CALIFORNIA CODE OF REGULATIONS
TITLE 14. NATURAL RESOURCES
DIVISION 1. FISH AND GAME COMMISSION - DEPARTMENT OF FISH & GAME
SUBDIVISION 4. OFFICE OF SPILL PREVENTION AND RESPONSE
CHAPTER 2. FINANCIAL RESPONSIBILITY

Note: This document contains excerpts from 14 CCR 719.7, focused on financial responsibility calculations.

§ 791.7. Procedures for Application for California Certificate of Financial Responsibility.

(g) Financial Responsibility Amounts for Tankers, Nontank Vessels, Large Tank Barges, and Owners of Oil.

(1) The amounts of financial responsibility that must be demonstrated are as follows:

(A) Owners or operators of tankers, large tank barges, or owners of, or persons accepting responsibility for the oil shall demonstrate their current financial ability to pay at least $1 billion ($1,000,000,000).

(B) Except as provided in (C) of this section below, owners or operators of nontank vessels shall demonstrate their current financial ability to pay at least $300 million ($300,000,000).

(C) Owners or operators of nontank vessels that have a carrying capacity of 6,500 barrels of fuel or less, or a carrying capacity of 7,500 barrels of fuel or less for nontank vessels owned and operated by California or a federal agency, shall demonstrate their current financial ability to pay the following amount of financial responsibility:

1. $2 million ($2,000,000) for those that have a carrying capacity from less than 1 to not more than 10 barrels;

2. $5 million ($5,000,000) for those that have a carrying capacity greater than 10 to not more than 50 barrels;

3. $10 million ($10,000,000) for those that have a carrying capacity greater than 50 to not more than 500 barrels;

4. $18.9 million ($18,900,000) for those that have a carrying capacity greater than 500 to not more than 1,000 barrels.

5. For nontank vessels that have a carrying capacity greater than 1,000 barrels of fuel to a carrying capacity of not more than 6,500 barrels of fuel, or 7,500 barrels of fuel for nontank vessels owned and operated by California or a federal agency, the amount of financial responsibility shall be calculated as follows: subtract 1,000 barrels from the total carrying capacity of fuel of the nontank vessel; multiply this amount by $5,670 (which represents 30 percent of the per barrel clean-up and damage cost of spilled oil of $18,900); then add $18.9 million ($18,900,000).

6. The amount of financial responsibility shall not exceed the amount required for nontank vessels as set forth in section 8670.37.58 of the Government Code.

7. Certificates of financial responsibility are not required for non-self propelled nontank vessels that do not carry any fuel.

(2) The amounts in this subsection are in effect unless amended by section 8670.37.53, 8670.37.58, or 8670.41 of the Government Code.

(h) Financial Responsibility Amounts for Marine Facilities, Inland Facilities, Small Marine Fueling Facilities, Mobile Transfer Units, Small Tank Barges, and Vessels Carrying Oil As Secondary Cargo.

(1) The Administrator shall determine the amount of financial responsibility that must be demonstrated as follows:

(A) For small tank barges:

1. The product derived by multiplying the maximum per barrel clean-up and damage cost of spilled oil ($12,500) times 30 percent of the maximum cargo capacity, as measured in barrels, of the small tank barge.

2. The amount of financial responsibility shall not exceed the minimum amount required for tankers as set forth in section 8670.37.53 of the Government Code. Currently this is $1 billion ($1,000,000,000).

3. The amount of financial responsibility required for small tank barges used exclusively to transfer, transport, store, or mechanically treat oily waste water may be reduced if allowed by the Administrator following the reconsideration process described in section 790.5 of chapter 1. If a reduced financial responsibility amount is allowed, it shall be based on: $12,500 times 30 percent of the maximum concentration of oil found in the oily waste water, as measured in barrels.

4. In no case will the amount of financial responsibility be reduced below the minimum of $1 million ($1,000,000).

(B) For marine facilities (except for offshore marine facilities, small marine fueling facilities, and mobile transfer units addressed under subsections (C), (D), and (E), respectively):

1. The product derived by multiplying the maximum per barrel clean-up and damage cost of spilled oil ($12,500) times the reasonable worst case spill volume, as measured in barrels, calculated in the applicant's oil spill contingency plan, in accordance with subsections 817.02(d)(1)(A), (B), (C), and (E) of this subdivision.

2. The amount determined pursuant to paragraph (1) above shall not be less than $1 million ($1,000,000) or in excess of $300 million ($300,000,000), unless otherwise determined by the Administrator following the reconsideration process described in section 790.5 of chapter 1.

(C) For offshore marine facilities engaged in drilling operations which may have the potential for resulting in an uncontrolled release of oil from the reservoir into marine waters:

3. The product derived by multiplying the maximum per barrel clean-up and damage cost of spilled oil ($12,500) times the reasonable worst case spill volume, as measured in barrels. This volume is based on calculations and parameters proposed by the offshore marine facility in the applicant’s oil spill contingency plan, in accordance with subsection 817.02(d)(1)(C) or (D) of this subdivision, plus:

4. The amount determined pursuant to paragraph (1) above shall not be less than $10 million ($10,000,000) or in excess of $300 million ($300,000,000), unless otherwise determined by the Administrator following the reconsideration process described in section 790.5 of chapter 1.

(D) For small marine fueling facilities (except for mobile transfer units):

5. The product derived by multiplying the maximum per barrel clean-up and damage cost of spilled oil ($12,500) times the reasonable worst case spill volume, as measured in barrels, calculated in the applicant’s oil spill contingency plan, in accordance with subsection 817.03(d)(1)(A).

(E) For Mobile Transfer Units:

6. The product derived by multiplying the maximum per barrel clean-up and damage cost of spilled oil ($12,500) times 30 percent of the maximum cargo capacity, as measured in barrels, of the mobile transfer unit.

7. The amount of financial responsibility required for mobile transfer units used exclusively to transport oil-water mixture may be reduced if allowed by the Administrator following the reconsideration process described in section 790.5 of chapter 1. If a reduced financial responsibility amount is allowed, it shall be based on $12,500 times 30 percent of the maximum concentration of oil found in the oily waste water, as measured in barrels.

(F) For Vessels Carrying Oil As Secondary Cargo:

8. The product derived by multiplying the maximum per barrel clean-up and damage cost of spilled oil ($12,500) times 30 percent of the maximum oil cargo capacity, as measured in barrels, of the vessel.

9. The amount of financial responsibility shall not exceed the minimum amount required for tankers as set forth in section 8670.37.53 of the Government Code.

10. The amount of financial responsibility shall at least be a minimum of $1 million ($1,000,000).

(G) For Inland Facilities (including railroads):

1. If the applicant only poses a risk to inland waters designated as intermittent or ephemeral in the National Hydrography Dataset and the statewide quarter mile buffer data layer (as depicted in the Southwest Environmental Response Management Application, on the National Oceanic and Atmospheric Administration's website, the required financial responsibility is the product of the reasonable worst case spill volume in barrels (as determined in the applicant's oil spill contingency plan pursuant to subsection 817.04(j) of this subdivision) multiplied by $6,000.

2. If the applicant poses a risk to inland waters designated as perennial in the National Hydrography Dataset, the required financial responsibility is the product of the reasonable worst case spill volume in barrels (as determined in the applicant's oil spill contingency plan pursuant to subsection 817.04(j) of this subdivision) multiplied by $10,000.

3. The maximum financial responsibility that may be required for an inland facility is $100 million ($100,000,000).