OIL SPILL PREVENTION AND RESPONSE
TECHNICAL ADVISORY COMMITTEE (TAC)
MEETING MINUTES

State Lands Commission
200 Oceangate
Long Beach, California 90802

October 18, 2010, 9:00 a.m. – 3:00 p.m.

Attendance:

Members	Agency Representatives	DFG/OSPR Participants		Guests	Constituents
Stephen Ricks	*Linda Scourtis*	*Stephen Edinger*	*Tena Rakela*	*Greg Scott*	
Deb Self	*Gary Gregory*	*Scott Schaefer*	*Marion Boyd*	*David Smyser*	
Joan Lundstrom	*Robin Blanchfield*	*Stephen Sawyer*	*Joy Lavin-Jones*	*Teresa Bell*	
John Berge	*Lt. Jesse Stewart*	*Ryan Todd*	*Chris Graff*		
R. Mitchel Beauchamp		*Forrest Gardens*	*Crystal Montoya*		
Matt Rezvani					
Michael Ziccardi					
Tom Ford					

The October 18, 2010 Oil Spill Technical Advisory Committee (TAC) meeting was called to order at 8:50 a.m. – Stephen Ricks, Chair, presiding. Public comments accepted after each agenda item.

I. SWEARING IN OF NEW MEMBERS — **STEPHEN EDINGER (ADMINISTRATOR), OSPR**

Deb Self, Executive Director for San Francisco Baykeeper (appointed on September 7, 2010 by Darrell Steinberg, Senate Rules Committee) was sworn in as the Environmental Representative of the TAC by Mr. Stephen Edinger.

II. INTRODUCTIONS — **STEPHEN EDINGER (ADMINISTRATOR), OSPR**

- Stephen Edinger asked TAC members to introduce themselves
- The meeting was handed-off to Steve Ricks for commencement

III. APPROVAL OF MINUTES — **TAC**

- Mike Ziccardi provided edits to the minutes.
- Motion to approve the minutes with corrections; seconded.
- April 20, 2010 meeting minutes were unanimously approved.

IV. OSPR UPDATE/SIOSC BRIEFING — **STEPHEN EDINGER/SCOTT SCHAEFER, OSPR**

- Stephen Edinger gave an overview of OSPR's response to the Deepwater Horizon incident, for which 76 staff responded. Currently OSPR has seven staff at the incident (including scientific, NRD and SCAT).
- AB 234 (Huffman): Vetoed on September 23, 2010.
- Bunkering and lightering regulations have been drafted. Workshops on this issue have been conducted. With the State of California budget approved, OSPR can now enter into contracts though State agencies continue to have overtime, promotion (cannot fill retired staff vacancies) and hiring freeze.
- Furloughs: SEIU reached a tentative agreement that would be one personal leave day per month, plus 3% increase in contributions to pension. Any union that did not enter into a contract will continue with three day furloughs per month. All managers and supervisors will have one PLP day per month.

V. AGENCY REPORTS (State Lands Commission, California Coastal Commission, BCDC, and United States Coast Guard)
Reports Incorporated Into These Minutes By Reference And Attached Hereto For The Record [Exhibit A].

- **STATE LANDS COMMISSION** — **GARY GREGORY**
  - Gary Gregory will retire end of December 2010.
  - SLC moves approximately 60-90 million gallons, but spill approximately 100 gallons last year.
- **CALIFORNIA COASTAL COMMISSION** — **ROBIN BLANCHFIELD**
- **BCDC** — **LINDA SCOURTIS**
  - Traffic Separation Scheme (includes: Channel Islands): A voluntary operation scheme is being created (not international system) for traffic congestion. San Francisco has a western shift (south of Faralon Islands)
  - Port Access Study: This study is being conducted by the United States Coast Guard. Public meetings will be held to discuss the study.
  - S.F. Harbor Safety Committee: District 11 provides statistics on low sulfur emission.
  - LOPS: As of July 1, 2010 LOPS spiked (bar pilots, ships did not start or lose power while traversing, and one empty tanker lost propulsion near the Golden Gate bridge.
- **UNITED STATES COAST GUARD** — **LT. JESSE STEWART**

VI. FUND CONDITION AND BUDGET UPDATE **TENA RAKELA/MARION BOYD, OSPR**

Reports provided - *Incorporated into these minutes by reference and attached hereto for the record* ***[Exhibit B]****.*

- By 2011-12 some fund balances will be negative.
- Salary savings were about 3.5 Million due to the approximate 15% pay reduction.
- OSPRs staffing and revenue has doubled since 1990.
- Legislative mandates and grants for equipment have played a part in the budget expansion.

VII. SLC REPORT/LT GOVERNORS OFFSHORE DRILLING **GREG SCOTT/KEVIN MERCIER, SLC**

Presentation provided - *Incorporated into these minutes by reference and attached hereto for the record* ***[Exhibit C]****.*
(Report is available on SLC website)

VIII. SPILL OF NATIONAL SIGNIFICANCE **SCOTT SCHAEFER (DEPUTY ADMINISTRATOR), OSPR**

UC Davis article provide - *Incorporated into these minutes by reference and attached hereto for the record* ***[Exhibit D]****.*

- The Deepwater Horizon oil spill was the nation's largest oil spill.
- Boom deployed sometimes caused as much damage to the environment as the oil did. Many nests were damaged from un-maintained boom.
- Some rookeries were not recorded on the damage reports because they were manmade.
- USCG current policy rotates staff every 21 days. The most qualified personnel are deployed immediately, and replaced on day 22 with less proficient personnel.
- Federal officials are maintaining continuous training and sharing lessons learned.
- OSPR offered assistance. 23 OSPR personnel mobilized, working for Scott Schaefer, Thad Allen, and the Area Command.
- The Incident Specific Preparedness Report will address the causes and preventable steps overlooked by Halliburton and BP.

IX. LEGISLATION/REGULATION **JOY LAVIN-JONES, OSPR**

- Legislation:
  Handout provided - Incorporated into these minutes by reference and attached hereto for the record ***[Exhibit E]****.*
  - *A.B. 234:* Vetoed (included a fee increase).
  - *A.B. 1518:* Did not pass out of the legislature.
  - A.B. 1604: Did not pass out of the legislature.
  - *A.B. 2739:* Did not pass out of the legislature.
  - A.B. 2791: Passed - changes Office of Emergency Services to California Emergency Management Agency.
  - *A.B. 2386:* Passed - calls for strategic vision report about Department of Fish and Game.
- Regulation Amendments:
  Handout provided - Incorporated into these minutes by reference and attached hereto for the record.
  - Oil Transfer and Vessel Operations
  - Oil Spill Contingency Plans
  - Certificates of Financial Responsibility
  - Local Government Grants
  - Shoreline Protection Tables

X. CHANGES IN OSPR MANDATES SINCE INCEPTION **STEPHEN L. SAWYER, OSPR**

Presentation provided - *Incorporated into these minutes by reference and attached hereto for the record* ***[Exhibit F]****.*

XI. 2010/2011 TAC ISSUES/TAC BIENNIAL REPORT **STEPHEN RICKS, TAC (CHAIR)**

Biennial Report provided -*Incorporated into these minutes by reference and attached hereto for the record* ***[Exhibit G]****.*
TAC reviewed the issues from the last report.

- Current items to be included in Biennial Report:
  - MOTEMS - aging infrastructure
  - TAC accomplishments
  - OSPR funding concerns
  - Best achievable protection
  - SIOSC participation concerns
  - New state oil spill plan (2008 legislation)
  - Threats to Bay
  - Department of Finance issues
  - Budget imbalance

- ♦ TAC monitoring of OSPR regulations
- ♦ Significant Spills (Dubai Star, Cosco Busan, Deep Water Horizon response by CA)

Steve Ricks will take the 2009/2010 and do track changes, then send edits to TAC.

- ❖ Two year future issues to be included in Biennial Report.
  Deb, Mitch, and John are the new subcommittee. John is the subcommittee leader.
  TAC to discuss by proxy, and vote on approval of report.

XII. OLD/NEW BUSINESS **STEPHEN RICKS (CHAIR), TAC**

- ❖ Next meeting suggested agenda items: CEQA review process, GIS/Maps
- ❖ Enforcement changes in organization. Rob will be leaving OSPR and going to DFG. Intention is to reestablish a Captains position in the Bay Area.
- ❖ Stephen Edinger announced retiring December 2010.
- ❖ Executive Director Paul Thayer will retire soon.
- ❖ TAC to send thank you letter to Carol Baker

XIII. MEETING DATES **STEPHEN RICKS (CHAIR), TAC**

- ❖ January 18, 2011, Cal Maritime Academy
- ❖ April 19, 2011, Bahia Resort and Spa, San Diego
- ❖ July 19, 2011, OSPR
- ❖ October 18, 2011 (TBD)

ADJOURN

EXHIBIT A

CALIFORNIA COASTAL COMMISSION

45 FREMONT, SUITE 2000
SAN FRANCISCO, CA 94105- 2219
VOICE (415) 904- 5200
FAX (415) 904- 5400
TDD (415) 597-5885

Date: October 18, 2010

To: Oil Spill Technical Advisory Committee (TAC) members and interested parties

From: Robin Blanchfield and Vanessa Metz
Coastal Commission Oil Spill Program

RE: Update on the Coastal Commission Oil Spill Program Activities
April 19 – October 18, 2010

A summary of the California Coastal Commission Oil Spill Program staff's work activities since the last TAC meeting on April 19, 2010 is provided below. Please note, from July 1, 2009 – October 31, 2010, the Coastal Commission Oil Spill Program staff has been required to take three furlough Fridays per month, as mandated by the Governor.

- **BP Deepwater Horizon oil spill in the Gulf of Mexico**
  - Coastal Commission staff has been monitoring the BP Deepwater Horizon oil spill in the Gulf of Mexico for lessons learned that are applicable to oil drilling offshore California. The Coastal Commission has federal consistency and permit review authority over the oil and gas platforms in Federal and State waters offshore California, respectively.
  - Staff has and will continue to work with the Bureau of Ocean Management, Regulation, and Enforcement (formerly MMS) and State Lands Commission to review the risk of well blow-outs, worst case spill scenarios, spill prevention technologies (e.g., blow-out preventers), and platform safety inspection programs for offshore oil and gas platforms, as well as the adequacy of oil spill response capability for the offshore platforms.
  - In 2010-2011, staff will be reviewing and updating the CCC's oil spill prevention and response review criteria for the evaluation of oil and gas development and production plans/amendments, oil spill response plans, and environmental impact assessments for new and amended oil and gas development proposals offshore California.
- **Federal legislation related to oil spills**
  - In June 2010, the Coastal Commission staff sent comments to the Coastal States Organization for a United States Congressional hearing on Offshore Energy Development and State Preparedness for Oil Spill Response.
  - On August 26, 2010, the Coastal Commission, BCDC, and the Coastal Conservancy sent a joint letter to California's Congressional delegation supporting SB 3663 ("Clean Energy Jobs and Oil Company Accountability Act of 2010") and HR 3534 ("Consolidated Land, Energy and Aquatic Resources Act of 2010"), which seek to improve oil spill prevention, preparedness, and response programs. Copies of the letters can be provided upon request.
    - Of particular importance for ocean conservation and restoration, HR 3534 calls for the creation of an Ocean Resources Conservation and Assistance Fund (ORCA) that would be funded by a percentage of royalty fees from offshore oil drilling.

    - HR 3534 has passed the House and is pending Senate action; no final action has been taken by the Senate on SB 3663 or a consolidated bill.

  - The Coastal Commission staff continues to monitor federal legislation related to oil spill prevention and response, and is coordinating with OSPR and SLC staff to provide comments as needed.

- **Clean Seas' proposal to reconfigure its OSRV fleet to provide faster and more effective oil spill containment and recovery capability**

  - On July 1, 2010, in No Effects Determination letter NE-028-10, the Coastal Commission's Executive Director concurred with the Bureau of Ocean Management, Regulation, and Enforcement (formerly Minerals Management Service) for the approval of Clean Seas' proposed reconfiguration of its OSRV fleet and other equipment modifications. BOEM has approved Clean Seas' proposal to replace its existing two large OSRVs (*Clean Ocean* and *Mr. Clean III)* with four new smaller, faster 65-ft OSRVs, which are more maneuverable and more effective in containment and recovery of on-water oil spills. This proposal required review and approval from the Coastal Commission because the oil companies made commitments for *Mr. Clean III* and Clean Seas' oil spill response services during the Commission's original federal consistency reviews for the OCS platforms. Commission staff worked with the staffs of OSPR, BOEM, SLC, and the County of Santa Barbara during this review process. A copy of the letter can be provided upon request.

- **Chevron's request for 30-year renewal of State Lands Commission (SLC) lease for El Segundo Marine Terminal's**

  - SLC has issued a Draft EIR for Chevron's proposed 30-year lease renewal request for the El Segundo Marine Terminal and its ancillary pipelines. On September 30, 2010, the Coastal Commission staff sent a comment letter to the SLC concerning the Draft EIR's systems safety, oil spill risk, and prevention and response capability analyses for the proposed project. A copy of the letter can be provided upon request.

