



# Office of Spill Prevention and Response

## Oil Spill 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 OSPAF 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 within 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 OSPAF 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 program, primarily spill prevention and preparedness 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 OSPAF 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 State must seek to recover all response costs from parties responsible for spills and deposit recovered funds back into the OSRTF (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. The fund was capped at about \$50 million and the fee was discontinued. While state law requires the fee to be triggered should the OSRTF drop below a certain threshold, it has never been re-imposed. Prior to 2014, the OSRTF could only be used for marine oil spills of 42 gallons or more; however, Governor Jerry Brown expanded the OSPR program in 2014 and the OSRTF became available to use for oil spills of any amount threatening any waters of the state. It currently has a cap of \$55 million.

**Cost Recovery** – OSPR is required to seek reimbursement of all 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) submitting costs along 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](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. In 2006, the state recognized that nontank vessels presented a serious risk to California from their fuel tanks. Those vessels owners/operators must also show they have the resources to pay for spill cleanup and damages.