

State of Alaska FY2014 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.

Results

(Additional performance information is available on the web at <http://omb.alaska.gov/results>.)

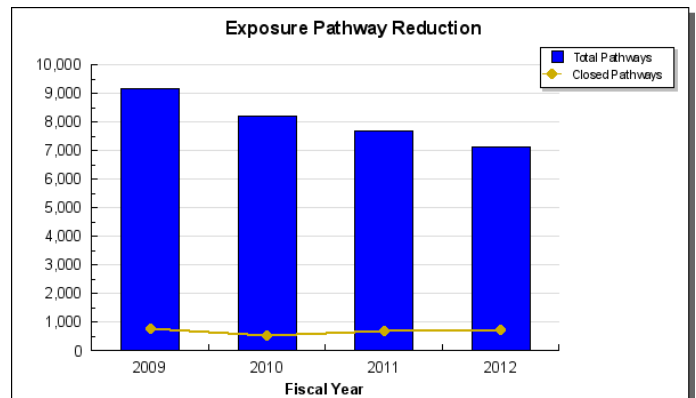
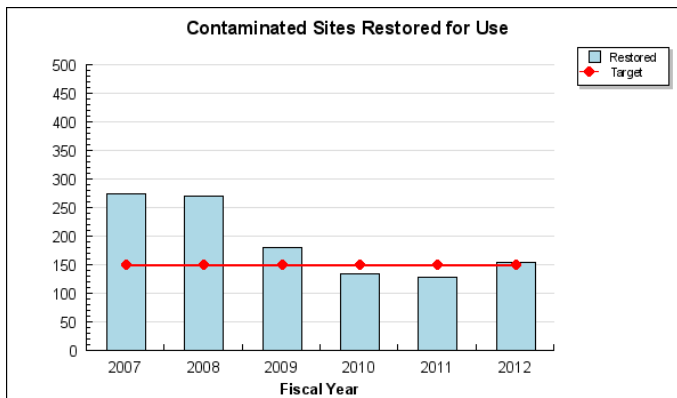
Core Services

- Protect public health and the environment by identifying, overseeing and conducting the cleanup, redevelopment, and management of contaminated sites in Alaska.
- Protect public safety, public health, and the environment and 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.
- Protect public safety, public health, and the environment by preventing and mitigating the effects of oil and hazardous substance releases and ensuring their cleanup through government planning, preparedness, and rapid response.
- 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 and provide administrative support services to the Divisions programs.

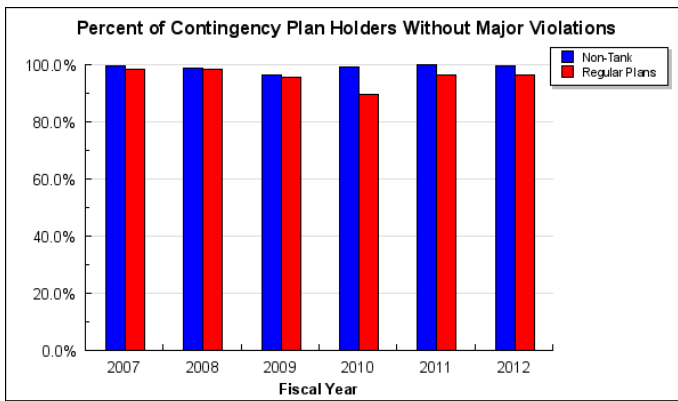
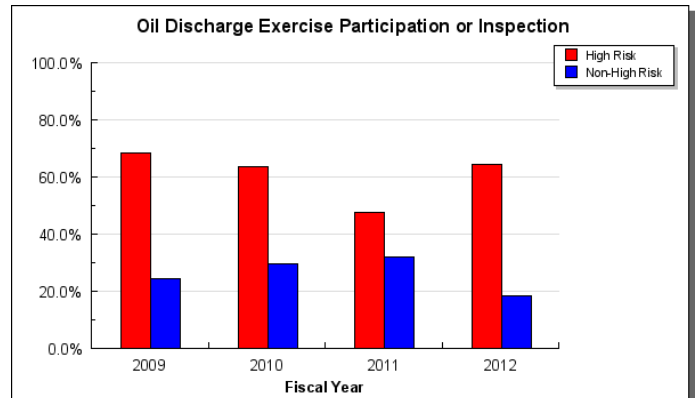
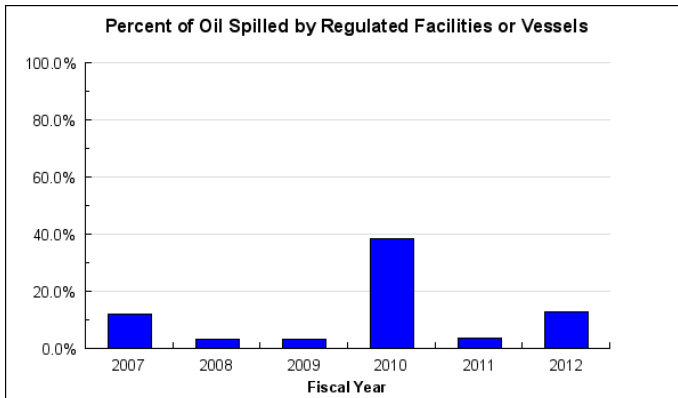
Measures by Core Service

