Environmental Conservation

FILING CERTIFICATION

I, Mead Treadwell, Lieutenant Governor for the State of Alaska, certify that on 5 August, 2014, at 10:11 a.m., I filed the attached regulations according to the provisions of AS 44.62.040 – 44.62.120.



Mead Treadwell, Lieutenant Governor

Effective: October 1, 2014

Register: 21, October 2014

18 AAC 75.235(a) is amended to read:

(a) Each vessel or facility must be specifically covered by an approved form of financial responsibility. The dollar amounts of required financial responsibility set out in AS 46.04.040 or 46.04.055 are adjusted, based upon the percentage change between the reference base index and the semi-annual average Consumer Price Index for all urban consumers in the Anchorage metropolitan area for the second half of 2013 [2010], as reported by the United States Department of Labor, bureau of labor statistics. An applicant under 18 AAC 75.205 or 18 AAC 75.225 must demonstrate financial responsibility to respond in damages for claims covered by AS 46.04.040(i) in the following applicable minimum amount:

- (1) for a crude oil terminal facility, \$91,500,000 [\$83,600,000] per incident;
- (2) for a noncrude oil terminal facility, \$45.75 [\$41.80], per incident, for each barrel of total noncrude oil storage capacity at the terminal, or \$1,830,000 [\$1,672,000], whichever is greater, subject to a maximum of \$91,500,000 [\$83,600,000]; if the facility stores more noncrude oil than crude oil, the \$45.75 [\$41.80] per incident, per barrel requirement of this paragraph applies to each barrel of oil storage capacity at the facility;
- (3) for a tank vessel or barge carrying crude oil, \$549.00 [\$501.60], per incident, for each barrel of storage capacity or \$183,000,000 [\$167,200,000], whichever is greater;
- (4) for a tank vessel or barge carrying noncrude oil, \$183.00 [\$167.20], per incident, for each barrel of storage capacity or \$1,830,000 [\$1,672,000], whichever is greater, subject to a maximum of \$64,050,000 [\$58,520,000];
- (5) for a nontank vessel carrying predominantly nonpersistent product, \$183.00 [\$167.20] per incident, for each barrel of total oil storage capacity, persistent and nonpersistent product, on the vessel or \$1,830,000 [\$1,672,000], whichever is greater;
- (6) for a nontank vessel carrying predominantly persistent product, \$549.00

[\$501.60] per incident, for each barrel of total oil storage capacity, persistent product and nonpersistent product, on the vessel or \$9,150,000 [\$8,360,000], whichever is greater;

(7) for a railroad tank car,

(A) \$549.00 [\$501.60] per incident for each barrel of persistent product based on the maximum amount of persistent product storage capacity of any train on the railroad; and

(B) \$183.00 [\$167.20] per incident for each barrel of nonpersistent product based on the maximum amount of nonpersistent product storage capacity of any train on the railroad or \$1,830,000 [\$1,672,000], whichever is greater;

(8) for a pipeline, \$91,500,000 [\$83,600,000] per incident;

(9) for an offshore exploration or production facility, \$91,500,000 [\$83,600,000] per incident;

(10) for an onshore production facility that produces more than 10,000 barrels per day of oil, \$36,600,000 [\$33,440,000] per incident;

(11) for an onshore production facility that produces more than 5,000, but not more than 10,000 barrels per day of oil, \$18,300,000 [\$16,720,000] per incident;

(12) for an onshore production facility that produces more than 2,500, but not more than 5,000 barrels per day of oil, \$9,150,000 [\$8,360,000] per incident;

(13) for an onshore production facility that produces 2,500 or fewer barrels per day of oil, \$1,830,000 [\$1,672,000] per incident;

(14) for an onshore exploration facility, \$1,830,000 [\$1,672,000] per incident.

