

SPAR Article 4 Response Plan Amendments Frequently Asked Questions

Questions from the public have been gathered along with the department's responses. Substantially similar questions have been aggregated.

1. Why do you cost recover?
 - a. The purpose of cost recovery is to effectively seek reimbursement of costs incurred by the state in responding to releases or threatened release of oil or hazardous substances, in accordance with Alaska Statutes AS 46.08.070.

2. Why is DEC proposing Cost Recovery regulations?
 - a. Statutorily, the department was tasked with doing so many years ago under AS 46.08.070(d) and we are now fulfilling this mandate. We also want to provide a transparent cost recovery process, including an interest accrual process, which is a common business practice applicable to past due accounts.

3. Are these new procedures for Cost Recovery?
 - a. With the exception of the section regarding interest (3) (e), the proposed regulation seeks to formalize and promulgate existing Spill Prevention and Response cost recovery procedures.

4. Why are you charging interest?
 - a. To encourage payment and per AS 09.30.070.

5. Is there a cap on interest to prevent interest from exceeding the principal?
 - a. No, however under the proposed regulations, interest can be waived when mutually agreed upon by the DEC and the responsible party.

6. Do the proposed cost recovery regulations apply to sites with Institutional Controls?
 - a. Yes, the cost recovery regulations will apply to active sites with Institutional Controls. The proposed regulations are not applicable to closed sites with Institutional Controls that are in compliance.

7. How will the interest rate be accrued?
 - a. No interest will accrue if the bill is paid within 30 days. If the bill is not paid within 30 days, interest begins to accrue on the billing date.
 - b. For example, if costs are billed on January 1 and paid January 27, no interest will accrue. If costs are billed on January 1 and not paid by January 31, interest will accrue as of January 1.

8. When does interest begin on past due amounts?
 - a. The department intends to implement interest rates January 2016. A letter will be mailed to responsible parties in advance to communicate the date when interest will begin.

9. Should we expect interest rates to be applied on past invoices prior to implementation of the regulations?
 - a. Past invoices may accrue interest after the implementation date.
10. Are responsible parties charged costs for preparation for public meetings?
 - a. Typically no. However, with a large site, a responsible party could be notified in advance by DEC and advised they will be responsible for costs related to preparation for a public meeting.
11. Are media costs billed to a responsible party?
 - a. Generally, media costs are not billed, with the exception of large responses.

Below are questions added on (date)