STATE OF CALIFORNIA — DEPARTMENT OF FINANCE

ECONOMIC AND FISCAL IMPACT STATEMENT
(REGULATIONS AND ORDERS)

STD. 399 (Rev. 10/2019)

SECOND REVISED

ECONOMIC IMPACT STATEMENT

DEPARTMENT NAME	CONTACT PERSON	EMAIL ADDRESS	TELEPHONE NUMBER
OFFICE OF SPILL PREVENTION RESPONSE	Andrew Benware	Andrew.Benware@wildlife.ca.gov	(916) 956-1423
DESCRIPTIVE TITLE FROM NOTICE REGISTER OR FORM 400			NOTICE FILE NUMBER
SPILL MANAGEMENT TEAM CERTIFICATION (SMT)			Z

A. ESTIMATED PRIVATE SECTOR COST IMPACTS *Include calculations and assumptions in the rulemaking record.*

1. Check the appropriate box(es) below to indicate whether this regulation:

- ☒ a. Impacts business and/or employees
- ☒ b. Impacts small businesses
- ☐ c. Impacts jobs or occupations
- ☐ d. Impacts California competitiveness
- ☐ e. Imposes reporting requirements
- ☐ f. Imposes prescriptive instead of performance
- ☐ g. Impacts individuals
- ☐ h. None of the above (Explain below):

See attachment for further details

If any box in Items 1 a through g is checked, complete this Economic Impact Statement.
If box in Item 1.h. is checked, complete the Fiscal Impact Statement as appropriate.

2. The CDFW/OSPR (Agency/Department) estimates that the economic impact of this regulation (which includes the fiscal impact) is:

- ☐ Below $10 million
- ☐ Between $10 and $25 million
- ☒ Between $25 and $50 million
- ☐ Over $50 million *[If the economic impact is over $50 million, agencies are required to submit a Standardized Regulatory Impact Assessment as specified in Government Code Section 11346.3(c)]*

3. Enter the total number of businesses impacted: 1,071

Describe the types of businesses (Include nonprofits): Oil production facilities, rail and pipeline operators, tank vessel owners, MTUs

Enter the number or percentage of total businesses impacted that are small businesses: 3%

4. Enter the number of businesses that will be created: none eliminated: none

Explain:

5. Indicate the geographic extent of impacts: ☒ Statewide
☐ Local or regional (List areas):

6. Enter the number of jobs created: Less than 50 and eliminated: none

Describe the types of jobs or occupations impacted: Plan holders with in-house spill management teams (SMT) may hire more personnel. Contracted spill management teams may hire additional staff to meet increased demand.

7. Will the regulation affect the ability of California businesses to compete with other states by making it more costly to produce goods or services here? ☐ YES ☒ NO

If YES, explain briefly:

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ECONOMIC IMPACT STATEMENT (CONTINUED)

B. ESTIMATED COSTS *Include calculations and assumptions in the rulemaking record.*

1. What are the total statewide dollar costs that businesses and individuals may incur to comply with this regulation over its lifetime? $ 14.234,000 annually

a. Initial costs for a small business: $2,000 Annual ongoing costs: $ 2,000 Years: annual

b. Initial costs for a typical business: $2,000 Annual ongoing costs: $ 2,000 Years: annual

c. Initial costs for an individual: $n/a Annual ongoing costs: $ n/a Years: n/a

d. Describe other economic costs that may occur: None. Costs born by consumers and plan holders (oil producers and transportation) will be smaller than normal market volatility and will not impact decisions. See attached for further details.

2. If multiple industries are impacted, enter the share of total costs for each industry: Class I Rail: 5.76%; Class III Rail: 0.056%; Production: 7.51%; Pipeline Operators: 17.37%; Vessel Operators: 38.7%; Mobile Transfer Units: 1.62%; Marine Facilities: 29%

3. If the regulation imposes reporting requirements, enter the annual costs a typical business may incur to comply with these requirements. *Include the dollar costs to do programming, record keeping, reporting, and other paperwork, whether or not the paperwork must be submitted.* $n/a

4. Will this regulation directly impact housing costs? ☐ YES ☒ NO

If YES, enter the annual dollar cost per housing unit: $

Number of units:

5. Are there comparable Federal regulations? ☐ YES ☒ NO

Explain the need for State regulation given the existence or absence of Federal regulations: Federal regulations currently only require vessels transporting oil to have SMTs listed in their response plans, and do not provide certification of SMT capabilities.

