



Office of Spill Prevention and Response

Oil Spill Funding

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

The Oil Spill Response Trust Fund

OSRTF supports spill response activities as well as provides funding for a network of oiled wildlife care facilities along the California coast. By law, response costs are recovered from parties responsible for spills and deposited back in the fund. At the inception of the program, reserves of this fund were created through the collection of a 25-cents-per-barrel fee on petroleum products received at California marine terminals from a point of origin outside of California. The fund capped at \$50 million after only a few months of fee collection and the fee was discontinued and has never been re-imposed.

Oil Spill Prevention and Administration Fund

OSPAF is funded by a fee of 5 cents per barrel (42 gallons) on crude oil received at a marine terminal from within or outside the state, and petroleum products received at a marine terminal from outside the state. This fund supports the day-to-day operation of the program, primarily spill prevention and preparedness activities.

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

Cost Recovery – OSPR is also mandated to seek reimbursement of all costs incurred in responding to spill incidents. This includes response, containment, cleanup, and natural resource damage assessment activities. There are several methods of cost recovery that include: 1) submitting costs along with legal actions; 2) submitting costs directly to the responsible party; and 3) submitting a claim to the Federal Oil Spill Liability Trust Fund if no responsible party exists or is unable to pay.

Federal Oil Spill Liability Trust Fund

This fund is managed by the federal government (Coast Guard or U.S. EPA), and is used when no responsible party is identified or the responsible party is incapable of paying for the spill response. The OSLTF has two major components: 1) **The Emergency Fund** is available for Federal On-Scene Coordinators (FOSCs) to respond to discharges and for federal trustees to initiate natural resource damage assessments. 2) **The remaining Principal Fund** balance is used to pay claims and to fund appropriations by Congress to federal agencies to administer the provisions of Oil Pollution Act (OPA) and support research and development.