- **OSPR Regulations**

  - **Bunkering and Pre-Booming Regulation Changes.** Coastal Commission staff has participated in OSPR's workshops and provided written comments on the proposed amendments to the pre-booming requirements for vessel oil transfer operations, specified in the Oil Transfer and Vessel Operations regulations (14 CCR Sections 840-845.2). Copies of comments can be provided upon request.

  - **COFR Regulations Changes.** Coastal Commission staff has reviewed and provided written comments on drafts of the Certificate of Financial Responsibility (COFR) regulations amendments (14 CCR Sections 791.7 and 792 in Subdivision 4, Chapter 2, Subchapter 1). On 9-27-10, staff reviewed and sent suggested minor edits on the latest (9-14-10) draft.

- **California Air Resources Board's Low-Sulfur Fuel Regulation**

  - Coastal Commission staff has been monitoring the California Air Resources Board's (CARB) Low-Sulfur Fuel Regulation and resultant issues for vessel navigation safety. Staff is also monitoring vessel traffic safety issues that may emerge with LA/LB's HSC's Voluntary Vessel Routing Lane in southern Santa Barbara Channel; this lane was created to accommodate changes in vessel traffic patterns due to the CARB regulation.

- **Whale Strikes and Ship Traffic**
  - *An Economic Analysis and Risk Assessment of Potential Management Scenarios for Reducing the Risk of Vessel Strikes to Endangered Whales (completion date April 2010).*

    Students from the UC Santa Barbara BREN School of Environmental Management gave a presentation to the LA/LB HSC committee about their proposed study investigating various management options available to prevent whale strikes in the Southern California Bight, and the options' economic implications to industry. Options include mandatory or voluntary speed reduction, areas to be avoided, possible alteration of the traffic scheme, or a combination thereof. Whale spatial and temporal distribution in the Santa Barbara Channel will be studied, as well as the probability of a strike and the economic impact of avoidance measures. The study group is looking for data, specifically: operating costs, ship and engine dimensions, and various other factors that go into calculating the economics of operational decisions. The study is to be completed in April 2010, and more information is available on the web: http://fiesta.bren.ucsb.edu/~whales/index.html.

- **Trainings and Meetings**
  - Due to lack of a California State Budget from July 1 – October 6, travel via air to attend meetings was not allowed. During this period, as much as possible, staff attended meetings by car or by conference phone (if available). Staff attended the following meetings from April – October 2010.
    - The California and World Ocean Conference, San Francisco, September 8-10, 2010.
    - The Regional Response Team Meeting, June 29-30, Emeryville, CA.
    - 9 Area Contingency Planning Committee meetings (North Coast, San Francisco/Bay Delta, Central Coast, Los Angeles/Orange County/Santa Barbara/Ventura, and San Diego).
    - 8 Harbor Safety Committee meetings (Humboldt, San Francisco, Port Hueneme, Los Angeles/Long Beach and San Diego).

- **Spill Incidents Requiring Coastal Commission Permit for Follow-up Work**
  - **Los Cerritos Wetlands Oil Spill.** An oil well-flow-pipeline at Los Cerritos Wetlands (LCW) Oil Field had a pin-hole rupture that leaked 11-17 gallons of crude oil into a wet cell of the LCW on February 15, 2010. Coastal Commission Oil Spill Program staff issued an emergency permit to LCW Partners for the pipeline repair work. Staff later issued a follow-up regular permit (CDP E-10-010) for the permanent work to re-locate and replace the three corroded oil well-flow-pipelines from the wetland areas onto the adjacent work-road

- **Best Achievable Technology (BAT) Focus Groups**
  - Due to the BP Deepwater Horizon Oil Spill and other work demands, the OSPR's BAT workgroups have not been formally meeting since April 2010. OSPR is in the process of reconvening the workgroups to start again in November 2010. Coastal Commission staff will be participating, and along with the other workgroup members plan to incorporate many of the lessons learned from the BP Deepwater Horizon spill.

State of California

Memorandum

To: OSPR TAC October 18, 2010

Subject: BCDC Quarterly Report

From: Linda Scourtis
San Francisco Bay Conservation and Development Commission
50 California Street, Suite 2600
San Francisco, California 94111
DIRECT: (415) 352-3644 E-MAIL: lindas@bcdc.ca.gov FAX: (415) 352-3606

The following report covers the activities of the San Francisco Bay Conservation and Development Commission (BCDC) Oil Spill Prevention Program for the period April 17–October 12, 2010.

SF Harbor Safety Committee. BCDC staff participated in the San Francisco Bay Area Harbor Safety Committee May-July and September-October meetings as well as Work Group meetings.

The USCG and the state Air Resources Board continue to track lost propulsion and similar incidents to determine if the required switch to low sulfur distillate fuel might be the cause. Findings are reported monthly to the HSC for discussion.

At its May 2010 meeting, the HSC approved Best Practices for Bunkering at Oakland Berths 35, 37, and 55 through 59, submitted by the Tugs Work Group. The BMPs are designed to prevent bunker barges from being suctioned away from ships by other vessels passing in the narrow Oakland Estuary.

The Tugs group continued its discussion of vessel load bitt strength during its April and May meetings, developing recommendations to include in a proposed revised Escort Plan form to better capture the certified bitt strength prior to a vessel's arrival. Mitigation measures could include scheduling the arrival or departure at a different current interval to accommodate the passage of the tank vessel with one escort tug or adding another escort tug to distribute the load to another strong point if the escort bitt is not rated adequately for a single tug. The group plans to bring the revised form to the HSC before the end of the year.

The Navigation and Dredge Issues Work Groups together revised the Harbor Safety Plan to clarify the language in the Plan's guidance for all vessels to follow regarding minimum static underkeel clearance. Under the new language, all vessels are included, not just tankers.

The Navigation group also took the lead on a letter approved by the HSC commenting on the safety implications of AB234. Subsequently vetoed by the governor, the bill would have required placement of boom prior to bunkering operations conducted at anchorage in San Francisco Bay. The letter noted that conditions in the Bay differ from Puget Sound where

regulations similar to those proposed in AB234 are in place. The letter also addressed the concern that conditions in San Francisco Bay could actually cause the booms to become tangled in a vessel's rudder, propeller and anchor chain, which could prevent the vessel from maneuvering as needed.

The PORTS Work Group most recently considered the need for installing an air gap measurement system on the SF-Oakland Bay Bridge, as container ships calling the Port of Oakland continue to grow larger. As an example, the group looked to the arrangement for the Vincent Thomas Bridge whereby the Port of Los Angeles contracted with NOAA for installation and annual maintenance for five years.

The new COTP, Captain Cynthia Stowe, began participating in HSC meetings in September.

Prompted by a recommendation by the UCSG and the Port of San Francisco, the HSC will likely act as a forum for coordinating various interests for the America's Cup race as the majority of maritime interests sit on the Committee.

BCDC spill staff assisted the HSC Chair in finalizing a comment letter approved by the full HSC during its September meeting on a DEIR for the Bay Area Water Trail, which is a plan to provide launch areas around the Bay shoreline for non-motorized craft. The HSC is concerned that boaters follow the Rules of the Road, and be prepared for the differing sailing conditions found throughout the Bay.

In early October, BCDC staff worked with HSC Chair Lundstrom to submit an article highlighting recent Committee activities for publication in the USCG *Proceedings* magazine.

Area Contingency Planning. Staff attended all Area Committee meetings:

May 25 held at SFO.

August 24 at the former Naval Air Station Alameda.

September 28 meeting at the Contra Costa County Sherriff's Office in Martinez.

The July meeting was cancelled due to the Gulf spill.

COTP Cyndi Stowe began participating in Area Committee meetings in September.

BCDC spill staff recently joined the ACP update subcommittee.

Oil Spill Reporting and Spill Response. No major spills were reported in the Bay.

Related activities. BCDC continues as a member of the Best Achievable Technology (BAT)/Prevention and Mitigation focus group, which plans to meet in December of this year.

April 28-29: Attended ARB and SNAME low sulfur fuel switching workshops.

May 5-6: Attended California Maritime Leadership Symposium in Sacramento.

May 11: SFEI/Pacific Environment oil spill forum in Oakland.

May 12: SLC Customer Service meeting, Martinez.

May 25: Friends of the Earth oil spill workshop, including issue of pre-booming fuel transfers.

End-May: Developed power point presentation on issues related to low sulfur switching for national Harbor Safety Committees conference.

June 9: COE-sponsored interagency meeting on Bay Area MOTEMS projects.

June 30 - July 1: Regional Response Team meeting, Emeryville CA.

July 29: USCG Bay Area Port Recovery Subcommittee meeting, Richmond.

August 26: OSPR draft pre-booming regulations workshop, Sausalito.

September 8-10: California and World Ocean conference, SF.

September 23: Bay Area Marinas Oil Spill Preparedness meeting at BCDC offices.

October 7: USCG Port Recovery Subcommittee meeting, Richmond.

U.S. Department of Homeland Security

United States Coast Guard

Commander (dp)
Eleventh Coast Guard District

Coast Guard Island
Alameda, CA 94501-5100
Staff Symbol: (dx)
Phone: (510) 437-5690
Fax: (510) 437-3223
Email: jesse.a.stewart@uscg.mil

October 14, 2010

TAC Committee,

During the fourth quarter, 01 July to September 30, 2010 Coast Guard Eleventh District oversaw 3 actual oil spills and 4 potential oil spills in to the waters off California. An estimated 25 gallons of oil was released into the water.

The composition of the Coast Guard D11 District Response Advisory Team (DRAT) has undergone some changes. LCDR Kerry Karwan replace LCDR Reinhard as the DRAT Supervisor. Captain David Walker has replaced Captain Jewess as Eleventh District Chief of Incident Management and RRT 9 Co- Chair. A civilian is expected in office in January to fill LCDR Perez's vacant position.

The Coast Guard's marine environmental response equipment and personnel have been heavily involved with the Deepwater Horizon response. LT Stewart deployed twice to the gulf. During his first deployment, he set up the Coast Guard Vessel of Opportunity Skimming System on 5 commercial vessels and deployed on a CG 175ft Buoy Tender to skim oil. LT Stewart was recalled back to the gulf in August where he was stationed in Hopedale, as the Operations Section Chief. LCDR Kerry Karwan spent over two months deployed to Venice LA as the Operations Section Chief. District Eleven's two Vessel of Opportunity Skimming Systems and the Spilled Oil Recovery System were also deployed to DWH. We expect the CGC ASPEN to return on 24 October 2010. The two VOSS systems should be back in California in the early spring.

Respectfully,

District Eleven Response Advisory Team

EXHIBIT B

2010-11 FUND CONDITION STATEMENT
FUND 320 - OIL SPILL PREVENTION AND ADMINISTRATION

				FM 02 - AUGUST					
				ACTUAL REVENUE		PROJECTED REVENUE	PROJECTION	PROJECTION	PROJECTION
		2008-09	2009-10	2010-11	YTD %	2010-11	2011-12	2012-13	2013-14
	YEARLY BEGINNING BALANCE	17,443,153	14,173,377	13,306,143		13,306,143	5,204,613	(2,327,252)	(10,837,194)
	PPY AND PY ADJUSTMENTS	(367,000)	599,591	3,093		3,093			
	ADJUSTED BEGINNING BALANCE	**17,076,153**	**14,772,968**	**13,309,235**		**13,309,235**	**5,204,613**	**(2,327,252)**	**(10,837,194)**
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS									
BOE	REGULATORY FEES	26,852,949	25,325,033		0%	26,707,551	26,295,178	26,109,254	26,370,661
NON-TANK VESSEL	REGULATORY FEES	4,881,617	5,713,040	811,994	18%	4,523,815	5,574,013	4,607,811	5,621,018
125600	OTHER REGULATORY FEES	-	300	161	100%	100			
131000	F&G VIOLATION FEES	-	-			-	-	-	-
150300	SURPLUS MONEY INVESTMENTS	310,521	64,865		0%	75,035	9,296		
161400	SETTLEMENT LITIGATION	2,174	106		0%	764	1,015	628	802
161900	COST RECOVERIES	2,098	3,687		0%	2,113	2,633	2,365	2,370
REVENUES AND TRANSFERS		**32,049,359**	**31,107,031**	**812,154**	**3%**	**31,309,378**	**31,882,135**	**30,720,058**	**31,994,851**
	TOTAL REVENUE	**49,125,513**	**45,879,999**	**14,121,390**		**44,618,613**	**37,086,748**	**28,392,806**	**21,157,657**
		ACTUAL EXPENDITURES	ACTUAL EXPENDITURES	ACTUAL EXPENDITURES		GOV. BUDGET APPROPRIATION	GOV. BUDGET APPROPRIATION	GOV. BUDGET APPROPRIATION	GOV. BUDGET APPROPRIATION
EXPENDITURES (B06 REPORT) AND APPROPRIATIONS									
3600-001	DFG - STATE OPERATIONS	22,900,841	21,647,461	2,478,235	10%	25,696,000	25,696,000	25,696,000	25,696,000
3600-101	DFG - LOCAL ASSISTANCE	1,986,925	1,173,283		0%	1,341,000	1,341,000	1,341,000	1,341,000
3600-301	DFG - CAPITAL OUTLAY		-			-			
0840-001	STATE CONTROLLERS OFFICE	15,888	35,000			86,000	86,000	86,000	86,000
0860-001	BOARD OF EQUALIZATION	253,869	231,000		0%	267,000	267,000	267,000	267,000
3560-001	STATE LANDS COMMISSION	9,794,613	9,377,112	1,351,269	12%	11,715,000	11,715,000	11,715,000	11,715,000
3560-301	SLC - CAPITAL OUTLAY		-		0%	184,000	184,000	-	-
3980-001	OFFICE OF ENV. HEALTH HAZARD		110,000		0%	125,000	125,000	125,000	125,000
TOTAL EXPENDITURES		**34,952,136**	**32,573,856**	**3,829,504**	**10%**	**39,414,000**	**39,414,000**	**39,230,000**	**39,230,000**
	FUND BALANCE	**14,173,377**	**13,306,143**	**10,291,886**		**5,204,613**	**(2,327,252)**	**(10,837,194)**	**(18,072,343)**
DIFFERENCE BETWEEN TTL REVENUE AND TTL EXPENDITURES		**-2,902,777**	**-1,466,825**	**-$3,017,349**		**-$8,104,622**	**-$7,531,865**	**-$8,509,942**	**-$7,235,149**

SLC EXPENDITURES ARE THROUGH	**AUGUST**
BOE REVENUE IS THROUGH	**N/A**
SMIF IS THROUGH QUARTER	**N/A**
SCO'S "FUND RECONCILIATION" YTD AMOUNT	**11,575,000**
SMIF PROJ. BASED ON ABOVE AMOUNT AND SMIF AVG.	
OUTSTANDING GENERAL FUND LOAN OF $3,200,000	
REVENUE PROJECTIONS ARE BASED ON 3 YR. AVG 1ST 6 MOS.	
REVENUE PROJECTIONS ARE BASED ON ACTUALS 2ND 6 MOS.	