Enter any additional costs to businesses and/or individuals that may be due to State - Federal differences: $ none

C. ESTIMATED BENEFITS *Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.*

1. Briefly summarize the benefits of the regulation, which may include among others, the health and welfare of California residents, worker safety and the State's environment: The expected annual benefit from a 0.5% reduction in cleanup and response costs is approximately $825,280.55. See attached for further details.

2. Are the benefits the result of: ☒ specific statutory requirements, or ☐ goals developed by the agency based on broad statutory authority?

Explain: Statute requires the OSPR Administrator to establish criteria for certifying SMTs. (Gov Code section 8670.32)

3. What are the total statewide benefits from this regulation over its lifetime? $ 825,280.55 annually

4. Briefly describe any expansion of businesses currently doing business within the State of California that would result from this regulation: Contracted and in-house spill management teams may expand their personnel in order to comply with the cascading response requirements of the regulations.

D. ALTERNATIVES TO THE REGULATION *Include calculations and assumptions in the rulemaking record. Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.*

1. List alternatives considered and describe them below. If no alternatives were considered, explain why not: The obligation to certify SMTs comes directly from statute. (Government Code section 8670.32) No alternatives were identified that would have the same regulatory effect.

ECONOMIC IMPACT STATEMENT (CONTINUED)

2. Summarize the total statewide costs and benefits from this regulation and each alternative considered:

Regulation: Benefit: $ 825,280.55 an Cost: $ 14,234,000 annu

Alternative 1: Benefit: $ ______ Cost: $ ______

Alternative 2: Benefit: $ ______ Cost: $ ______

3. Briefly discuss any quantification issues that are relevant to a comparison of estimated costs and benefits for this regulation or alternatives: Estimated benefits are about $825,280.55 per year. Costs across industries are estimated to be $14.234 million per year. See attached for further details.

4. Rulemaking law requires agencies to consider performance standards as an alternative, if a regulation mandates the use of specific technologies or equipment, or prescribes specific actions or procedures. Were performance standards considered to lower compliance costs? ☒ YES ☐ NO

Explain: These regulations represent performance standards. They do not require specific technology, equipment or prescribe specific actions or procedures to accomplish the requirements.

E. MAJOR REGULATIONS *Include calculations and assumptions in the rulemaking record.*

California Environmental Protection Agency (Cal/EPA) boards, offices and departments are required to submit the following (per Health and Safety Code section 57005). Otherwise, skip to E4.

1. Will the estimated costs of this regulation to California business enterprises **exceed $10 million**? ☐ YES ☐ NO

If YES, complete E2. and E3
If NO, skip to E4

2. Briefly describe each alternative, or combination of alternatives, for which a cost-effectiveness analysis was performed:

Alternative 1: ______

Alternative 2: ______

(Attach additional pages for other alternatives)

3. For the regulation, and each alternative just described, enter the estimated total cost and overall cost-effectiveness ratio:

Regulation: Total Cost $ ______ Cost-effectiveness ratio: $ ______

Alternative 1: Total Cost $ ______ Cost-effectiveness ratio: $ ______

Alternative 2: Total Cost $ ______ Cost-effectiveness ratio: $ ______

4. Will the regulation subject to OAL review have an estimated economic impact to business enterprises and individuals located in or doing business in California exceeding $50 million in any 12-month period between the date the major regulation is estimated to be filed with the Secretary of State through12 months after the major regulation is estimated to be fully implemented?

☐ YES ☒ NO

If YES, agencies are required to submit a Standardized Regulatory Impact Assessment (SRIA) as specified in Government Code Section 11346.3(c) and to include the SRIA in the Initial Statement of Reasons.