(Eff. 5/14/92, Register 122; am 11/26/94, Register 132; am 12/8/95, Register 136; am 10/1/99, Register 151; am 10/28/2000, Register 156; am 10/27/2002, Register 164; am 11/27/2002, Register 164; am 10/16/2005, Register 176; am 8/31/2008, Register 187; am 10/01/2011, Register 199; am 10/1/2014, Register 211)



**Authority:** AS 46.03.020 AS 46.04.045 AS 46.04.070  
AS 46.04.040 AS 46.04.055

18 AAC 75.270(c) is amended to read:

(c) The department may approve a P&I club or insurance syndicate that does not agree to be subject to direct court action in this state or that does not agree to appoint an agent for service of process in this state if the requirements of AS 46.04.040(*l*) are met with respect to the amount of \$91,500,000 [\$83,600,000] or the amount required by 18 AAC 75.235(a), whichever is less.

(Eff. 5/14/92, Register 122; am 11/26/94, Register 132; am 10/1/99, Register 151; am 10/28/2000, Register 156; am 10/27/2002, Register 164; am 10/16/2005, Register 176; am 8/31/2008, Register 187; am 10/1/2011, Register 199; am 10/1/2014, Register 211)

**Authority:** AS 46.03.020 AS 46.04.045 AS 46.04.070  
AS 46.04.040

# MEMORANDUM


## State of Alaska Department of Law

To: The Honorable Mead Treadwell  
Lieutenant Governor

Date: July 2, 2014

File No.: JU2014200077

Tel. No.: 465-3600

From: Susan R. Pollard   
Chief Assistant Attorney General  
and Regulations Attorney  
Legislation and Regulations Section

Re: Department of Environmental  
Conservation Regulation re: Oil and  
Other Hazardous Substances  
Pollution Control: Financial  
Responsibility for Oil Discharges;  
Consumer Price Index Adjustments:  
18 AAC 75.235; 18 AAC 75.270

We have reviewed the attached Department of Environmental Conservation changes to these regulations. A duplicate of this memorandum is being furnished to Commissioner Hartig, along with a copy of the regulations.

The Department of Law has reviewed the attached regulations against the statutory standards of the Administrative Procedure Act. Based upon our review, we find no legal problems. This memorandum and the attached duplicate memorandum dated July 2, 2014, constitute the written statement of approval under AS 44.62.060(b) and (c) that authorizes your office to file the attached regulations.

The regulations were adopted by the Department of Environmental Conservation after the close of the public comment period. The regulations concern the dollar amounts required for proof of financial responsibility that must be provided to the department by persons who operate certain oil facilities and vessels as adjusted by the Anchorage Consumer Price Index as required under AS 46.04.045.

The March 14, 2014 public notice and the June 3, 2014 adoption order both state that this action is not expected to require an increased appropriation. Therefore, a fiscal note under AS 44.62.195 is not required. The adoption order sets out an effective date of October 1, 2014 for the regulations. Therefore, the history note following each section will need to reflect that date.

SRP:srp

cc: Honorable Larry Hartig, Commissioner  
Department of Environmental Conservation

# MEMORANDUM


State of Alaska  
Department of Law

To: Honorable Larry Hartig  
Commissioner  
Department of Environmental  
Conservation

Date: July 2, 2014

File No.: JU2014200077

Tel. No.: 465-3600

From: Susan R. Pollard   
Chief Assistant Attorney General  
and Regulations Attorney  
Legislation and Regulations Section

Re: Department of Environmental  
Conservation Regulation re: Oil and  
Other Hazardous Substances  
Pollution Control: Financial  
Responsibility for Oil Discharges;  
Consumer Price Index Adjustments:  
18 AAC 75.235; 18 AAC 75.270

Under AS 44.62.060, we have reviewed the Department of Environmental Conservation changes to these regulations and approve the changes for filing by the lieutenant governor. A duplicate original of this memorandum is being furnished to the lieutenant governor, along with the 3 pages of the regulations changes and the related documents.

You might wish to contact the lieutenant governor's office to confirm the filing date and that the attached regulations changes will be effective October 1, 2014.