SCO SMIF RATES	
03/31/10	0.551%
06/30/10	0.559%
09/30/09	0.889%
12/31/09	0.594%
AVERAGE	**0.648%**

11/23/10 10:42 AM

2010-11 MONTHLY FUND CONDITION
FUND 321 - OIL SPILL RESPONSE TRUST FUND

				FISCAL MONTH 02 - AUGUST					
		ACTUAL	ACTUAL	ACTUAL REVENUE		PROJECTED REVENUE	PROJECTION	PROJECTION	PROJECTION
		2008-09	2009-10	2010-11	YTD%	2010-11	2011-12	2012-13	2013-14
	YEARLY BEGINNING BALANCE	$56,565,421	$55,840,585	$53,115,359		$53,115,359	$52,355,062	$51,386,967	$50,398,334
	PPY AND PY ADJUSTMENTS	$425,000							
	ADJUSTED BEGINNING BALANCE	**$56,990,421**	**$55,840,585**	**$53,115,359**		**$53,115,359**	**$52,355,062**	**$51,386,967**	**$50,398,334**
REVENUES (Q-25) TRANSFERS, AND OTHER ADJUSTMENTS									
125600	REGULATORY FEES (.25¢ OIL SPILL RESPONSE TRUST FEE)	$0	$0				$0	$0	$0
131000	FISH AND GAME VIOLATION FINES	$0	$0				$0	$0	$0
150300	INCOME FROM SURPLUS MONEY INVESTMENTS	$1,264,780	$365,933		0%	$355,293	$335,167	$328,846	$322,712
161900	COST RECOVERIES	$739,384	$427,510	$53,749	6%	$923,318	696,737	682,522	767,526
	REVENUES AND TRANSFERS	**$2,004,164**	**$793,443**	**$53,749**	**4%**	**$1,278,610**	**$1,031,905**	**$1,011,367**	**$1,090,238**
	TOTAL REVENUE	**$58,994,585**	**$56,634,028**	**$53,169,108**		**$54,393,970**	**$53,386,967**	**$52,398,334**	**$51,488,572**

		ACTUAL EXPENDITURES	ACTUAL EXPENDITURES	ACTUAL EXPENDITURES		EXP. BASED ON ACTUAL $	CONTINOUS APPROPRIATION	CONTINOUS APPROPRIATION	CONTINOUS APPROPRIATION
EXPENDITURES (B06 REPORT) AND APPROPRIATIONS									
3600-001	DEPARTMENT OF FISH AND GAME	$1,654,000	$1,518,669	$38,907	100%	$38,907			
6440-001	UNIVERSITY OF CALIFORNIA, DAVIS (OWCN)	$1,500,000	$2,000,000	$2,000,000	100%	$2,000,000	$2,000,000	$2,000,000	$2,000,001
	TOTAL EXPENDITURES	**$3,154,000**	**$3,518,669**	**$2,038,907**		**$2,038,907**	**$2,000,000**	**$2,000,000**	**$2,000,001**
	FUND BALANCE	**$55,840,585**	**$53,115,359**	**$51,130,201**		**$52,355,062**	**$51,386,967**	**$50,398,334**	**$49,488,571**

		SMIF RATES	
SMIF IS THROUGH QUARTER	N/A		
SCO'S SMIF YTD AMT. (SCO FUND RECONCILIATION)	$54,808,000	03/31/10	0.551%
SMIF PROJ. BASED ON ABOVE AMOUNT AND SMIF AVG.		06/30/10	0.559%
		09/30/09	0.889%
1ST 6 MOS. REVENUE PROJECTIONS ARE BASED ON 3 YR AVG.		12/31/09	0.594%
2ND 6 MOS. REVENUE PROJECTIONS ARE BASED ON ACTUALS		AVERAGE	0.648%

CASH BALANCE AS OF AUG 31, 2010	54,808,000
MAXIMUM CASH BALANCE RETAINED	54,875,000
MINIMUM CASH BALANCE RETAINED	52,131,250
TRANSFER TO OSPAF IF CASH BALANCE EXCEEDS $54,875,000	No
REINSTUTE .25 FEE IF CASH BALANCE IS LESS THAN $52,131,250	No

2010-11 FUND CONDITION STATEMENT

FUND 207 TOTALS : FISH AND WILDLIFE POLLUTION ACCOUNT

207.1 Oil Administration

207.2 Oil Response

207.3 Hazmat Administration

207.4 Hazmat Response

		ACTUAL 2008-09	ACTUAL 2009-10	FISCAL MONTH 02 - AUGUST ACTUAL REVENUE 2010-11	YTD %	PROJECTED REVENUE 2010-11	PROJECTION 2011-12	PROJECTION 2012-13
	YEARLY BEGINNING BALANCE	4,143,781	3,978,251	2,287,080		2,287,080	1,319,964	269,778
	PPY AND PY ADJUSTMENTS	68,737	-17,932	-60,985		-60,985	0	0
	ADJUSTED BEGINNING BALANCE	**4,212,518**	**3,960,319**	**2,226,095**		**2,226,095**	**1,319,964**	**269,778**
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS								
131000	Fish & Game Violation Fine- Criminal	1,130,932	405,323	1,950	0.2%	1,034,519	856,925	765,589
150300	Income from Surplus Money Investments	90,069	21,952	0	0.0%	15,020	5,114	-2,351
164300	Penalty Assessments/Settlement Litigation	224,094	7,601	0	0.0%	77,232	102,975	62,603
161400	Misc. Revenue and Donations	11,753	3,427	5,193	102.6%	5,060	6,747	5,078
161400	Fish & Game Violation Fine- Civil	18,770	0	0		73,995	30,922	34,972
161600	Escheat of Unclaimed Cks, Warrants		0	0		0	0	0
161900	Other Revenue Cost Recoveries	493,776	407,319	2,426	0.8%	319,042	406,712	377,691
161900	Cost Recovery Pollution Cleanup	480,889	174,720	3,126	0.8%	371,649	342,419	296,263
	REVENUES	2,450,283	1,020,342	12,696	0.7%	1,896,516	1,751,814	1,539,844
	TOTAL REVENUES	**6,662,801**	**4,980,661**	**2,238,791**		**4,122,611**	**3,071,778**	**1,809,623**
		ACTUAL EXPENDITURES	ACTUAL EXPENDITURES	ACTUAL EXPENDITURES		GOV. BUDGET APPROPRIATION	GOV. BUDGET APPROPRIATION	GOV. BUDGET APPROPRIATION
EXPENDITURES (B06 REPORT) AND APPROPRIATIONS								
3600-001	Dept of Fish and Game Support Baseline	2,011,613	2,197,425	264,377	9.6%	2.759.000	2,759,000	2,759,000
3600-518	Dept. of Fish and Game Chaptered Leg.	670,937	494,156	4,647	100.0%	4,647		
3600-101	Local Assistance	0	0	0		36,000	36,000	36,000
0840-001	State Controllers Office	2,000	2,000	2,000		3,000	7,000	7,000
	TOTAL EXPENDITURES	2,684,550	2,693,581	271,024	9.7%	2,802,647	2,802,000	2,802,000
	FUND BALANCE	**3,978,251**	**2,287,080**	**1,967,767**		**1,319,964**	**269,778**	**-992,377**
DIFFERENCE BETWEEN REVENUES AND TTL EXPENDITURES		(234,268)	(1,673,239)	(258,328)		(906,131)	(1,050,186)	(1,262,156)

THIS FUND DOES NOT HAVE A DEDICATED FUND SOURCE, REVENUE IS RECEIVED FROM FINES, PENALTIES AND SETTLEMENTS

SMIF IS THROUGH QUARTER NONE

SCO'S SMIF YTD AMOUNT (SCO FUND RECONCILIATION) 2,317,000

SMIF PROJECTIONS BASED ON ABOVE $ AND SMIF AVG.

SETTLEMENT AMOUNTS NOT AVAIL. FOR ADMIN USE 900,000

REVENUE PROJECTIONS ARE BASED ON 3 YR. AVG 1ST 6 MOS.

REVENUE PROJECTIONS ARE BASED ON ACTUALS 2ND 6 MOS.

SMIF Rates	
03/31/10	0.551%
06/30/10	0.559%
09/30/09	0.889%
12/31/09	0.594%
Average	0.648%

Updated 11/23/10 10:45 A

PROJECTION
2013-14
-992,377
0
-992,377
885,678
80,937
5,628
46,630
0
367,815
336,777
1,723,464
731,086

GOV. BUDGET APPROPRIATION
2,759,000
36,000
7,000
2,802,000
-2,070,914
(1,078,536)

.M

EXHIBIT C

California State Lands Commission's Oil Spill Prevention Programs

October 18, 2010

OSPR Technical Advisory Committee

Greg Scott, CA State Lands Commission

Purpose of Report

Chair of the Commission requested staff to review oil production operations in State waters, specifically in light of the British Petroleum (BP) Deepwater Horizon oil spill in the Gulf of Mexico:

- CSLC's oil spill prevention activities and programs
- Effectiveness of these programs
- Evaluate opportunities for improvement of these programs.

State Lands Commission Responsible Divisions

- Oil & Gas Operations
- Marine Terminal Operations
- Surface Leasing
- Environmental Planning and Management

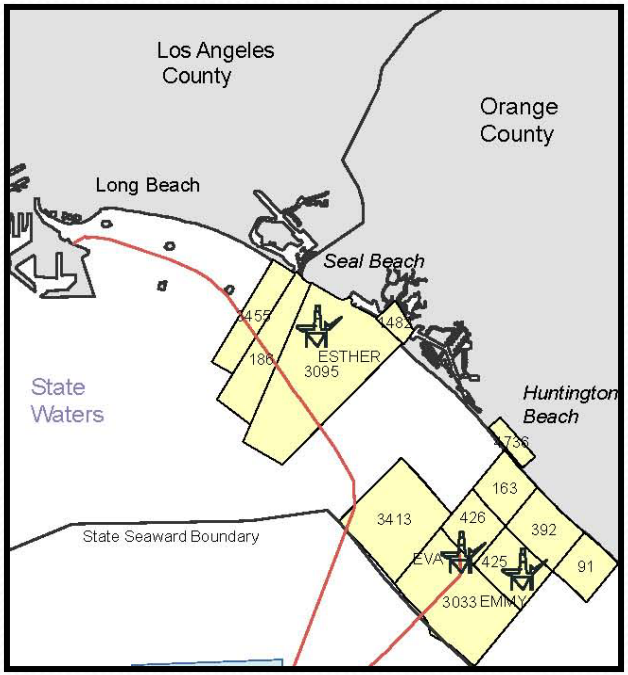
Mineral Resources Management Division

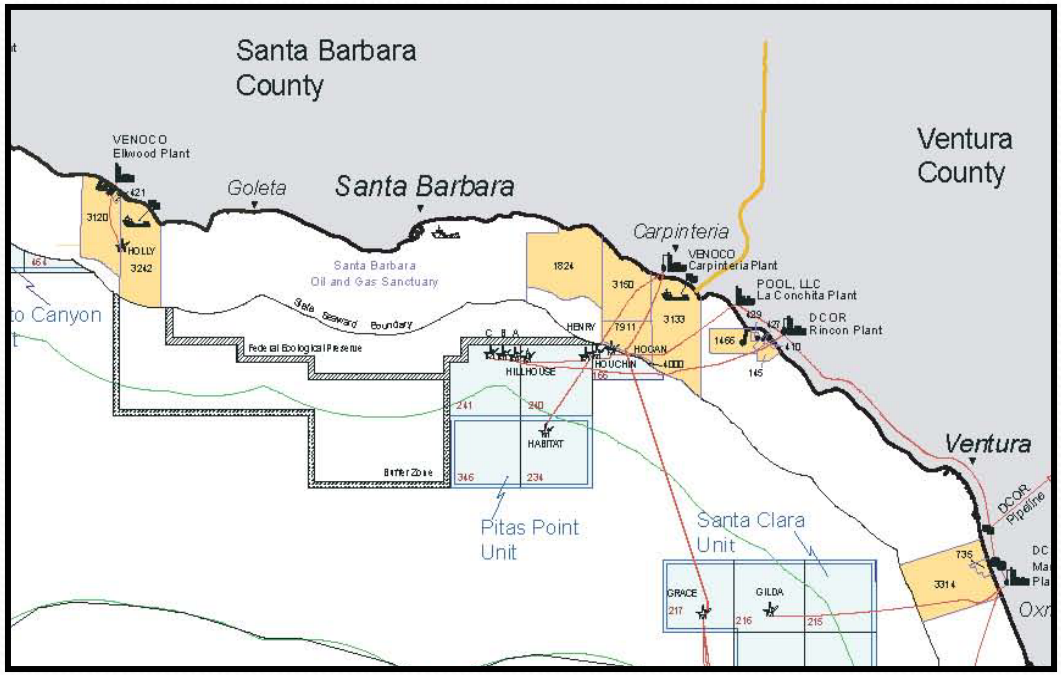
Functions and Responsibilities

- Oversee offshore mineral leases
- Regulate offshore oil and gas activities
- Development of resources in safe and environmentally responsible manner
- Implement safety and pollution prevention programs
- Maximize revenue to the State