5. Briefly describe the following:

The increase or decrease of investment in the State: Potential increase in investment as spill management teams expand their personnel to meet the staffing requirements of the regulations.

The incentive for innovation in products, materials or processes: Plan holders with certified spill management teams may see improvements in their spill responses through the expertise that certified spill management teams can provide.

The benefits of the regulations, including, but not limited to, benefits to the health, safety, and welfare of California residents, worker safety, and the state's environment and quality of life, among any other benefits identified by the agency: Plan holders with certified SMTs are better prepared to respond to a spill, reducing the spill's impact on the state's environment and public health.

FISCAL IMPACT STATEMENT

A. FISCAL EFFECT ON LOCAL GOVERNMENT *Indicate appropriate boxes 1 through 6 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.*

☐ 1. Additional expenditures in the current State Fiscal Year which are reimbursable by the State. (Approximate)
(Pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code).

$ __________

☐ a. Funding provided in __________

Budget Act of __________ or Chapter __________ , Statutes of __________

☐ b. Funding will be requested in the Governor's Budget Act of __________

Fiscal Year: __________

☐ 2. Additional expenditures in the current State Fiscal Year which are NOT reimbursable by the State. (Approximate)
(Pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code).

$ __________

Check reason(s) this regulation is not reimbursable and provide the appropriate information:

☐ a. Implements the Federal mandate contained in __________

☐ b. Implements the court mandate set forth by the __________ Court.

Case of: __________ vs. __________

☐ c. Implements a mandate of the people of this State expressed in their approval of Proposition No. __________

Date of Election: __________

☐ d. Issued only in response to a specific request from affected local entity(s).

Local entity(s) affected: __________

☐ e. Will be fully financed from the fees, revenue, etc. from: __________

Authorized by Section: __________ of the __________ Code;

☐ f. Provides for savings to each affected unit of local government which will, at a minimum, offset any additional costs to each;

☐ g. Creates, eliminates, or changes the penalty for a new crime or infraction contained in __________

☒ 3. Annual Savings. (approximate)

$ 375 per affected agency

☐ 4. No additional costs or savings. This regulation makes only technical, non-substantive or clarifying changes to current law regulations.

☐ 5. No fiscal impact exists. This regulation does not affect any local entity or program.

☒ 6. Other. Explain See attached for further details.

FISCAL IMPACT STATEMENT (CONTINUED)

B. FISCAL EFFECT ON STATE GOVERNMENT *Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.*

[X] 1. Additional expenditures in the current State Fiscal Year. (Approximate)

$ 154,000 (details attached)

It is anticipated that State agencies will:

[X] a. Absorb these additional costs within their existing budgets and resources.

[ ] b. Increase the currently authorized budget level for the ________ Fiscal Year

[X] 2. Savings in the current State Fiscal Year. (Approximate)

$ 3,750 (details attached)

[ ] 3. No fiscal impact exists. This regulation does not affect any State agency or program.

[ ] 4. Other. Explain

C. FISCAL EFFECT ON FEDERAL FUNDING OF STATE PROGRAMS *Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.*

[ ] 1. Additional expenditures in the current State Fiscal Year. (Approximate)

$

[ ] 2. Savings in the current State Fiscal Year. (Approximate)

$

[X] 3. No fiscal impact exists. This regulation does not affect any federally funded State agency or program.

[ ] 4. Other. Explain

FISCAL OFFICER SIGNATURE	DATE
[Original signature on file]	2/26/2021

The signature attests that the agency has completed the STD. 399 according to the instructions in SAM sections 6601-6616, and understands the impacts of the proposed rulemaking. State boards, offices, or departments not under an Agency Secretary must have the form signed by the highest ranking official in the organization.

AGENCY SECRETARY	DATE
[Original signature on file]	2/26/2021

Finance approval and signature is required when SAM sections 6601-6616 require completion of Fiscal Impact Statement in the STD. 399.

DEPARTMENT OF FINANCE PROGRAM BUDGET MANAGER	DATE