The March 14, 2014 public notice and the June 3, 2014 adoption order both state that this action is not expected to require an increased appropriation. Therefore, a fiscal note under AS 44.62.195 is not required.

SRP:srp

Enclosures

cc: Gary Mendivil, Regulations Contact  
Department of Environmental Conservation

Chris Pace, Environmental Program Specialist  
Department of Environmental Conservation

Seth M. Beausang, Assistant Attorney General  
Environmental Section



NOTICE OF PROPOSED CHANGES IN THE  
REGULATIONS OF THE DEPARTMENT OF ENVIRONMENTAL CONSERVATION

**BRIEF DESCRIPTION**

The Department of Environmental Conservation (DEC) proposes to adopt regulation changes in Title 18 of the Alaska Administrative Code, dealing with the dollar amounts for proof of financial responsibility that must be provided to DEC by persons who operate certain oil facilities and vessels.

Regulations at 18 AAC 75.235 and 18 AAC 75.270 will be amended to adjust the dollar amounts of proof of financial responsibility that must be provided in accordance with changes to the Anchorage Consumer Price Index (CPI). The Anchorage CPI for the second half of 2013 was published in January 2014 and these increased dollar amounts correspond with the updated Anchorage CPI.

You may comment on the proposed regulation changes, including the potential costs to private persons of complying with the proposed changes, by submitting written comments to Christopher Pace, Environmental Program Specialist, Department of Environmental Conservation, at P.O. Box 111800, Juneau, Alaska 99811-1800 or electronically to [chris.pace@alaska.gov](mailto:chris.pace@alaska.gov). The comments must be received no later than 5:00 p.m. on April 15, 2014.

If you are a person with a disability who needs a special accommodation in order to participate in this process, please contact Deborah Pock at (907) 269-0291 no later than April 8, 2014, to ensure that any necessary accommodations can be provided.

For a copy of the proposed regulation changes, contact Chris Pace at (907) 465-5231, or go to DEC's Regulations web page at <http://www.dec.alaska.gov/regulations/index.htm>.

After the public comment period ends on April 15, 2014, the DEC will either adopt these or other provisions dealing with the same subject, without further notice, or decide to take no action on them. The language of the final regulations may be different from that of the proposed regulations. **YOU SHOULD COMMENT DURING THE TIME ALLOWED IF YOUR INTERESTS COULD BE AFFECTED.** Written comments received are public records and are subject to public inspection.

**Statutory Authority:** AS 46.03.020, AS 46.04.045, AS 46.04.040, AS 46.04.055, AS 46.04.070.

**Statutes Being Implemented, Interpreted, or Made Specific:** AS 46.04.040, AS 46.04.045, AS 46.04.055.

**Fiscal Information:** The proposed regulation changes are not expected to require an increased appropriation.

DATE: March 11, 2014

  
Larry Hartig, Commissioner



ADDITIONAL REGULATIONS NOTICE INFORMATION  
(AS 44.62.190(d))

1. Adopting agency: Department of Environmental Conservation
2. General subject of regulation: Oil and Other Hazardous Substances Pollution Control
3. Citation of regulation (may be grouped): 18 AAC 75
4. Department of Law file number, if any: \_\_\_\_\_
5. Reason for the proposed action:
  - ☐ compliance with federal law
  - ☐ compliance with new or changed state statute
  - ☐ compliance with court order
  - ☐ development of program standards
  - ☒ other: (please list) statutory requirement in AS 46.04.045
6. Appropriation/Allocation: Spill Prevention & Response: Industry Preparedness Program
7. Cost of implementation to the state agency and available funding (in thousands of dollars):