Oil & Gas Offshore Operations

- 18 producing offshore state oil & gas leases
- 4 offshore platforms and 2 man-made islands





Oil & Gas Offshore Operations

- Over the past 10 years:
  - 168 million barrels of oil produced
  - $2.4 Billion revenue to the State
- Oil spill incidences from drilling and production
  - Less than 12 per year
  - Generally in drops or ounces
  - Less than half a barrel average total per year

Oil & Gas Offshore Operations

Regulations

- Drilling Regulations
  - Individual Well Program Review by Engineers
- Production Regulations
- Oil Spill Contingency Plans
- Operations Manuals & Emergency Planning

Oil & Gas Offshore Operations

Platform inspection Program

- Monthly Inspections — Require 2-3 days
  - Production and Safety systems
  - Average of 317 devices reviewed
  - Deficiencies are corrected immediately
- Inventory on-site spill response equipment
- Daily Inspections

Oil & Gas Offshore Operations

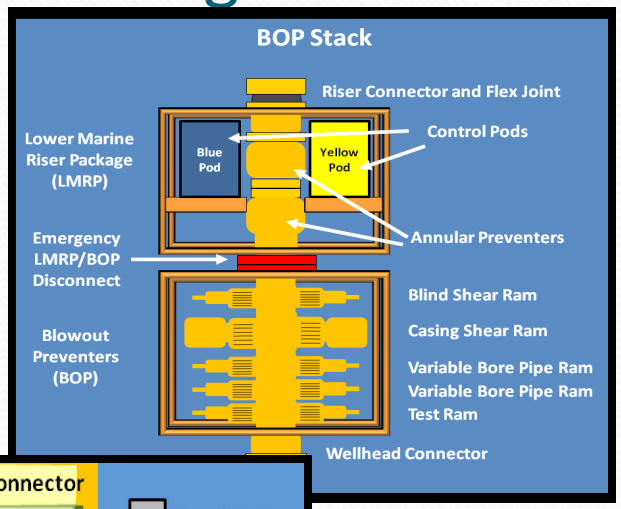
Safety Audit Program

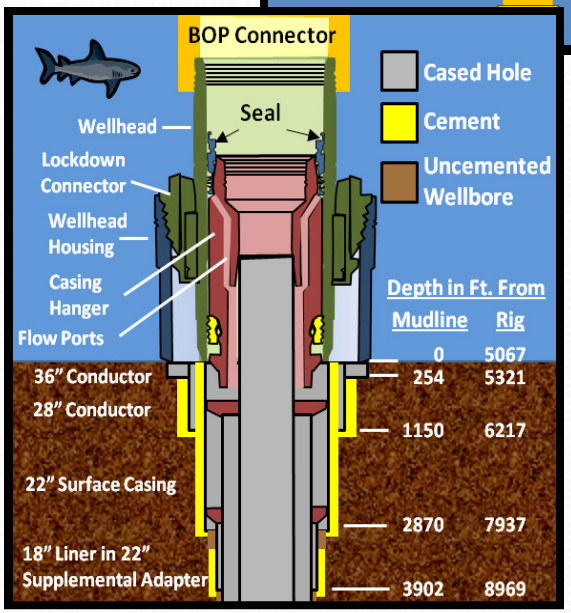
- Safety system design
- Verification of alarms and controls
- Compliance with regs and industry standards
- Reviews of Facility Operating Manual and Spill Prevention Plan
- Organization safety culture (SAMS)

Oil & Gas Offshore Operations

Gulf BP Spill Preliminary Analysis -- State Regulations

- Offshore Environment
  - Water Depth
  - Formation Depth
  - Pressures
- Blowout Prevention Equipment
  - Redundancy
- Well Casing
- Cementing of Casing
  - Time = Compressive Strength
  - Bond Logs
- Daily Reports - Review





Oil & Gas Offshore Operations

Recommendations

- Update Current Regulations
- Legislation
  - Enforcement (Cease & Desist Authority)
- Fill MRMD vacancies left by recent retirements
- Resubmit reclassification of Inspector series
- 3rd Party Certification of BOP compatibility and well design

Marine Terminal Operations

Inspection & Management

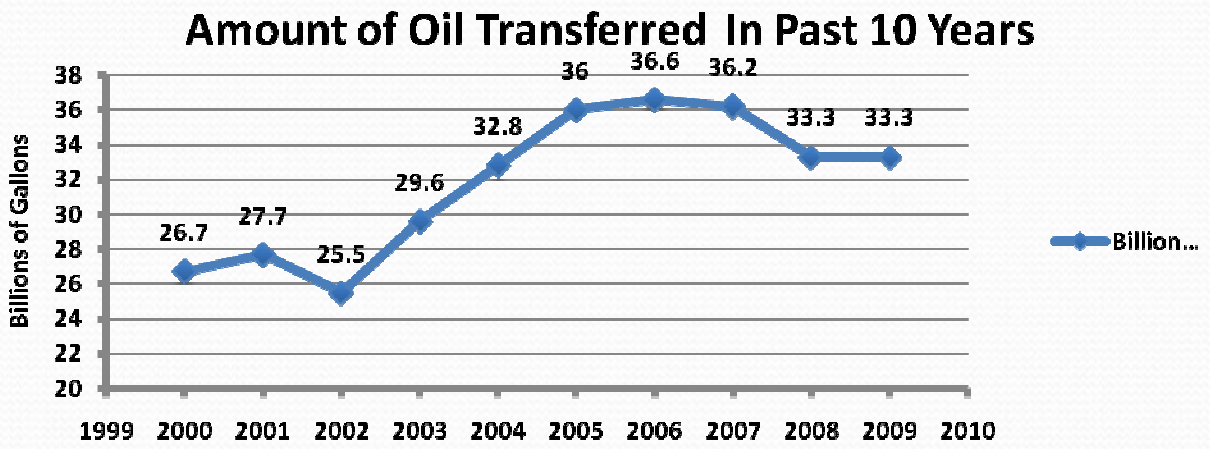
Marine Terminal Operations

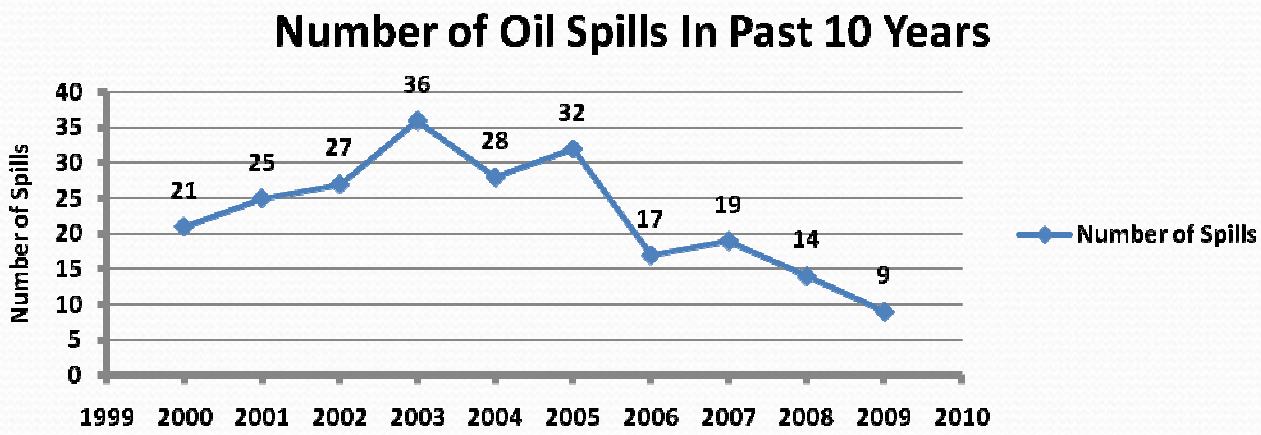
Regulations

- Article 5.0 Marine Terminals Inspection and Monitoring
- Article 5.3 Marine Terminal Personnel Training and Certification
- Article 5.5 Marine Terminal Oil Pipelines
- Article 5.1 MOT Physical Security
- CCR Title 24, Part 2, CBC Chapter 31F MOTEMS

Marine Terminal Operations

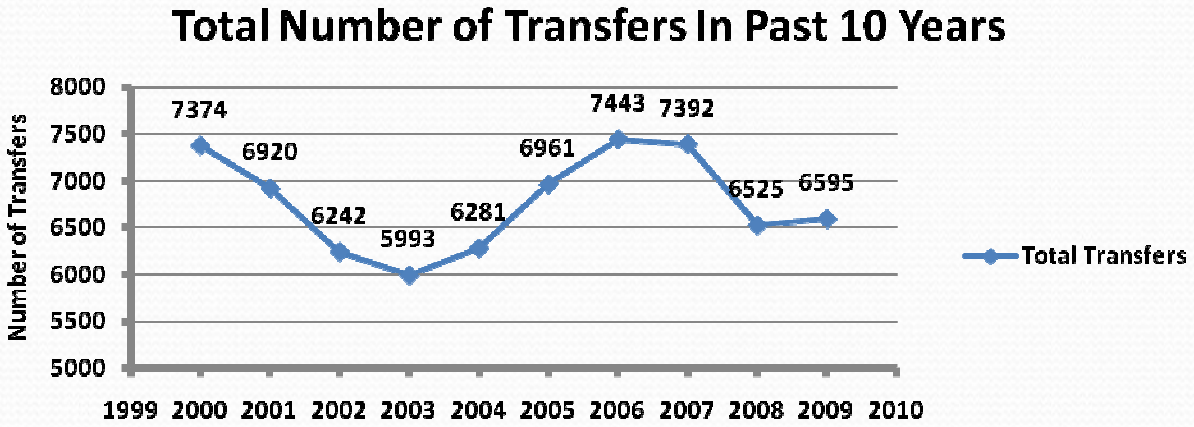
Stats/Effectiveness

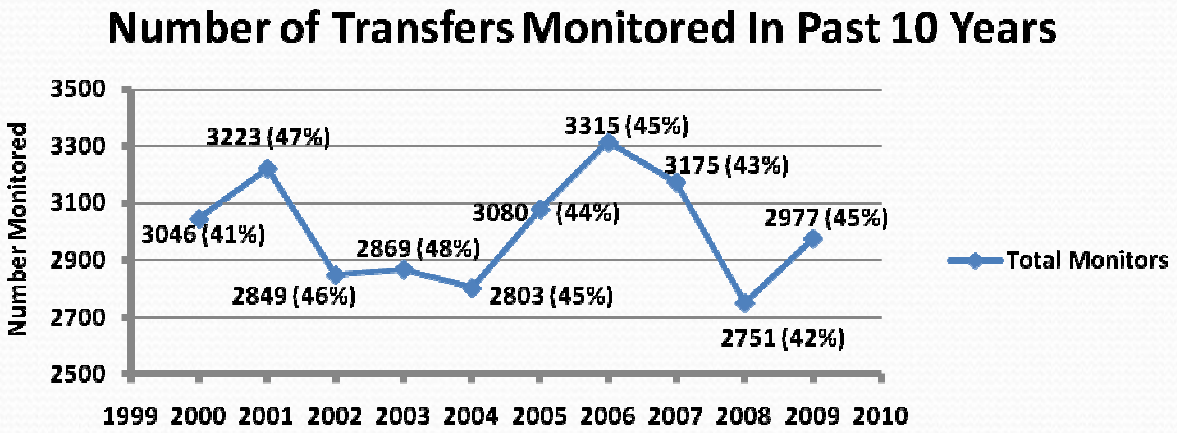




Marine Terminal Operations

Stats/Effectiveness





Marine Terminal Operations

MOTEMS

- MOTEMS Audits document existing conditions, determine safe operating parameters, and identify remedial action priorities.
- 27 Terminals have submitted MOTEMS Audits for review
  - 11 High Risk Terminals (Submitted August 2008)
  - 16 Moderate Risk Terminals (Submitted February 2010)
  - 3 Low Risk Terminals will Submit February 2011
- 2015 deadline for compliance for high/moderate risk

Marine Terminal Operations

Recommendations

Changes are needed to increase scope of oversight:

- Two Engineering Inspector positions to monitor and enforce compliance of MOTEMS.
- Three Specialists to establish and carry out terminal Safety Systems Audits.
- Support legislation to increase the Oil Spill Prevention and Administration Fund per barrel fee.

