

SENATE BILL REPORT

ESHB 1510

As of March 28, 1995

Title: An act relating to the restructuring of oil spill prevention and response programs.

Brief Description: Restructuring oil spill prevention and response.

Sponsors: House Committee on Transportation (originally sponsored by Representatives K. Schmidt, Benton, Reams, Robertson, Chandler, Mitchell, Delvin and D. Schmidt).

Brief History:

Committee Activity: Ecology & Parks: 3/29/95.

SENATE COMMITTEE ON ECOLOGY & PARKS

Staff: David Danner (786-7784)

Background: For the privilege of receiving crude oil or petroleum products at a marine terminal within the state of Washington, a 5-cent tax per barrel (42 gallons) is levied upon the recipient. Two cents of the barrel tax is deposited in the oil spill response account, which is made available for quick response in the event of a catastrophic spill. The oil spill response account is capped at \$25 million. When this cap is reached, the 2-cent tax is no longer imposed. However, when the account drops to \$15 million, the tax is imposed again.

The remaining 3 cents of the barrel tax is deposited in the oil spill administration account. Since 1991, the administration account has funded oil spill programs in several different state agencies: the Office of Marine Safety (OMS), the Department of Ecology (DOE), the Department of Community, Trade, and Economic Development (DCTED), the University of Washington, the Marine Oversight Board, the Department of Fisheries and Wildlife (DF&W), the State Parks Commission, the Department of Revenue (DOR), and the Department of Natural Resources (DNR).

Since the oil spill program was established, the administration account has experienced a deficit; i.e., the 3 cents per barrel has not been sufficient to fund appropriation levels. Consequently, in the 1991-93 biennium and the 1993-95 biennium, the deficit was addressed via transfers from the response account.

To address the declining revenue forecast for the administration account, the Governor's budget proposes that funding for the state's oil spill activities be consolidated into three lead agencies based on the components of the oil spill program: OMS for prevention activities, DOE for response activities, and DF&W for restoration activities. The Governor's proposal reduces funding to the three designated lead agencies and eliminates funding for DCTED, the State Parks Commission, and DNR. Although this consolidation will generate a savings of \$994,000 to the administration account, the remainder of the deficit is proposed to be addressed by a transfer of approximately \$1,500,000 from the response account.

The OMS was created by the Legislature in 1991 to reduce the risk of oil spills in Washington waters by promoting safe marine transportation. The principal OMS programs include: (1) vessel screening, to prioritize the inspection of high risk vessels; (2) tank vessel monitoring, including annual inspections of tank vessels and barges; (3) tank vessel prevention planning, based upon best achievable protection standards; (4) oil spill contingency plan review, to ensure capability for an effective response in the event of a spill; and (5) educational and technical assistance, with a focus on bunkering procedures.

The OMS opened a Columbia River field office in Portland, Oregon, in July 1994. This office is a joint venture with Oregon's Department of Environmental Quality. Office facilities and supplies for the field office have been made available by the state of Oregon. Washington provides the office's staffing (3.5 FTEs).

Without legislation action, the OMS is slated to be abolished on July 1, 1997, with its powers, duties and functions to be transferred to DOE. The Legislative Budget Committee (LBC) is to prepare a report to the Legislature regarding future implementation of laws governing vessel oil spill prevention and response no later than November 15, 1996.

In the event of an oil or hazardous substance spill, DOE is the head of the state incident command system responsible for coordinating the response efforts of all state and local emergency response personnel.

The Washington Wildlife Rescue Coalition (WWRC) is responsible for coordinating the rescue and rehabilitation of wildlife injured or endangered by oil spills or the release of other hazardous substances into the environment. The lead agency for operations of the coalition is the DF&W. The remaining membership of the coalition is comprised of a representative of DOE; a representative of DCTED; a licensed veterinarian with wildlife rehabilitation expertise; the director of the Washington Conservation Corps; a lay person with training and experience in the rescue and rehabilitation of wildlife, appointed by DF&W; and a person designated by the county where oil spills may occur. One of the duties of the coalition is to provide advance training and instruction to volunteers in rescuing and rehabilitating wildlife injured or endangered by oil spills.

The Washington State Constitution authorizes a state militia. The state Military Department (MD), or Washington National Guard, performs both federal and state missions. One of its primary functions is emergency response support.

Summary of Bill: The abolition of the Office of Marine Safety (OMS) and the transfer of its powers, duties and functions to the Department of Ecology (DOE) is effective January 1, 1996, following submittal of a plan for the consolidation by the Office of Financial Management (OFM) to the Governor.

Upon transfer of OMS to DOE, a separate division is established and an assistant director assigned for the purpose of oil spill prevention and response. The enabling statutes of OMS are amended and recodified in the enabling statute governing DOE. The director of DOE is authorized to establish administrative offices in various appropriate locations within the state of Washington to carry out the oil spill program.

By December 1, 1995, the Legislative Transportation Committee (LTC) must evaluate the appropriateness of the statutory cap amounts set for the oil spill response account.

Current statutes requiring a Legislative Budget Committee (LBC) report to the Legislature on or before November 15, 1996, regarding the transfer of the OMS responsibilities to DOE and transferring all employees of OMS to DOE effective July 1, 1997, are repealed.

A representative from the state Military Department is added to the WWRC. Advance training in the rescue of oiled wildlife is provided to MD personnel to supplement the training provided to volunteers.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed. Portions of the bill take effect on January 1, 1996.