

SENATE BILL REPORT

SB 5272

As Passed Senate, February 22, 1995

Title: An act relating to regulatory reform using incentives for vessel owners and operators to reduce the risk of oil spills.

Brief Description: Providing regulatory reform to reduce the risk of oil spills.

Sponsors: Senators Spanel, Swecker, Fraser, C. Anderson, McAuliffe and Winsley; by request of Office of Marine Safety.

Brief History:

Committee Activity: Ecology & Parks: 1/19/95, 2/8/95 [DP].
Passed Senate, 2/22/95, 47-0.

SENATE COMMITTEE ON ECOLOGY & PARKS

Majority Report: Do pass.

Signed by Senators Fraser, Chair; C. Anderson, Vice Chair; McAuliffe, McDonald, Spanel and Swecker.

Staff: Cathy Baker (786-7708)

Background: In 1991, the Legislature enacted a measure to increase state involvement in activities to prevent oil spills in Washington State waters. The Office of Marine Safety (OMS) was created in order to administer the oil spill planning and prevention programs authorized under this law. The 1991 legislation also established a number of planning and operational requirements for covered vessels that operate in waters of the state of Washington. Subsequent legislation authorized OMS to implement a field program for monitoring and inspection of vessels.

Oil spill prevention plans are required for tank vessels. Oil spill contingency plans for the containment and cleanup of oil spills are required of all covered vessels. These plans are legally binding upon vessel owners and operators and are valid for five years once approved. The statute specifies minimum requirements for both prevention plans and contingency plans, and directs OMS to adopt by rule further standards for these plans.

Current law requires that all tankers entering navigable waters of the state be inspected at least once annually to assure that they comply with all applicable federal and state standards. Vessel inspections are conducted by the U.S. Coast Guard as well as OMS.

There are financial responsibility requirements in statute for various types of vessels. Tankers are required to demonstrate evidence of responsibility to pay at least \$500 million, unless the tanker is covered by an international protection and indemnity mutual organization. OMS is authorized to set a lesser amount of financial responsibility for tankers that meet certain standards. However, OMS must require at least as much financial

responsibility as that required under federal law. Inland barges, cargo vessels and passenger vessels also have financial responsibility requirements specified in statute.

Summary of Bill: An owner or operator of a covered vessel may petition the Office of Marine Safety (OMS) for a waiver of rules or requirements relating to vessel inspection, plan compliance or vessel operation, if the owner or operator has implemented a practice or technology that: (1) exceeds the intent of the statute or the standards established by rule; (2) increases the safety of marine transportation; and (3) is to be used on a continued basis.

The financial responsibility requirements for covered vessels may also be waived for vessels that implement a practice or technology which meets these criteria.

Procedures are set forth for requesting a waiver and for OMS's response to a waiver request. A denial of a request is not appealable under the Administrative Procedure Act, except under limited circumstances. Waivers are effective for one year from the date granted.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: The bill clarifies the Office of Marine Safety's authority to utilize incentives to achieve its mission. It will help encourage and reward innovative approaches to oil spill prevention.

Testimony Against: None.

Testified: Jeff Parsons, Office of Marine Safety (pro); Randy Ray, Puget Sound Steamship Operators Assn.; Rick Wickman, Columbia River Steamship Operators Assoc.