Surface Leasing

LMD Programs

- Leasing of Marine Oil Terminals and ROW for pipelines and other conduits.

- Key leasing provisions:
  - Construction plans and as-builts;
  - Inspection, repair, testing, maintenance records;
  - Prior approval for pipeline repair/maintenance;
  - Training classes and pipeline leak simulations.

- Commercial Marinas – Best Management Practices

Surface Leasing

LMD Recommendations

- Review leases for adequacy of bond and insurance amounts (for example: today's Calendar Item C42)
- Requirements to modify/retrofit old pipelines to allow for smart pigging
- SLC review of oil spill contingency plans

Environmental Planning

Programs

Primary role:

- Ensure compliance with the California Environmental Quality Act (CEQA)
- Ensure that the Commission has sufficient information to approve, approve with conditions, or deny proposed projects that could result in an oil spill.

Environmental Planning

What We Do and How We Do It

- Prepare EIRs for oil development projects and marine terminals (new and renewals)
- Provide agencies and the public with opportunities to review and comment on EIRs
- For approved projects, ensure that Commission adopted measures to mitigate environmental impacts are implemented and effective

Environmental Planning

Recommendations

- Continue to effectively communicate and coordinate with agencies, the public, and applicants
- Continue to assess effectiveness of oil spill mitigation measures
- Support the enhancement of EIR data and information gathering in GIS format to ensure compatibility with other State information

Recommendations

Summary

- Update Current Regulations
- Legislation:
  - Cease & Desist Authority
  - Increase the Oil Spill Prevention and Administration Fund per barrel fee.
- Fill vacancies to ensure continued program efficiency
- Resubmit reclassification of Inspector series
- Expand Marine Terminal personnel to enforce MOTEMS
- Review leases for adequacy of bond and insurance
- Enhance EIR data and information gathering using GIS
- 3rd Party Certification of BOPE compatibility

EXHIBIT D

UC DAVIS MAGAZINE ONLINE

Volume 28 · Number 1 · Fall 2010

Oil Spill Rx

By Sylvia Wright

UC Davis oiled wildlife expert Michael Ziccardi examines a rescued Kemp's ridley turtle. (Sylvia Wright/UC Davis)

On the front lines of the gulf oil disaster, veterinary scientist Michael Ziccardi is writing the book on saving oiled sea turtles and mammals.

Sea turtle L-109 seemed to be dead.

Even healthy sea turtles can become so still that they appear to be lifeless. But now L-109, one of the many animals in peril during the Gulf of Mexico oil spill, was unresponsive to prods and pinches.

A veterinarian pressed a Doppler heart monitor against the turtle's throat. If the monitor's little speaker didn't produce the normal whooshing sound of blood flowing to the heart, her caretakers would know she was gone.

L-109 had been found three days earlier with several other turtles during at-sea capture operations, covered in the frothy, oily, beige-brown foam that veteran spill workers call, incongruously, "mousse." L-109 was a female Kemp's ridley turtle, 2 to 3 years old, about the size of a large dinner plate. She looked like she had been tossed in café mocha salad dressing.

The crude oil that L-109 had been breathing, drinking and absorbing came from the mangled Deepwater Horizon wellhead, 5,000 feet deep in the gulf.

Since her rescue, L-109 had been cleaned, fed, tested, rested and medicated. Her cleaned shell was jet black with a row of blunt peaks stretching from head to tail. Her underside was white. Her face was mottled black and white, and ended in a parrotlike beak evolved for grabbing fish, crabs, squid and sea urchins.

Now the veterinary team huddled around L-109, asking each other — had they done something they shouldn't have? Not done something they should have? If Turtle L-109 should die, what would be the survival odds for her fellows?

When BP's Deepwater Horizon oil and gas well erupted on the night of April 20, it put thousands of animal species at risk, from microscopic plankton and larval fish to 110,000-pound sperm whales. Biologists immediately became concerned about the five species of sea turtles living in the Gulf of Mexico: Kemp's ridley, green, leatherback, hawksbill and loggerhead. All are listed as threatened or endangered under the U.S. Endangered Species Act.

Other spill experts

Three other UC Davis faculty members have key roles in the scientific aspects of the Gulf of Mexico oil disaster. Read about them...

Most veterinarians in a crisis can look to some established medical reference for help. Practice standards exist for the vet confronting a tumor in a cat's bladder or a heart murmur in a zoo bear. Even in the arcane world of oil-spill-response medicine, veterinarians know how the percentage of red blood cells varies between a brown pelican and a Pacific loon. However, on that April night, when crude oil began gushing into the world's most populous sea-turtle habitat, there was no such reference for turtles. There was no plan for getting collection teams onto beaches and boats to bring oiled turtles into emergency centers. There were no emergency centers.

But there was a veterinarian with the spill expertise and organizational savvy to help develop that plan: Michael Ziccardi, D.V.M. '93, M.P.V.M. '94, Ph.D. '03, a UC Davis associate professor of veterinary medicine and a veteran of more than 30 oil spills.

If oil-spill responders wore campaign ribbons like military officers do, Ziccardi's chest candy would include all the recent major engagements. He led veterinary efforts at the start of the Prestige oil spill response in Spain in 2002;

worked in Louisiana on oiled pelican chicks after another oil-rig spill in 2005; and led the wildlife response for the 2007 Cosco Busan spill in San Francisco Bay, which sent more than 1,000 oiled birds into his care as director of the California Oiled Wildlife Care Network, the most advanced program of its kind in the world.

Since the age of 4, Ziccardi has been fascinated by sea otters and other marine mammals. As an undergraduate at UC Santa Barbara, he cared for injured seals with the local marine mammal stranding program and helped with dolphin necropsies (animal autopsies) at the Santa Barbara Museum of Natural History. At the UC Davis School of Veterinary Medicine, he focused on free-ranging wildlife, then started on a doctorate in epidemiology.

At the same time, the California Oiled Wildlife Care Network was just being developed, and Ziccardi began treating oiled animals while doing his doctoral research on methods to better detect subtle oil exposure in sea otters.

The Oiled Wildlife Care Network, a program of the UC Davis Wildlife Health Center, is funded by a per-barrel tax on the California oil industry. The Wildlife Health Center, a program of the School of Veterinary Medicine, manages the network for the state Department of Fish and Game.

Alumni in the gulf

At least a dozen alumni —leading experts with the California Department of Fish and Game's Office of Spill Prevention and Response— have also been assisting in the Gulf of Mexico.

Read more...

A 120-pound female loggerhead, the largest turtle rescued in the spill.
(Sylvia Wright/UC Davis)

The network has 29 participating wildlife-rescue organizations and 12 emergency-care facilities standing ready to take oiled animals. Ziccardi and UC Davis veterinary colleague Jonna Mazet have established research-based medical and nursing protocols for oiled birds that are considered the international standards.

In addition to his expertise with oiled birds, Ziccardi in 2005 drafted the U.S. national plan for rescuing and treating oiled marine mammals, such as dolphins and seals. Now, in 2010, as thousands of gallons of crude oil poured daily into the Gulf of Mexico, those guidelines and protocols were being pulled off the shelves and devoured by federal wildlife officials in the National Oceanic and Atmospheric Administration (NOAA) Fisheries Service.

On April 27, the Deepwater Horizon Unified Command (officials from the U.S. Coast Guard, BP and the state of Louisiana) called in the first wildlife experts to deal with oiled birds — experienced senior staffers of Tri-State Bird Rescue Research Inc. of Delaware.

Ziccardi was dealt a more scientifically challenging assignment: establish and lead the Marine Mammal and Sea Turtle Unit, which would be responsible for the lives of dolphins, whales, manatees and sea turtles.

No more than a dozen animals of any of the species had ever been treated for oil exposure.

"We're doing something never done before: building protocols on the fly, based on our experiences with other animals in other spills," Ziccardi said. "The entire thing is challenging. Nothing has happened in this spill that you can pull out of a book and say, 'Yeah, this is what you do.'

"How do you clean an oiled turtle? No one's done it in large numbers. How do you help an oiled dolphin stranded on the beach? Do you wash it there, or load it into a sling and transport it, oiled, to a rehab facility? Even the simple things that we know for birds aren't simple for the species that we're dealing with."

Early on April 29, fresh off a red-eye flight from Sacramento, Ziccardi for the first time walked into the BP building in Houma (pronounced "HO-muh"), La., that had been converted into an oil-spill-response command center. Built for training 100 offshore oil-rig workers, it now was filling fast with 10 times that number of helicopter pilots, meteorologists, oceanographers, geographers, logisticians, petroleum engineers, fish and wildlife biologists, security guards and public relations specialists.

For the next two months, with only a one-week break, Ziccardi sat in a small classroom, elbow-to-elbow with an increasing number of other wildlife operations staffers. He occupied a single seat at a U-shaped table for 12 to 16 hours every day. Behind him, under giant maps of the crenulated Louisiana coast, U.S. Fish and Wildlife Service staffers radioed GPS coordinates of oiled pelicans to biologists in boats.

In the early days, as the numbers rose steadily for oiled birds but not for other animals, Ziccardi helped to write and implement oiled turtle and manatee response plans, based largely on his 2005 mammal protocols. On marine mammals, he worked closely with key NOAA staff, including Teri Rowles, national coordinator of the National Marine Fisheries Service's Marine Mammal Health and Stranding Program; Blair Mase, southeast regional marine mammal stranding coordinator; and Nicole Adimey, the U.S. Fish and Wildlife Service's manatee stranding coordinator. On sea turtles, his key collaborators were Barbara Schroeder, national sea turtle coordinator for the National Marine Fisheries Service; Brian Stacy, lead medical officer for the turtle effort (and a former UC Davis veterinary resident); and Gary Shigenaka, a marine biologist in the NOAA Seattle office.

In a news conference at the Audubon Nature Institute near New Orleans, UC Davis oiled wildlife expert Michael Ziccardi, right, and Audubon veterinarian Robert MacLean listen to the heartbeat of a recovering oiled Kemp's ridley sea turtle. (Sylvia Wright/UC Davis)

Their plans prepared personnel and facilities for all varieties of affected animals, be they oiled, unoiled or unknown, living or dead. They produced protocols for cleaning oil from animals' outsides (mayonnaise and Dawn dishwashing detergent) and insides (activated charcoal, more mayonnaise); measuring body temperatures and taking blood samples; feeding, housing and returning animals to the wild; and storing and analyzing the bodies of animals that did not survive.

Ziccardi worked with NOAA to identify every rehabilitation center in its stranding networks and to zero in on the facilities that had the capacity, veterinary expertise and interest in treating large numbers of oiled animals. The team also reached out to other facilities throughout the six-state region to see who might be able to house animals long-term after they were de-oiled.

Then he waited for his plans, so reasonable on paper, to succeed or fail in the real world.

Looking back, Ziccardi says, "I was probably the best person for the job, not necessarily because of my extensive knowledge of marine mammals and sea turtles, but because of my knowledge of how spill responses work and my ability to translate that to those species.

"In a spill, I would rather be in the wildlife facility working on the animals. But this time, that's not where I was needed. What was needed was someone to help direct the efforts — to convert the existing mammal- and turtle-stranding networks into an oil-spill-response network."

By the time Sea Turtle L-109 crashed that early June night, Ziccardi and his team had revised the turtle-care protocols twice. He had also started sending capture boats farther offshore than any previous spill responder. "Since the turtles weren't coming to us, we went to them." (Those pioneering "on-water captures" have since accounted for more than 97 percent of turtles rescued.)

Even before the Deepwater Horizon explosion, the gulf's sea turtles were in trouble: "Few animals are at greater risk from an unfortunate confluence of global changes, widespread disease, and a host of problems of human origin," NOAA's Shigenaka wrote in 2003. "The latter category includes . . . habitat destruction, . . . entanglement in plastic trash, the persistent belief that turtle flesh and turtle eggs confer nearly supernatural health benefits, [and] the inherent beauty and rarity of turtle shell jewelry . . . ."

So, to the people of the Sea Turtle and Marine Mammal Unit, every turtle's survival mattered. But when Sea Turtle L-109's doctor pressed the heart monitor against her throat, there was only silence. She was dead.

Later that night, at L-109's pool, there was a second alarm, then a third: Other turtles were dying.

At the Houma command post, when Ziccardi wasn't helping to revise the turtle and mammal rescue plans, or extending them westward through Texas and southeastward to the Florida Keys, he was explaining them to news media and the public via interviews and a blog on the UC Davis website.

He frequently was asked about the possibility that turtles were dying in the intentional burning of oil on the gulf surface. The prospect was horrifying, and while Ziccardi never did find evidence that turtles were being killed, "It was likely — after all, we had been collecting turtles in the same waters," he said. Soon there was a standing order that every Controlled Burn Operations boat rescue turtles before lighting fires.

