



Office of Spill Prevention and Response

OSPR Funding

OSPR has two main funds: The Oil Spill Prevention and Administration Fund and the Oil Spill Response Trust Fund.

Oil Spill Prevention and Administration Fund (OSPAF)

The OSPAFA is funded by a fee of 6.5 cents per barrel (42 gallons) on crude oil and petroleum products received at marine terminals and refineries in the state. The fee collection at refineries began with the expansion of the OSPR program in 2014, and includes oil produced within the state, or imported into the state. The OSPAFA is also supported by a fee on non-tank vessels (vessels of 300 gross tons or more that do not carry oil as cargo). This Fund supports the day-to-day operations of the OSPR program, primarily spill prevention, preparedness, and readiness activities, as well as the Oiled Wildlife Care Network, a program housed at the University of California at Davis for recovering and rehabilitating oiled wildlife. The OSPAFA also supports oil spill prevention programs within the California State Lands Commission.

The Oil Spill Response Trust Fund (OSRTF)

The OSRTF is used by OSPR to fund response activities in the event of an oil spill that impacts state waters, or in the event of an imminent threat of an oil spill. By law, the responsible party is liable for response costs and other spill-related expenditures from the Fund. (see Cost Recovery and Financial Responsibility below). In 1991, this Fund reserve was created through the collection of a 25-cents-per-barrel fee on crude oil and petroleum products received at California marine terminals from a point of origin outside of California. It currently has a cap of \$55 million. An additional \$55 million in the form of financial security is available should there be an extremely significant spill.

Cost Recovery – OSPR is required to seek reimbursement of all of its costs incurred responding to spill incidents. This includes response, containment, cleanup, and natural resource damage assessment activities. There are several methods of cost recovery that include: 1) including costs with legal actions; 2) submitting costs directly to the responsible party; and 3) submitting a claim to the Federal Oil Spill Liability Trust Fund if no responsible party exists or is unable to pay (see http://www.uscg.mil/npfc/About_NPFC/osltf.asp).

Financial Responsibility – OSPR ensures that vessels and facility owner/operators have adequate financial resources to pay cleanup and damage costs arising from an oil spill. To do this, OSPR requires they submit an application for a Certificate of Financial Responsibility (COFR), showing evidence of adequate coverage.