	Initial Year FY 2014	Subsequent Years
Operating Cost	\$ <u>0</u>	\$ <u>0</u>
Capital Cost	\$ <u>0</u>	\$ <u>0</u>
 Federal receipts	\$ <u>0</u>	\$ <u>0</u>
General fund match	\$ <u>0</u>	\$ <u>0</u>
General fund	\$ <u>0</u>	\$ <u>0</u>
General fund/ program receipts	\$ <u>0</u>	\$ <u>0</u>
General fund/ mental health	\$ <u>0</u>	\$ <u>0</u>
Other funds (specify)	\$ <u>0</u>	\$ <u>0</u>

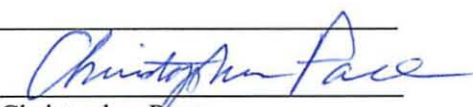
8. The name of the contact person for the regulations:

Name Christopher Pace  
Title Environmental Program Specialist  
Address P.O. Box 111800  
Juneau, AK 99811-1800  
Telephone (907) 465-5231  
E-mail address [chris.pace@alaska.gov](mailto:chris.pace@alaska.gov)

9. The origin of the proposed action:

☒ staff of state agency  
☐ federal government  
☐ general public  
☐ petition for regulation change  
☐ other (please list) \_\_\_\_\_

10. Date: March 11, 2014

Prepared by:   
Name (typed) Christopher Pace  
Title (typed) Environmental Program Specialist  
Telephone: (907) 465-5231

STATE OF ALASKA

) ) ) ss. )

FIRST JUDICIAL DISTRICT

AFFIDAVIT OF NOTICE OF PROPOSED ADOPTION OF REGULATIONS  
AND FURNISHING OF ADDITIONAL INFORMATION


I, Christopher Pace, Environmental Program Specialist, of the Alaska Department of Environmental Conservation, being sworn, state the following:

As required by AS 44.62.190, notice of the proposed adoption of changes to financial responsibility regulations at 18 AAC 75 has been given by being

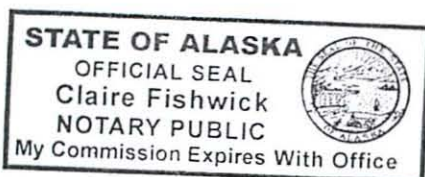
- (1) published in a newspaper or trade publication;
- (2) furnished to interested persons;
- (3) furnished to appropriate state officials;
- (4) furnished to the Department of Law, along with a copy of the proposed regulations;
- (5) electronically transmitted to incumbent State of Alaska legislators;
- (6) furnished to the Legislative Affairs Agency, Legislative Legal and Research Services;
- (7) posted on the Alaska Online Public Notice System as required by AS 44.62.175(a)(1) and (b) and 44.62.190(a)(1);
- (8) furnished electronically, along with a copy of the proposed regulations, to the Legislative Affairs Agency, the chair of the Resources Committee of the Alaska Senate and House of Representatives, the Administrative Regulation Review Committee, and the legislative council.

As required by AS 44.62.190(d), additional regulations notice information regarding the proposed adoption of the regulation changes described above has been furnished to interested persons and those in (5) and (6) of the list above. The additional regulations notice information also has been posted on the Alaska Online Public Notice System.

DATE: June 5, 2014  
Juneau, Alaska

  
Christopher Pace  
Environmental Program Specialist

SUBSCRIBED AND SWORN TO before me this 5th day of June, 2014.



Notary Public in and for the  
State of Alaska  
My commission expires: with office


FIRST JUDICIAL DISTRICT

## AFFIDAVIT OF AGENCY RECORD OF PUBLIC COMMENT

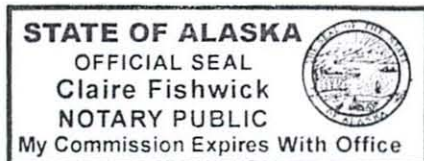
I, Christopher Pace, Environmental Program Specialist for the Alaska Department of Environmental Conservation, being duly sworn, state the following:

The Alaska Department of Environmental Conservation did not receive any factual or other substantive information that was submitted in writing as public comment and that was relevant to the accuracy, coverage, or other aspect of the Alaska Department of Environmental Conservation regulations on financial responsibility for oil spill responses.