In June, the central topic was the 50,000 baby turtles that would soon crawl out of their Alabama and Florida nests and into the oily gulf waters. The team devised another unprecedented strategy: Note where turtles laid their eggs, wait 50 days, collect the eggs and drive them in foam-padded boxes to a Florida facility for incubation. When they

hatched, the thousands of baby turtles would be released into the Atlantic Ocean.

By far, the question Ziccardi heard most was: Is it better, as two biologists have suggested, to kill oiled animals than to catch and clean them? Ziccardi's answer: Absolutely not. "From half to three-quarters of all the oiled animals we treat in our California program survive and are released back to the wild. My answer to those who say euthanasia is better is that we help these animals more by saving them."

In the hours after L-109 and the other two Kemp's ridley turtles died, the entire turtle-mammal team was on high alert. Ziccardi and the other veterinarians suspected that the deaths might have been caused partly by imbalances of sodium and potassium, which are essential to normal cell and organ functions. "It may have been something in the oil they ingested that caused kidney damage. Or the way we were managing their care — in the water or the food."

To cover all the bases, they instituted more frequent blood tests to check electrolyte levels, increased the salt content in the turtle pools and changed the water more often.

Since the spill began, although more than 435 live oiled turtles have been rescued, only those three have died.

Ziccardi and his team stay vigilant, ready to adapt to new developments.

"Changes are part of the living document of an oiled wildlife response," Ziccardi said. "The difference is, with birds, we change after every spill. With turtles we are changing weekly, because we are learning so much as we go."

Sylvia Wright writes about the environmental sciences for UC Davis News Service.

Last updated: Sept. 16, 2010

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EXHIBIT E

2010 LEGISLATION OSPR IS TRACKING
Status as of September 27, 2010

AB 234 (Huffman, amended December 16, 2009)
This bill would require the administrator to adopt regulations governing oil transfers that would require a transfer unit (i.e., vessel or facility transferring oil), to provide appropriate equipment and supplies for the containment and removal of spills of oil in water adjacent to the transfer site. The regulations would require the transfer unit, prior to beginning an oil transfer, to preboom each oil transfer for the duration of the transfer, unless prebooming is determined not to be safe and effective.
This bill would also revise the per barrel fee that funds OSPR's Oil Spill Prevention and Administration Fund to an amount not to exceed $0.06 per barrel of crude oil or petroleum products. The Nontank Vessel fee is to be increased from $2,500 to $3,000 per vessel. The bill would also authorize the administrator to increase the fee to cover its costs, provided any increase is based on an annual increase in the California Consumer Price Index. The State Lands Commission is required to do a report to make recommendations to ensure maximum safety and prevention of harm during offshore drilling.
The bill has gone to Governor; he has until October 2 to make a decision about this bill.

AB 1518 (Anderson, amended April 8, 2010):
This bill would require that all statutorily created state boards, commissions, and committees that are inactive or obsolete be identified in a report to the Department of Finance. Note: this bill did not get passed out of the legislature by August 31, 2010, so it is effectively "dead".

AB 1604 (Nava, Amended February 17, 2010)
This bill would impose a tax on and after January 1, 2011, upon any producer for the privilege of severing oil from the earth or water in this state for sale, transport, consumption, storage, profit, or use, as provided, at the rate of 10% of the gross value of each barrel of oil severed. Note: this bill did not get passed out of the legislature by August 31, 2010, so it is effectively "dead".

AB 2739 (Blakeslee, amended April 27, 2010)
This bill would require the administrator, in consultation with the federal agencies listed, to determine the likelihood of an oil release from the S.S. Montebello.
Note: this bill did not get passed out of the legislature by August 31, 2010, so it is effectively "dead".

AB 2791 (introduced March 17, 2010)
Replaces old references to the Office of Emergency Services (OES) to the new title, California Emergency Management Agency (CAL-EMA). The bill has gone to Governor; he has until October 2 to make a decision about this bill.

SUMMARY OF OSPR'S POTENTIAL REGULATION AMENDMENTS:

Oil Transfer and Vessel Operations:
Amendments to the oil transfer regulations to "drill" bunker barges to make sure they can deploy pre-booming and deploy stand-by boom. Recently, language was added to require pre-booming if the current is under 1.5 knots, and it is "safe and effective" to do so. The amendments are still a work in progress; there was another industry workshop on August 26. OSPR will meet in-house to decide whether to change the draft language based on the comments received during the workshop. The outcome of AB 234 (included in the legislation summary) will also have bearing on the language if it passes.

Oil Spill Contingency Plans:
The changes included in this package are primarily due process changes so that vessel Plan Holders cannot submit plans at the last minute for approval. Also included are steps to go to an all "electronic" submittal; removing the "post spill review" requirement; and several minor changes/corrections.
The Notice of Proposed Rulemaking was mailed; the end of the comment period is November 16, 2010.

Certificates of Financial Responsibility
These amendments will:
-clarify when a renewal for proof of self-insurance needs to be submitted to OSPR;
-make a distinction between when evidence of Financial Responsibility (FR) expires, or when it is terminated. Expiring FR needs to be renewed 30 calendar days prior; for termination of FR evidence, or a material change, OSPR needs to be notified within 5 business days of the event.
-other clarifications/corrections.
Notice was sent out of an informal workshop to be held on November 2 at 10am at the Bay Model in Sausalito.

Local Government Grant Regulations:
-Amendments to the local government Contingency Plan regulations, to make the local plans more usable by aligning them with what information may be needed by the different ICS sections (i.e., Command, Operations, Planning, Logistics and Finance) during a spill response. These amendments have been discussed informally with local governments; anticipate beginning the formal rulemaking process in November.

Shoreline Protection Tables:
-Amendments to the shoreline protection tables, to incorporate changes that were made in the ACPs, and to do some streamlining/simplification of the tables. May have workshops early next year.

EXHIBIT F

Oil Spill Prevention and Administration Fund Budget Augmentations and Significant Legislation for OSPR

Fiscal Years 1991 through 2009

Miscellaneous Information

- Fiscal information taken from the Governor’s Budget
- Augmentation’s can be permanent or temporary
- FY 91/92 beginning appropriation was $13,253,000

Fiscal Year 92/93

Major Budget Augmentations

Inspection of marine facilities & vessels

- Conduct regular surveillance flights over harbors and vessel traffic

✓ Total augmentation of $756,000 and 7 new PY's

Minor Budget Augmentations

- Purchase misc. items

✓ Total augmentation of $388,000

Significant Legislation

None

Fiscal Year 93/94

Major Budget Augmentations

- Purchase special equipment
- Develop and implement Local Area Network (LAN)
- Increase inspections, financial responsibility and regulatory units
- ✓ Total augmentation of $2,146,000 and 18 new PY's

Minor Budget Augmentations

- Increase operating expenses
- Continue laboratory analysis of oil cleanup reagents.
- ✓ Total augmentation of $1,679,000

Significant Legislation

None

Fiscal Year 94/95

Major Budget Augmentations

- Staff the Administrative Penalties Unit.
- ✓ Total augmentation of $1,336,000 and 3 limited term PY's

Minor Budget Augmentations

- Purchase equipment
- Develop an oil spill damage claim process
- ✓ Total augmentation of $640,000

Significant Legislation

None

Fiscal Year 95/96

Major Budget Augmentations

- Reduction in low priority operating expenses
- ✓ Total reduction of $(718,000)

Minor Budget Augmentations

- Support Oiled Wildlife and Rescue and Rehabilitation Station
- Support increased contract services, and LAN
- ✓ Total augmentation of $181,000

Significant Legislation

None

Fiscal Year 96/97

Major Budget Augmentations

- Convert 24 limited term positions to permanent status.
- ✓ Total augmentation of $1,445,459 and 24 new PY's

Minor Budget Augmentations

- Provide a trainer to local governments
- Support increased workload relating to oil spills.
- ✓ Total augmentation of $377,000 and 3 new PY's

Significant Legislation

None

Fiscal Year 97/98

Major Budget Augmentations

- Decrease appropriation to re-align GIS
- Redirect funding from State Operations to Local Assistance
- ✓ Total reduction of ($753,000)

Minor Budget Augmentations

None

Significant Legislation

None

Fiscal Year 98/99

Major Budget Augmentations

- Increase operating budget for drills and exercises
- ✓ Total augmentation of $1,536,000 and 1 new PY

Minor Budget Augmentations

None

Significant Legislation

None

Fiscal Year 99/00

Major Budget Augmentations

- Reduction to address shortfall in OSPAF
- ✓ Total reduction of $(1,909,000) and 1 new PY for SB 1644

Minor Budget Augmentations

None

Significant Legislation

- SB 1644 – Requires nontank vessels to submit Oil Spill Contingency Plan.

Fiscal Years 00/01 & 01/02

Major Budget Augmentations

None

Minor Budget Augmentations

None

Significant Legislation

- AB 715 – Outlines the requirements for an “OSRO Rating Program”.

Fiscal Year 02/03

Major Budget Augmentations

- Reduction per 2003/2004 Governor's
- ✓ Total reduction of $(273,000)

Minor Budget Augmentations

None

Significant Legislation

None

Fiscal Year 03/04

Major Budget Augmentations

- Restoration of operations (See below)
- ✓ Total augmentation of $2,800,000 and 18 new PY's

Minor Budget Augmentations

None

Significant Legislation

- SB 849 – Restoration of operations, improve performance standards and increase per barrel fee.

Fiscal Year 04/05

Major Budget Augmentations

- OSPR's dispatch personnel redirected to Department of Parks and Recreation.
- ✓ Total augmentation of -7 PY's

Minor Budget Augmentations

None

Significant Legislation

None

Fiscal Years 05/06 & 06/07

Major Budget Augmentations

None

Minor Budget Augmentations

None

Significant Legislation

None

Fiscal Year 07/08

Major Budget Augmentations

- Implement Drills & Exercises Program
- Provide Scientific Study and Evaluation Program Coordinator
- ✓ Total augmentation of $857,000 and 8 new PY's

Minor Budget Augmentations

- Environmental Sensitivity Mapping
- ✓ Total augmentation of $275,000

Significant Legislation

None

Fiscal Year 08/09

Major Budget Augmentations

- Maintenance of PORTS
- Upgrade PORTS
- Grants to local governments
- ✓ Total augmentation of $1,042,000 and 1 LT PY

Minor Budget Augmentations

None

Fiscal Year 08/09

Significant Legislation

- AB 2031 – Provides training, grants and certification of spill response manager for local governments
- AB 2935 – Closure of fisheries when there is a 42+ gallon oil spill in marine waters
- SB 1739 – Possible requirement of an Independent Drill Monitor for out of state drills
- AB 2911 – Applies certain marine oil spill provisions to inland oil spills

Fiscal Year 09/10

Major Budget Augmentations

None

Minor Budget Augmentations

None

Significant Legislation

None

EXHIBIT G

2007-2008
BIENNIAL REPORT

BY THE

OIL SPILL TECHNICAL ADVISORY COMMITTEE

TO THE

GOVERNOR AND THE LEGISLATURE

PURSUANT TO THE

LEMPERT-KEENE-SEASTRAND OIL SPILL PREVENTION AND RESPONSE ACT

GOVERNMENT CODE SECTION 8670.1, *ET SEQ.*

JANUARY 2009

Executive Summary

The Oil Spill Technical Advisory Committee (TAC) presents this report as an opportunity to review our activities of the past two years and discuss our priority issues for 2009-2010. The report has been prepared for the Governor and the California Legislature to review important issues the TAC has been actively following that we feel are critical to the State oil spill programs.

During the past two years the Department of Fish and Game Office of Spill Prevention and Response (OSPR) successfully led the day-to-day operations and development of the future vision of the State's oil spill programs in conjunction with the States Lands Commission, the Coastal Commission, and the San Francisco Bay Conservation and Development Commission. In addition OSPR has faced monumental challenges in dealing with the aftermath of the November 7, 2007 *Cosco Busan* oil spill in San Francisco Bay when a container ship hit the Oakland Bay Bridge in dense fog, releasing 53,000 gallons of bunker fuel into the Bay and along the ocean shoreline. The oil killed more than 2,500 birds, fouling beaches and sensitive areas. The spill raised issues about oil spill containment and response capabilities and organization. The incident in a populated urban area generated a tremendous amount of public interest resulting in federal and state investigations and a number of bills proposed by the California Legislature.

There were a number of ongoing issues that the TAC has highlighted in the 2007/2008 Issues and Accomplishments section of this report. OSPR has continued to make progress on implementation of recommendations and findings from the 2005 Department of Finance Audit. These included issues with staffing, Administrative Fund surplus and priority programs to be implemented. The TAC also followed with great interest the need for and progress made in the development of an Inland Spills Program. The TAC remains concerned about the staff redirection issues identified in our 2005/2006 Biennial Report and in the Bureau of State Audits August 2008 report. These issues remain unresolved and the TAC will continue to work with the Administrator as programs are put in place to ensure Administrative Fund monies are used only for authorized activities.

