

**SFA**

BILL ANALYSIS

Senate Fiscal Agency

• Lansing, Michigan 48909

• (517) 373-5383

House Bill 4929 (Substitute H-2 as reported without amendment)

Sponsor: Representative Ken DeBeaussaert

House Committee: Conservation, Recreation, and Environment

Senate Committee: Natural Resources and Environmental Affairs

Date Completed: 3-20-90

**RATIONALE**

Although hazardous materials spills have occurred both in the United State and Canada, specific information on Great Lakes spills is neither collected nor analyzed. (Reportedly, however, there were 78 oil and chemical spills reported to the Department of Natural Resources in 1988.) While Great Lakes tankers are smaller than their ocean-going counterparts, a major spill such as the one that occurred in Alaska in 1989 could be much more devastating than an ocean spill because there is no open sea to help disperse the contaminants. Some feel that by establishing a research fund to examine past spills as well as data concerning materials transported on the Great Lakes, the State could be better prepared both to implement spill prevention techniques and to respond properly to Great Lakes spills.

**CONTENT**

The bill would amend the Great Lakes Protection Act to create and regulate the "Great Lakes Spill Prevention Research Fund". Money in the Fund could be used only for the following purposes:

- Research into preventing spills during the transportation of hazardous materials on the Great Lakes and their major tributaries.
- Research on pollution incidents in order to detect causal factors in hazardous materials spills on the Great Lakes and their major tributaries.
- Research into a system approach to

address Great Lakes pollution problems, including human and socio-technical considerations.

- Research into the role of human factors in hazardous materials spills on the Great Lakes and their major tributaries, including human factors in pollution-monitoring systems, instrumentation, and pollution alarms.
- Research into the deployment of new and existing technology related to the transportation of hazardous materials on the Great Lakes and their major tributaries, and the appropriate allocation of functions between machines and individuals.
- Research to determine the contribution of hazardous materials spills into the Great Lakes and their major tributaries relative to the total pollution of the Great Lakes basin.
- Research on and modeling of spills in order to determine their effect on water intakes.

The Fund could receive money appropriated by the Legislature, from contributions and gifts, and as otherwise provided by law. The State Treasurer would have to direct the Fund's investments, and interest and earnings would be credited to the Fund. Money in the Fund at the end of a fiscal year would have to remain in the Fund and could not revert to the State's General Fund.

The bill would include connecting waterways

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within the definition of "Great Lakes" and define "major tributary" as "a river that flows into the Great Lakes that has a drainage area in excess of 700 square miles" or has a drainage area that contains a population of 1 million or more people. "Hazardous material" would mean "a chemical or other material which is or may become injurious to the public health, safety, or welfare, or to the environment"; and a "spill" would be "any leaking, pumping, pouring, emptying, emitting, discharging, escaping, leaching, or disposing of a hazardous material in a quantity which is or may become injurious to the public health, safety, welfare, or to the environment".

MCL 323.40

### **FISCAL IMPACT**

The bill would have an indeterminate fiscal impact, depending upon the appropriations process in response to research proposals.

### **ARGUMENTS**

#### **Supporting Argument**

The transport of large amounts of hazardous materials on the Great Lakes, especially near highly industrialized ports and heavily populated cities, puts the State, the lakes, and the Great Lakes basin at great risk of experiencing a disastrous spill. Although Great Lakes tankers are smaller than their ocean-going counterparts, an oil or chemical spill on the lakes could be much more catastrophic than a spill on the ocean because there is no large sea to assist disperse contaminants. The bill would help Michigan--which is perhaps in the most precarious situation of all the Great Lakes states and provinces because it borders on over one-third of the Great Lakes' 3,200 miles of shoreline--in avoiding and/or preparing for such a spill. By facilitating the study of available information, the proposed Great Lakes Spill Prevention Research Fund could aid in determining what types of factors contribute to spills and what could be done to prevent and respond to spills.

#### **Opposing Argument**

The bill fails to provide a funding mechanism for spill research projects. Since slower economic growth and tighter State budgets are expected in coming years, it would be more

appropriate to ensure the success of hazardous spills programs by providing a revenue source such as user fees or taxes on those who produce and/or transport hazardous materials.

#### **Opposing Argument**

Since the Great Lakes form part of an international border, the Federal government should be responsible for facilitating spill prevention research and spill response technology development.

**Response:** The Federal government has decreased its level of funding of such activities over the last few years. Further, given Michigan's proximity to the Great Lakes and the lakes' importance to the State's environment and commerce, it is up to Michigan to take the lead in research on spill technology in fresh water ecosystems.

Legislative Analyst: P. Affholter  
Fiscal Analyst: G. Cutler

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.