Date: June 5, 2014  
Juneau, Alaska

  
Christopher Pace  
Environmental Program Specialist

SUBSCRIBED AND SWORN TO before me this 5th day of June, 2014



Ch. Smith.  
Notary Public in and for the  
State of Alaska  
My commission expires: with office



304635  
0000948484  
\$ 278.90

# AFFIDAVIT OF PUBLICATION

STATE OF ALASKA  
THIRD JUDICIAL DISTRICT

Joleesa Stepetin  
being first duly sworn on oath deposes and  
says that he is a representative of the  
Anchorage Daily News, a daily newspaper.  
That said newspaper has been approved  
by the Third Judicial Court, Anchorage,  
Alaska, and it now and has been published  
in the English language continually as a  
daily newspaper in Anchorage, Alaska,  
and it is now and during all said time was  
printed in an office maintained at the  
aforesaid place of publication of said  
newspaper. That the annexed is a copy of  
an advertisement as it was published in  
regular issues (and not in supplemental  
form) of said newspaper on

March 14, 2014

and that such newspaper was regularly  
distributed to its subscribers during all of  
said period. That the full amount of the fee  
charged for the foregoing publication is not  
in excess of the rate charged private  
individuals.

Signed

*Joleesa Stepetin*

Subscribed and sworn to before me  
this 14th day of March, 2014

*Britney Thompson*

Notary Public in and for  
The State of Alaska.  
Third Division  
Anchorage, Alaska  
MY COMMISSION EXPIRES

05/18/15

## NOTICE OF PROPOSED CHANGES IN THE REGULATIONS OF THE DEPARTMENT OF ENVIRONMENTAL CONSERVATION

The Department of Environmental Conservation (DEC) proposes to adopt regulation changes in Title 18 of the Alaska Administrative Code, dealing with the dollar amounts for proof of financial responsibility that must be provided to DEC by persons who operate certain oil facilities and vessels.

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**Statutory Authority:** AS 46.03.020, AS 46.04.045, AS 46.04.040, AS 46.04.055, AS 46.04.070.

**Statutes Being Implemented, Interpreted, or Made Specific:** AS 46.04.040, AS 46.04.045, AS 46.04.055.

**Fiscal Information:** The proposed regulation changes are not expected to require an increased appropriation.

DATE: March 11, 2014

/s/ Larry Hartig, Commissioner

Published: March 14, 2014



*Journal of Management Education* 30(6)p.789-804

the 1990s, the number of people in the world who are illiterate has increased from 1.2 billion to 1.5 billion. The number of illiterate people in the world is projected to reach 1.7 billion by the year 2015. The number of illiterate people in the world is projected to reach 1.7 billion by the year 2015.

[illegible][illegible]

The following are the names of the persons who have been appointed to the various committees of the Board of Directors of the American Telephone and Telegraph Company, for the year ending December 31, 1910:

\_\_\_\_\_

1. *Chlorophyll a* (Chl *a*) (430-680 nm)  
 2. *Chlorophyll b* (Chl *b*) (460-650 nm)

1942-1943

[illegible][illegible]

the 1990s, the number of people in the United States who are 65 years of age or older has increased by 50% (U.S. Census Bureau, 2000). The number of people aged 65 and older is projected to increase to 20% of the total population by the year 2020 (U.S. Census Bureau, 2000). The increase in the number of people aged 65 and older is expected to be even more dramatic in other countries. For example, the number of people aged 65 and older in Japan is projected to increase from 15% of the total population in 1990 to 25% of the total population by the year 2020 (U.S. Census Bureau, 2000). The increase in the number of people aged 65 and older is expected to be even more dramatic in other countries. For example, the number of people aged 65 and older in Japan is projected to increase from 15% of the total population in 1990 to 25% of the total population by the year 2020 (U.S. Census Bureau, 2000).