In the year since the *Cosco Busan* incident, OSPR has worked tirelessly to be responsive to the concerns of the public and the legislature. A number of new programs have been developed and put in place. Oil Spill Contingency Plan regulations are being amended to enhance response time requirements and ensure requirements continue to meet the State's Best Achievable Protection Standard. In addition the Governor signed into law five oil spill related bills that enhance California's oil spill response capabilities. The five bills are summarized further in this report. The TAC also encouraged efforts by the state's Harbor Safety Committees to adopt guidelines for safe navigation in each harbor – an important step to prevent oil spills from vessel accidents.

During the 2009 -2010 period OSPR will be faced with implementing new regulations and developing programs and policies to fulfill the mandates created by the newly enacted Legislation. Again, these activities will be in addition to successfully carrying out their primary mission of administering the day-to-day activities associated with the State oil spill programs.

The TAC looks forward to continuing our excellent working relationship with the OSPR Administrator and the dedicated men and women at OSPR, the States Lands Commission, the Coastal Commission, and the San Francisco Bay Conservation and Development Commission. The TAC would like to express our appreciation for their dedicated hard work to protect California's spectacular natural resources.

Table of Contents

		PAGE
I.	BACKGROUND	1
II.	ISSUES AND ACCOMPLISHMENTS FOR CALENDAR YEARS 2007-2008	2
III.	PRIORITY ISSUES FOR TAC IN 2009-2010	6
IV.	CONCLUSIONS	9
APPENDICES		10
	A. GOVERNMENT CODE	
	B. TAC MEMBER INFORMATION	

Background

The Lempert-Keene-Seastrand Oil Spill Prevention and Response Act

The Lempert-Keene-Seastrand Oil Spill Prevention and Response Act (Act) was signed into law on September 22, 1990 (S.B. 2040, Stats. 1990, ch. 1248*)*. The overall purpose of the Act is to prevent and cleanup marine oil spills, and to restore damage to the environment. Specific findings by the Legislature concerning the California coast and the threat of pollution from marine oil spills motivated the adoption of the Act. The Administrator of the OSPR, and the California State Lands Commission (CSLC) are vested with the primary responsibility for implementing the Act.

Oil Spill Technical Advisory Committee (TAC)

One component of the Act was the creation of the TAC. The TAC provides public input and independent judgment of the actions of the Administrator of OSPR and the State Interagency Oil Spill Committee (SIOSC). The TAC consists of ten (10) members, six (6) of whom are appointed by the Governor, two (2) by the Speaker of the Assembly, and two (2) by the Senate Rules Committee. The membership must have background in marine transportation, local government, oil spill response and prevention programs, the petroleum industry, State government, environmental protection and ecosystems, the dry cargo vessel industry, and represent the public. Pursuant to its by-laws, TAC members serve until they are either replaced by the appointing authority, a member resigns, or a member is asked for their resignation after a vote of at least two thirds of the appointed TAC members. *(See, Appendix B for current TAC member information.)* Future activities of the TAC are discussed at the end of this Report.

The TAC makes recommendations to the Administrator, the CSLC, the California Coastal Commission (CCC), the San Francisco Bay Conservation and Development Commission (BCDC), and the SIOSC on any provision of the Act including the promulgation of all rules, regulations, guidelines, and policies.

At its own discretion, the TAC may study, comment on, or evaluate any aspect of marine oil spill prevention and response in the State. To the greatest extent possible, these studies are to be coordinated with studies being done by the Federal government, the Administrator, the CSLC, the State Water Resources Control Board (SWRCB), and other appropriate State and international entities.

Since 2003, the TAC has been required to report biennially to the Governor and the Legislature on its evaluation of marine oil spill prevention and response within the State. The TAC may also prepare and send any additional reports it determines to be appropriate to the Governor and the Legislature.

The TAC meets on a quarterly basis throughout the year. All TAC meetings are open to the public pursuant to the Bagley-Keene Open Meeting Act and portions of each meeting are devoted to public input on any issue affecting California's marine oil spill programs.

Issues and Accomplishments
2007/2008

Monitoring of Oil Spill Fund Balances

The Oil Spill Response Trust Fund (OSRTF or Fund 321) is available to the OSPR Administrator to carry out his duty for the cost of responding to marine spills until such time that the Fund is reimbursed by the responsible party, by the Federal Government Oil Spill Trust Fund, or if the cost of response can not be collected. The OSRTF was initially funded by a twenty-five cent ($0.25) per barrel (42 U.S. gallons) fee. The fee was discontinued once the fund balance reached a prescribed level. The fee must be reinstated if the balance falls below 95% of the prescribed level. During 2005/2006 the TAC became aware of discrepancies in the Fund balance resulting in the resources within dropping close to the level required to trigger a reinstatement of the fee. The accounting and allocation errors have since been corrected without the need for such fee reinstatement. Since then, the TAC has requested regular briefings from OSPR on fund activity and balance. During this reporting period, the TAC has seen no irregularities with the Fund balance.

As part of their periodic reports, OSPR has also provided the TAC with financial reports for the Oil Spill Prevention and Administration Fund (OSPAF or Fund 320). This fund is used to finance OSPR's operating budget and the State marine oil spill programs. The funding is provided by $0.05 fee per barrel (42 U.S. gallons) on crude oil and petroleum products received at a marine terminal. The fee was last increased in 2003. As part of the Department of Finance Audit recommendations, the TAC has been monitoring the fund surplus to ensure the fee level is appropriately set to fund the mandates of the Lempert-Keene-Seastrand Act.

The OSPAF surplus is currently adequate to provide a prudent reserve. The Fund 320 surplus is projected to diminish over the coming years. The TAC is concerned that the prudent reserve be maintained and that the surplus not be used to fund additional programs if it is in danger of being exhausted. The TAC will continue to vigilantly monitor the OSPR budget and Administration Fund surplus to avoid un-mandated use of the surplus.

Implementation of Department of Finance Audit Findings and Recommendations

In 2005 the Department of Finance published their report entitled, "*2005 Department of Finances' (DOF) Report on the Department of Fish and Game (DFG), Office of Spill Prevention and Response (OSPR), Review of Fiscal and Program Activities.*" During the 2005/2006 reporting period, the TAC conducted a detailed review of the report. In the TAC 2005-2006 Biennial Report a number of audit issues were identified for the Governor and Legislature that required further action.

While OSPR has addressed a number of the identified issues, the TAC continues to monitor those that need further action or are works in progress. These issues include the following:

- Need for full disclosure on perceived inequities between indirect costs charged to the OSPAF and those charged to other DFG funds.
- Recommendation that the OSPAF-supported agencies be given appropriate spending authority, through the Department of Finance's Budget Change Proposal process, to fulfill their oil spill prevention mandates in order to avoid future OSPAF surpluses.
- Proposal that if a surplus remains after the full mandates of the oil spill agencies are implemented, the Administrator of OSPR review the fee assessed on the oil industry to ensure that the level of assessment meets the needs of the program in accordance with Section 8670.40 of the Government Code that states, "The State Board of Equalization shall collect a fee in the amount determined by the administrator to be sufficient to carry out the purposes set forth in subdivision (e) (eligible programs), and a reasonable reserve for contingencies. The annual assessment may not exceed five cents ($0.05) per barrel of imported crude oil or petroleum product."
- Development of an electronic system that will streamline spill data collection. OSPR has made great strides in this area, and the TAC urges them to continue to refine their database.
- Implementation of an Inland Spills Program made progress with the passage of AB 2911. As noted below, the TAC will continue to monitor the implementation of this program.

Inland Pollution Program

During this reporting period OSPR has regularly briefed the TAC on the current planning and response system for inland oil spills. For most of this reporting period, inland spill responses still had no single agency with Incident Command authority or clear jurisdiction over the response and prevention activities. Dedicated funding is still not available. The TAC has been supportive of OSPR's efforts to enhance the Inland Spills Program despite these challenges.

During the 2008 Legislative Session, AB 2911 (Wolk, Chapter 565, Statutes of 2008) was signed by the Governor making certain marine oil spill provisions applicable to inland oil spills, such as designating the OSPR Administrator as incident commander for inland oil spill cleanup; makes responsible parties liable for damages similar to those for marine oil spills; and allows for administrative enforcement of inland oil spills. The bill also strengthens enforcement penalties for both inland and marine oil spills. The new law however <u>does not</u> include any provisions for creating a dedicated funding source for the Inland Pollution Program. The TAC will continue to be involved in discussions regarding a viable Inland Pollution Program.

Inappropriate Personnel Charges to the Oil Spill Prevention and Administration Fund

Funds in the Oil Spill Prevention and Administration Fund can be used only for statutorily defined purposes in California Government Code, Section 8670.40(e), which include: implement oil spill prevention programs; research prevention and control technology; finance environmental and economic studies relating to the effects of oil spills; implement, install, and maintain emergency programs, equipment, and facilities to respond to oil spills; respond to an imminent threat of an oil spill.

At the request of the Joint Legislative Audit Committee, the California State Auditor's Bureau of State Audits conducted an audit of the Department of Fish and Game's Office of Spill Prevention and Response. The audit was published on August 28, 2008. In the Chapter Summary section of Chapter 3 of the report the audit finds:

> "We noted several instances in which salaries of Department of Fish and Game (Fish and Game) employees were charged to the fund for purposes not related to oil spill prevention. Specifically, the fund was charged for time spent by wardens on general activities not specific to spill prevention (general activities). These staff are among those in 45.5 positions in four units whose reporting relationships have been redirected from direct spill office control (restructured) to that of other Fish and Game units since 2000. We also noted inappropriate charges for several staff in the restructured legal and communications units. In addition, the restructuring has caused friction between Fish and Game and spill office management, although it does not appear to have affected the spill office's overall ability to carry out its mission related to the three largest restructured units."

The TAC was made aware of the restructuring issue in January of 2007. The Bureau of State Audit report confirms that the redirection practices continue. The TAC has asked the OSPR Administrator to report to the TAC on steps that are being taken to ensure the fund monies are being used only for authorized purposes. The TAC will monitor this issue during 2009 and report on progress to address inappropriate use of funds.

2008 Adopted Oil Spill Legislation

SB 1739 (Simitian, Chapter 566) requires oil spill contingency plans to include training and drills on some elements of a plan at least annually, and all elements of a plan at least once every 3 years; adds additional elements in Rating an Oil Spill Response Organization; and authorizes the OSPR Administrator to draft regulations to require an independent drill monitor when a plan holder requests drill credit for an out-of-state drill.

AB 1960 (Nava, Chapter 562) requires the Department of Conservation's Division of Oil, Gas, and Geothermal Resources to prescribe by regulation minimum facility maintenance standards, and authorizes inspections and cease and desist orders. The bill also establishes penalties for false or misleading reports of oil spills in marine and inland waters.

AB 2031 (Hancock, Chapter 563) requires the OSPR Administrator to create training programs for local government spill response managers who would train and certify oil spill response volunteers; and to offer grants to provide spill response equipment to local governments. The bill also requires updates to the Office of Emergency Services by the Responsible Party if the initial spill report was inaccurate, incomplete, or if the quantity of the spilled oil has changed.

AB 2911 (Wolk, Chapter 565) makes certain marine oil spill provisions applicable to inland oil spills, such as designating the Administrator OSPR as incident commander for inland oil spill cleanup; makes responsible parties liable for damages similar to those for marine oil spills; and allows for administrative enforcement of inland oil spills. The Administrator is required to update the State Oil Spill Contingency Plan to include both a marine and inland water section. Additionally, the bill appropriates funds for the Oiled Wildlife Care Network to train field-based rescue teams and manage the search and rescue of oiled wildlife for OSPR.

AB 2935 (Huffman, Chapter 564) specifies that the Director of DFG must close waters to fisheries within 24 hours of an oil or other petroleum product spill of 42 gallons (1 barrel) or more. Within 48 hours of the spill the Director, in consultation with the Office of Environmental Health Hazard Assessment, is required to assess the public health hazard in the area of the spill, the need for additional closures, and develop weekly expedited testing. The bill also requires OSPR to update their California Oil Spill Contingency Plan to significantly expand response planning for environmentally sensitive areas, and consider utilizing private working craft for spill response and clean up.

Priority Issues for TAC in 2009/2010

Implementation of New Legislation and Regulations

As a result of the November 2007 *Cosco Busan* oil spill in San Francisco Bay, the Legislature adopted five oil spill related bills that the Governor signed into law in 2008. During 2009, OSPR will be implementing these new laws. The TAC will monitor OSPR's progress in revising regulations, developing policies to implement these new provisions, and possible amendments to newly adopted legislation.

Also during 2008, OSPR drafted proposed amendments to the tank and non-tank vessel oil spill contingency plan regulations in response to the Governor's request to review existing response requirements. The formal rulemaking process was begun in December 2008 with public hearings scheduled for late January 2009. The TAC will monitor the implementation of these new requirements.

Implementation of Various Report/Audit/Investigation Recommendations

In the aftermath of the *Cosco Busan* incident there were a number of reports, audits, studies, and investigations conducted that are discussed in the 2007/2008 Issues and Accomplishments section of this report. During 2009, the TAC will monitor and report on OSPR's progress on implementing a number of recommendations that did not require new legislation. These recommendations will be implemented through amending current regulations, development of new policies, or to ensure best achievable protection standards are met.

Development of Inland Pollution Program

AB 2911 (Wolk, Chapter 565, Statutes of 2008) makes certain marine oil spill provisions applicable to inland oil spills. Although AB 2911 gives OSPR the authority over inland oil spills, the bill does not create any new sources of funding. It will be a challenge to identify and secure the appropriate funding sources for a viable Program. TAC will continue to monitor the progress toward creating a fully funded, comprehensive Inland Pollution Program.