(Additional performance information is available on the web at <http://omb.alaska.gov/results>.)

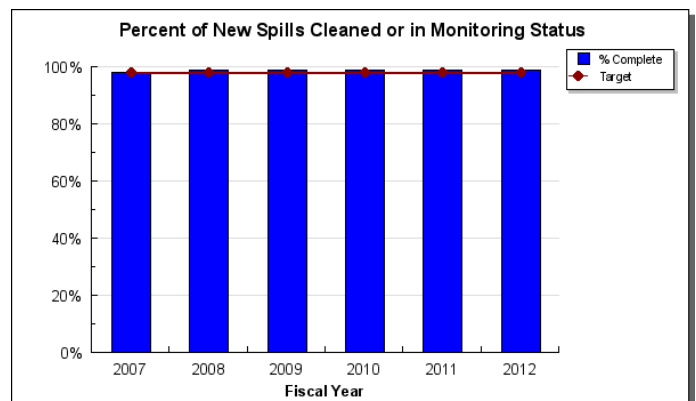
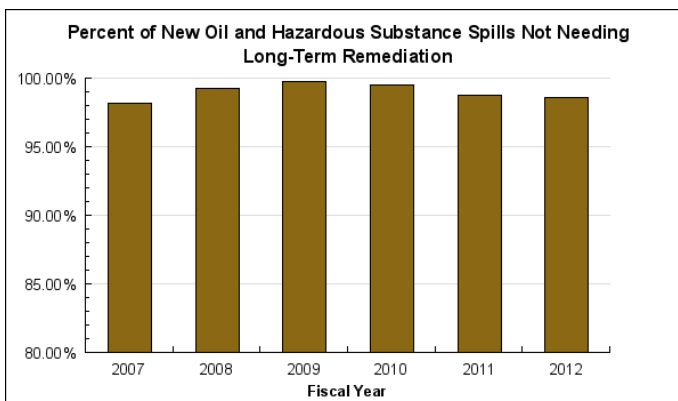
1. Protect public health and the environment by identifying, overseeing and conducting the cleanup, redevelopment, and management of contaminated sites in Alaska.



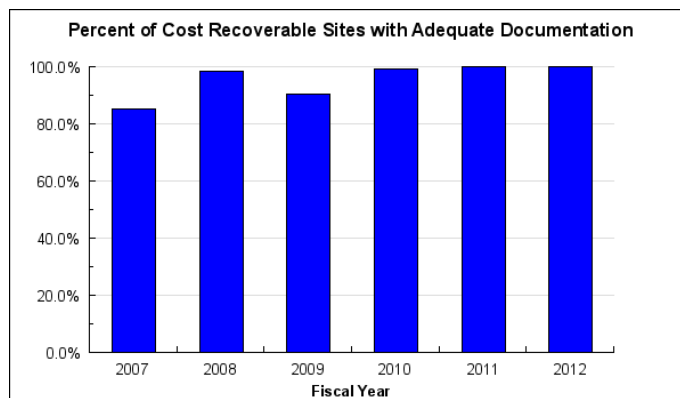
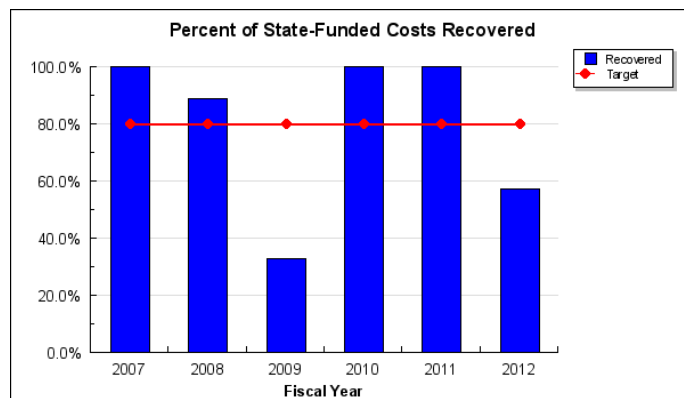
2. Protect public safety, public health, and the environment and ensure that producers, transporters, and distributors of crude oil and refined oil products prevent oil spills and are fully prepared materially and financially to clean up spills.



