

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: April 1, 2008
POSITION: Neutral

BILL NUMBER: SB 1739
AUTHOR: J. Simitian

BILL SUMMARY: Oil Spill Contingency Plan

Existing law requires the Administrator of the Office of Spill Prevention and Response (OSPR) to oversee oil spill response efforts in California’s marine waters and to regulate Oil Spill Response Organizations (OSROs). This bill would increase requirements relating to oil spill contingency plans and unannounced drills for OSROs.

FISCAL SUMMARY

According to the DFG, this bill would not have a fiscal impact on the state. The bill could result in increased costs to OSROs and the owners and operators of facilities and vessels regulated by the Administrator.

COMMENTS

Finance is neutral on this bill because it would enhance oil spill contingency plan training requirements and the OSRO rating process. Specifically, the bill would do the following:

- Require training and drills on all elements of an oil spill contingency plan for a marine facility annually. Under current practice, training and drills are conducted for each element of a plan during a three-year cycle. Examples of marine facilities include terminals, pipelines, platforms, and fueling stations.
- Require an OSRO to undergo an unannounced drill before having its rating renewed or having a suspended or revoked rating reinstated. This would codify OSPR’s existing practice. The bill would give credit to an OSRO for a drill performed by a federal agency within the previous three years.

An OSRO is an organization that contracts with oil carrying vessels regulated by OSPR to respond to oil spill events.

| Code/Department Agency or Revenue Type | SO | (Fiscal Impact by Fiscal Year) | | | | | | | Fund Code |
|--|--|--------------------------------|------|-----------|----|-----------|------------------------|-----------|--------------|
| | | LA | PROP | | FC | | FC | | |
| | RV | 98 | FC | 2007-2008 | FC | 2008-2009 | FC | 2009-2010 | |
| 3600/Dept FishGam | SO | No | | | | | No/Minor Fiscal Impact | | 0320 |
| <u>Fund Code</u> | <u>Title</u> | | | | | | | | |
| 0320 | Oil Spill Prevention & Administration Fd | | | | | | | | |

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| Department Deputy Director | Date |
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| Governor's Office: | By: | Date: | Position Approved _____ |
| | | | Position Disapproved _____ |

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