Resolution of Staff Redirection Issues

In the TAC 2005/2006 Biennial Report, we identified as a concern the redirection of a number of positions within the enforcement, technology, and legal sections of the OSPR into the Department of Fish and Game. These redirected positions are funded by the Oil Spill Prevention and Administration Fund. The TAC believed then and continues to believe that redirection of these positions diminishes the ability of the Administrator to reasonably discharge and maintain

his/her fiduciary responsibility and authority over resources that should be under his supervision as defined in the Act.

The staff redirection issue was a topic in the California State Auditor's 2008 Report on the Office of Spill Prevention and Response. The TAC intends to continue to monitor this issue and hold OSPR and the DFG accountable to address our concerns.

Continued Development of the Spills Database

During the last reporting period OSPR spent considerable time and effort developing a statewide spills database. The database included not only marine oil spills, but all spills reported in California. This resulted in a very comprehensive listing of spills by material, volume, location, and source. This information is very valuable when trying to understand origins and risks for spills. The TAC encourages OSPR to continue with the development of the database and to keep it current. The TAC will request periodic progress reports and provide our comments and observations to OSPR on this valuable effort.

OSPR Budget and Administrative Fund Issues

During the upcoming 2009/2010 reporting period, the TAC will continue to monitor the status of the Oil Spill Response Trust Fund and the Oil Spill Prevention and Administration Fund. OSPR will be requested to provide reports on the funds status at each quarterly TAC meeting. The TAC is concerned, given the state of the national and California economies, that OSPR funding generated from the $0.05 per barrel (42 U.S gallons) fee on crude oil and petroleum products received at marine terminals may be impacted by the slowdown in the economy. The TAC will request OSPR to develop contingencies in the event funding for their programs is diminished.

Marine Oil Terminal Engineering and Maintenance Standards

Under the State Lands Commission, the Marine Oil Terminal Engineering and Maintenance Standard (MOTEMS) is now Chapter 31F of the 2001 California Building Code and became enforceable on February 6, 2006. Initial audits were due in August 2008 for "high risk" terminals. The State Lands Marine Facilities Division (MFD) is responsible for reviewing the audits. As the MOTEMS requires, if serious deficiencies are found the operator must submit a rehabilitation plan and schedule, mutually agreeable to MFD and the operator. The TAC intends to carefully monitor the efforts of the State Lands Commission MFD to implement the MOTEMS program.

PORTS Statewide Implementation

In 2007, SB 965 (Senator Lowenthal) proposed establishing a California Physical Oceanographic Real Time System (CalPORTS) in all five major California harbors to provide real-time tide, current and wind information vs. tide table predictions based on twenty-year averages. The bill did not pass out of the Senate Appropriations Committee. Both San Francisco Bay and Los Angeles/Long Beach (LA/LB) have existing PORTS, the later funded by two local port authorities. In contrast, the San Francisco Bay Region PORTS covering with a complex of seven port authorities, five refineries, 20 marine terminals, and seven ferry terminals, PORTS was funded by the State, but was scheduled to be shut down by June 30, 2008 because of no permanently dedicated funding.

However, several weeks after the Cosco Busan incident, the Governor on December 7, 2007 determined that PORTS was essential to navigation in San Francisco Bay. His Directive stated that PORTS funding be extended through FY 2008-09 and that there be work to obtain state and federal funding to modernize the system and provide for permanent operation. Subsequently, OSPAF funding has been ear marked for operations and maintenance and an additional $300,000 recently allocated to complete San Francisco PORTS. The TAC will monitor progress on PORTS development and funding and will make recommendations as necessary to the OSPR Administrator, Governor, and Legislature.

Conclusions

The TAC is a forum to provide public input and independent oversight of the OSPR Administrator and the oil spill programs of California. During the last two years, OSPR filled a high profile role in protecting the California environment. The November 2007 *Cosco Busan* oil spill brought much attention to oil spill preparedness in California from the public and the Legislature. A number of important bills dealing with oil spill prevention and response were signed into law. The Governor also directed OSPR to review existing oil spill contingency planning regulations to ensure response requirements that provide the Best Achievable Protection to the California environment. OSPR has expended a tremendous amount of time and energy dealing with the aftermath of the *Cosco Busan*. In addition TAC has supported the OSPR directive to each of the five Harbor Safety Committees to adopt Best Maritime Practices for each harbor to prevent vessel accidents, particularly during periods of reduced visibility.

During 2009–2010, OSPR will face continued challenges implementing amended regulations and developing new regulations, policies, and procedures to address the newly enacted legislation. This increase in activity will be in addition to continuing their primary mission of administering the prevention, preparedness, and response programs of the State. The TAC looks forward to working very closely with the Administrator to provide public input and independent judgment regarding the operations of oil spill prevention and response activities in the State. The TAC will also make timely recommendations to the Administrator, the State Lands Commission, the California Coastal Commission, the San Francisco Bay Conservation and Development Commission, and the State Interagency Oil Spill Committee on any pertinent provision of the Act including the promulgation of all rules, regulations, guidelines, and policies.

APPENDIX A

California Government Code
[Selected Sections]

Article 8. Oil Spill Technical Advisory Committee

§ 8670.54. Committee established; appointment of members

(a) The Oil Spill Technical Advisory Committee, hereafter in this article the committee, is hereby established to provide public input and independent judgment of the actions of the administrator and the State Interagency Oil Spill Committee. The committee shall consist of ten members, of whom six shall be appointed by the Governor, two by the Speaker of the Assembly, and two by the Senate Rules Committee. The appointments shall be made in the following manner:

(1) The Speaker of the Assembly, and Senate Rules Committee shall each appoint members who shall be representatives of the public.

(2) The Governor shall appoint a member who has a demonstrable knowledge of marine transportation.

(3) The Speaker of the Assembly and the Senate Rules Committee shall each appoint a member who has demonstrable knowledge of environmental protection and the study of ecosystems.

(4) The Governor shall appoint a member who has served as a local government elected official or who has worked for a local government.

(5) The Governor shall appoint a member who has experience in oil spill response and prevention programs.

(6) The Governor shall appoint a member who has been employed in the petroleum industry.

(7) The Governor shall appoint a member who has worked in state government.

(8) The Governor shall appoint a member who has demonstrable knowledge of the dry cargo vessel industry.

(b) The committee shall meet as often as required, but at least twice per year. Members shall be paid one hundred dollars ($100) per day for each meeting and all necessary travel expenses at state per diem rates.

(c) The administrator and any personnel the administrator determines to be appropriate shall serve as staff to the committee.

(d) A chairman and vice chairman shall be elected by a majority vote of the committee.

§ 8670.55. Recommendations from committee; studies

(a) The committee shall provide recommendations to the administrator, the State Lands Commission, the California Coastal Commission, the San Francisco Bay Conservation and Development Commission, and the State Interagency Oil Spill Committee, on any provision of this chapter including the promulgation of all rules, regulations, guidelines, and policies.

(b) The committee may, at its own discretion, study, comment on, or evaluate, any aspect of oil spill prevention and response in the state. To the greatest extent possible, these studies shall be coordinated with studies being done by the federal government, the administrator, the State Lands Commission, the State Water Resources Control Board, and other appropriate state and international entities. Duplication with the efforts of other entities shall be minimized.

(c) The committee may attend any drills called pursuant to Section 8601.10 or any oil spills, if practicable.

(d) The committee shall report biennially to the Governor and the Legislature on its evaluation of oil spill response and preparedness programs within the state * * * and may prepare and send any additional reports to be appropriate to the Governor and the Legislature.

(e) On or before August 1, 2005, the committee shall review the Department of Finance report required under Section 8670.42 and prepare and submit to the Governor and the Legislature comments on the report, including, but not limited to, recommendations for improving the state's oil spill prevention, response, and preparedness program.

§ 8670.56. Funding

The administrator may expend from the Oil Spill Prevention and Administration Fund any amounts necessary for the purposes of carrying out this article.

(a) The Legislature hereby finds and declares that because the administrator must rely on expertise provided by members of the committee and be guided by their recommendations in making decisions that relate to the public safety, members of the committee should be entitled to the same immunity from liability provided other public employees.

(b) Members of the committee appointed pursuant to this article, while performing duties required by this article or by the administrator, shall be entitled to the same rights and immunities granted public employees by Article 3 (commencing with Section 820) of Chapter 1 of Part 2 of Division 3.6 of Title 1. Those rights and immunities are deemed to have attached, and shall attach, as of the date of appointment of the member to the committee.

Appendix B

Office of Spill Prevention and Response

TECHNICAL ADVISORY COMMITTEE (TAC)

Member	Alternate
Mr. Stephen Ricks (Chair) Marine Spill Response Corporation 2070 Commerce Avenue Concord, California 94520 Tel: (925) 405-0511 Fax: (925) 825-2203 Email: ricks@msrc.org Reappointed: May 11, 2001 By: Governor Davis As: Oil Spill Response Representative	Mr. Raymond C. Nottingham Marine Spill Response Corporation 330 E. Spring Street Long Beach, California 90806 Tel: (562) 981-7610 Fax: (562) 981-7601 Email: nottingham@msrc.org
Dr. Jonna Mazet (Vice Chair) Wildlife Health Center School of Veterinary Medicine University of California – Davis One Shields Avenue Davis, California 95616 Tel: (530) 754-9035 Fax: (530) 752-3318 Email: jkmazet@ucdavis.edu Appointed: May 11, 2001 By: Governor Davis As: State Government Representative	Dr. Michael Ziccardi Wildlife Health Center School of Veterinary Medicine University of California – Davis One Shields Avenue Davis, California 95616 Tel: (530) 752-4167 Fax: (530) 752-3318 Email: mhziccardi@ucdavis.edu
Ms. Sejal P. Choksi San Francisco Baykeeper 785 Market Street, Suite 850 San Francisco, California 94103 Tel: (415) 856-0444, ext. 107 Fax: (415) 856-0443 Email: sejal@baykeeper.org Appointed: August 4, 2004 By: John L. Burton, Chairman Senate Rules Committee As: Environmental Representative	Ms. Jennifer Kovecses Staff Scientist San Francisco Baykeeper 785 Market Street, Suite 850 San Francisco, California 94103 Tel: (415) 856-0444, ext. 108 Email: jen@baykeeper.org

Member	Alternate
Carol Baker Office of Assembly Speaker Bass State Capitol, Room 219 Sacramento, CA 95814 Attn: Denise Vallier, Special Assistant to the Speaker Tel: 916-454-3707 Fax: Email: rmb-crb@comcast.net Appointed: November 21, 2008 By: Speaker Bass As: Environmental Representative	
Mr. R. Mitchel Beauchamp Pacific Southwest Biological Services 1434 East 24th Street National City, California 91950-6010 Tel: (619) 477-5333 Fax: (619) 477-5380 Email: mitch@PSBS.com Appointed: August 13, 2002 By: Herb J. Wesson, Jr. Speaker of the Assembly As: Public Representative	
Mr. Matt Rezvani BP America, Inc. 6 Center Pointe Drive La Palma, California 90623 Tel: (714) 670-5462 Fax: (714) 670-5480 Email: matt.rezvani@BP.com Appointed: May 11, 2001 By: Governor Davis As: Petroleum Representative	Ms. Laura Kovary BP Shipping 1300 Pier B Street Long Beach, California 90813 Tel: (562) 499-2332 Fax: (562) 499-2300 Email: laura.kovary@BP.com
VACANT New appointment pending As: Marine Transportation Representative	
Ms. Joan Lundstrom 48 Frances Avenue Larkspur, California 94939 Tel: (415) 461-4566 Fax: (415) 927-5098 Email: jlundstrom@larkspurcityhall.org Appointed: May 11, 2001 By: Governor Davis As: Local Government Representative	Ms. Rosemary M. Corbin 114 Crest Avenue Richmond, California 94801 Tel: (510) 235-5779 Email: rdcorbin@sbcglobal.net

Member	Alternate
Mr. Thomas Ford Executive Director Santa Monica Baykeeper 3100 Washington Blvd., 2nd Floor Marina del Rey, California 90292 Tel: (310) 305-9645 ext. 2 Fax: (310) 305-7985 Email: tford@smbaykeeper.org Appointed: August 28, 2008 By: Don Perata, Chairman Senate Rules Committee As: Public Representative	Mr. Mark Abramson Watershed Programs Director Santa Monica Baykeeper 3100 Washington Blvd., 2nd Floor Marina del Rey, California 90292 Tel: (310) 305-9645 ext. 3 Fax: (310) 305-7985 Email: mabramson@smbaykeeper.org
Mr. John Berge Vice President Pacific Merchant Shipping Association 250 Montgomery Street, Suite 700 San Francisco, California 94104 Tel: (415) 352-0710 Fax: (415) 352-0717 Email: Jberge@pmsaship.com Appointed: July 29, 2008 By: Governor Schwarzenegger As: Dry Cargo Industry Representative	Mr. John McLaurin President Pacific Merchant Shipping Association 250 Montgomery Street, Suite 700 San Francisco, California 94104 Tel: (415) 352-0710 Fax: (415) 342-0717 Email: jmclourin@pmsaship.com