3. Protect public safety, public health, and the environment by preventing and mitigating the effects of oil and hazardous substance releases and ensuring their cleanup through government planning, preparedness, and rapid response.



4. 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 and provide administrative support services to the Divisions programs.



Major RDU Accomplishments in 2012

- Received 1,888 spill reports, conducted follow-up on 821, and initiated emergency responses to 23 significant spills statewide.
- Conducted 88 inspections of regulated facilities and completed 639 review and administrative decisions for oil spill contingency plans.
- Completed assessment, cleanup, or monitoring at 1,205 contaminated sites.

Key RDU Challenges

Sustain state's core spill prevention, preparedness, and response capability in the face of declining revenues. Three programs in the Division of Spill Prevention and Response implement a wide array of interrelated activities to meet the Division's goals of prevention, preparedness and response: Prevention and Emergency Response, Industry Preparedness and Pipeline Operations, and Contaminated Sites. 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.

Conservation surcharge revenue has been declining due to the reduction in crude oil production from a peak of two million barrels per day to an FY2013 forecast of 571,000 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 implemented for multi-phase and produced-water pipelines. Compliance oversight for the new regulations includes flow lines program audit, engineering (record) review, and field inspections.

Significant Changes in Results to be Delivered in FY2014

AS 46.08.030 states, "It is the intent of the legislature and declared to be the public policy of the state that funds for the abatement of a release of oil or a hazardous substance will always be made available." The conservation surcharge, which is based on crude oil production, no longer provides sufficient revenue for the state's spill prevention and response programs due to declining crude oil production.

Contact Information

Contact: Larry Dietrick, Director
Phone: (907) 465-5250
Fax: (907) 465-5262
E-mail: Larry.Dietrick@alaska.gov

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

All dollars shown in thousands

| | FY2012 Actuals | | | | FY2013 Management Plan | | | | FY2014 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 | 313.8 | 0.0 | 0.0 | 313.8 | 289.2 | 0.0 | 0.0 | 289.2 | 289.8 | 0.0 | 0.0 | 289.8 |
| Contaminated Sites Program | 3,482.5 | 369.0 | 4,218.0 | 8,069.5 | 3,783.3 | 92.3 | 4,521.8 | 8,397.4 | 3,783.3 | 92.3 | 4,521.8 | 8,397.4 |
| Industry Prep. & Pipeline Op. | 4,280.4 | 370.6 | 306.3 | 4,957.3 | 4,313.5 | 424.4 | 304.8 | 5,042.7 | 4,313.5 | 424.4 | 304.8 | 5,042.7 |
| Prevention and Emerg. Response | 4,416.0 | 92.6 | 0.0 | 4,508.6 | 4,396.1 | 0.0 | 0.0 | 4,396.1 | 4,397.5 | 0.0 | 0.0 | 4,397.5 |
| Response Fund Administration | 1,403.2 | 0.0 | 0.0 | 1,403.2 | 1,491.6 | 0.0 | 42.4 | 1,534.0 | 1,491.6 | 0.0 | 42.4 | 1,534.0 |
| Totals | 13,895.9 | 832.2 | 4,524.3 | 19,252.4 | 14,273.7 | 516.7 | 4,869.0 | 19,659.4 | 14,275.7 | 516.7 | 4,869.0 | 19,661.4 |

**Spill Prevention and Response
Summary of RDU Budget Changes by Component
From FY2013 Management Plan to FY2014 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> |
|--|-----------------------------------|---------------------------------|--------------------|--------------------------|--------------------|
| FY2013 Management Plan | 669.4 | 13,604.3 | 516.7 | 4,869.0 | 19,659.4 |
| Adjustments which will continue current level of service: | | | | | |
| -Spill Prev. & Resp. Director | 0.0 | 0.6 | 0.0 | 0.0 | 0.6 |
| -Prevention and Emerg. Response | 0.0 | 1.4 | 0.0 | 0.0 | 1.4 |
| FY2014 Governor | 669.4 | 13,606.3 | 516.7 | 4,869.0 | 19,661.4 |