

**CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE
OFFICE OF SPILL PREVENTION AND RESPONSE**

INITIAL STATEMENT OF REASONS

Title 14, California Code of Regulations
Re: Oil Transfer Operations and Inspections
Amend Section 845.2

Date of this Initial Statement of Reasons: April 20, 2026

I. Description of Regulatory Action

The California Department of Fish and Wildlife, Office of Spill Prevention and Response (OSPR) is proposing to amend regulations pertaining to inspections of vessels engaged in oil transfer operations.

General Background

The *Lempert-Keene-Seastrand Oil Spill Prevention and Response Act* (Chapter 1248, Statutes of 1990) (the "Act") created a comprehensive state oil spill program for the protection of California's coastal natural resources. These mandates are implemented by an Administrator. [Gov. Code section 8670.5] Among its many provisions, the Act requires the administrator to adopt regulations regarding the equipment, personnel, and operation of facilities and vessels that transport and transfer oil. Oil transfer activities can include bunkering operations (the transfer of fuel to a vessel), lightering operations (the transfer of cargo of oil in bulk from one vessel to another), and other transfer operations. The Act also authorizes the Administrator to inspect vessels, to accomplish the mandates of the Act. [Gov. Code section 8670.18]

In 1994, OSPR adopted regulations outlining the procedures and preventative measures necessary prior to and during oil transfer operations and including inspections of vessels engaged in transfer operations. [Title 14 California Code of Regulations sections 840 - 845.2] The United States Coast Guard and the California State Lands Commission each have similar vessel inspection programs. OSPR determined that a restatement of state and federal vessel inspection regulations was necessary to strengthen the state's enforcement capabilities in an effort to prevent further damage to the state's coastal environment.

II. Problem the Regulatory Action Intends to Address

At the time OSPR adopted regulations for a vessel inspection program, it was for the purposes of determining compliance with relevant federal law and the Act. [Gov. Code section 8670.18] At that time, OSPR's program was limited to regulating tank vessels, but in 1999 OSPR was mandated with also regulating nontank vessels. This greatly increased the number of vessels within its jurisdiction and the number of vessels that would be involved in oil transfer operations. Considering that the United States Coast

Guard and the California State Lands Commission each already have vessel inspection programs, OSPR no longer feels it necessary to inspect every vessel engaged in transfer operations. However, OSPR maintains the authority granted by the Act to conduct its inspection and monitoring program.

III. Purpose, Rationale, and Necessity for the Addition, Amendment, or Repeal of the Regulations

Government Code sections 8670.7, 8670.17, and 8670.18 grant the Administrator of the OSPR the authority to adopt regulations guidelines to prevent oil spills, which includes oil transfers. The proposed regulations implement, interpret, and add specificity to the provisions of Government Code sections 8670.17 and 8670.18.

This proposed rulemaking will update regulations related to inspections of vessels engaged in oil transfer operations for consistency with the OSPR's current practices, as well as with provisions of the Act.

The following sets forth a discussion of the specific purpose for each amended or repealed regulatory provision proposed in this rulemaking action and why each provision is reasonably necessary to carry out the purpose and addresses the problem for which it is proposed.

Amend Section 845.2 – Inspections and Monitoring

Subsection (a) has the following edits:

- “Shall” is changed to “may” for consistent expression of permissive provisions. This is in alignment with the discretion provided in Government Code section 8670.18.
- Grammatical edit changing “which shall” to “to” consistent with the first edit.

Subsection (a)(1) has the following edits:

- A nonsubstantive capitalization edit.
- “the Administrator shall conduct” is deleted as superfluous of that which is stated in (a).
- “Vessels” replaces “each vessel” consistent with the intent of this rulemaking action.
- A nonsubstantive edit to remove “the”.
- Examples of circumstances necessitating an inspection of vessels engaged in transfer operations are provided for clarity.
- “Shall” is changed to “will” for consistent statement of obligations.

Subsection (a)(2) also has a nonsubstantive capitalization edit.

IV. Economic Impact Assessment

(a) What is the evidence supporting a finding of No Significant Statewide Adverse Economic Impact directly affecting business, including the ability of California businesses to compete with businesses in other states?

There will be no costs to those affected by this regulatory action. Also, these are not considered “major regulations” because the economic impact assessment concludes that the impacts, summing both costs and benefits, will be considerably less than \$50 million dollars annually.

(b) Will there be any effects of the regulation on the creation or elimination of jobs within the State? None.

(c) Will there be any effects of the regulation on the creation of new businesses or the elimination of existing businesses within the State? None.

(d) Will there be any effects of the regulation on the expansion of businesses currently doing business within the State? None.

(e) Will there be any benefits to the health and welfare of California residents? None

(f) Will there be any benefits of the regulation to worker safety? None

(g) Will there be any benefits of the regulation to the State's environment? None

(h) Will there be any other benefits of the regulations? None

V. Studies, Reports, or Documents Relied Upon

None

VI. Reasonable Alternatives to Regulatory Action

In accordance with Government Code section 11346.5, subdivision (a)(13), OSPR has determined that no reasonable alternative it considered, or that has otherwise been identified or brought to its attention would be more effective in carrying out the purpose for which the action is proposed, as effective and less burdensome to affected private persons than the proposed action, or more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

VII. Duplication or Conflict with Federal Regulations

The proposed regulatory changes, which implement the oil transfer and vessel operation provisions of the Act, augment federal requirements found in 33 Code of Federal Regulations parts 154, 155, and 156, but neither duplicate nor conflict with them.

VIII. Mitigation Measures Required by Regulatory Action

The proposed regulatory action will not have a negative impact on the environment. Therefore, no mitigation measures are needed.