

**DEQ**

# Oil Spill Planning Annual Report

Oregon Department of Environmental Quality

Land Quality Division

October 2010



State of Oregon  
Department of  
Environmental  
Quality



Land Quality Division  
Environmental Cleanup &  
Emergency Response Section  
811 SW 6<sup>th</sup> Avenue  
Portland, OR 97204  
Phone: (503) 229-5696  
(800) 452-4011  
Fax: (503) 229-5850  
Contact: Michael Zollitsch  
503-229-6931  
[Zollitsch.michael@deq.state.or.us](mailto:Zollitsch.michael@deq.state.or.us)  
[www.deq.state.or.us](http://www.deq.state.or.us)

# 2010 Oil Spill Planning Annual Report

## Table of Contents

Introduction .....	2
Fee Categories .....	2
Projected, Actual Fee Generating Events Activities for FYs 2008/2009/2010.....	3
Projected and Collected Revenue .....	3
Oregon Department of Environmental Quality Activities Under ORS 468B.300 through 468B.500 during FY 2009 .....	5
Summary .....	9

## Introduction

The 2007 Oregon Legislature passed Senate Bill 105, which was subsequently signed into law by the governor. SB 105 amended Oregon Revised Statutes 468B.300 and 468B.405 which are the state statutes governing oil spill contingency planning requirements including associated oil spill contingency planning fees for covered vessels and facilities. The fees are dedicated to implement work required of the Oregon Department of Environmental Quality by ORS 468B.300 through 468B.500.

One of SB 105's requirements is that each year DEQ publishes a report for the previous fiscal year (starting July 1 and ending June 30) addressing the following:

- Fees assessed and collected under ORS 468B.405 on covered vessels and offshore and onshore facilities; and
- DEQ activities described by ORS 468B.410(4).

This report documents fees collected for oil spill planning and related activities conducted by DEQ. This report also provides an analysis to ensure that sufficient fees are collected to meet DEQ's budgetary needs for oil spill contingency planning. This report is made available to those who paid fees under ORS 468B.405 and to the general public.

## Fee Categories

Oregon Revised Statutes 468B.405 establishes fees to fund DEQ's oil spill contingency planning requirements. Those fees are collected from facilities (including pipelines) located on or near navigable waters of the state that transfer oil in bulk and covered vessels. Covered vessels include: vessels more than 300 gross tons, tank ships and barges transporting oil in bulk and dredges. The table below indicates the fee for each category before and after SB 105 was passed.

**Table 1**

<i>Categories</i>	<i>Facilities (Annual Fee)</i>	<i>Cargo and Passenger Vessels (Per Trip)</i>	<i>Tank Vessels (Per Trip)</i>	<i>Tank Barges * &lt;25,000 BBLS (Per Trip)</i>	<i>Tank Barges &gt;25,000 BBLS &lt; 100,000 BBLS (Per Trip)</i>	<i>Tank Barges &gt; 100,000 BBLS (Per Trip)</i>	<i>Dredges (Per Day Fee)</i>
<b><i>Prior to SB 105</i></b>	\$4,500	\$49	\$836	\$42			\$24
<b><i>Established by SB 105</i></b>	\$5,900	\$70	\$1,200	\$60	\$70	\$100	\$36

\* Prior to SB 105, all tank barges paid the same fee regardless of volume

### Projected and Actual Fee Generating Events for Fiscal Years 2008, 2009 and 2010

DEQ worked with the petroleum and maritime industry to forecast the number of annual activities that would generate fees under ORS 468.B.405. Table 2 shows projected fee generating events and the actual events for Fiscal Years (FY) 2008, 2009 and 2010.

**Table 2**

<i>Type of Activity</i>	<i>Projected Annual Fee Generating Activities</i>	<i>Actual FY 2008 Fee Generating Activities</i>	<i>Actual FY 2009 Fee Generating Activities</i>	<i>Actual FY 2010 Fee Generating Activities</i>
<i>Facilities Annual Fee</i>	20	20	20	20
<i>Cargo Vessel Trips</i>	1600	1826	1508	1386
<i>Tank Vessel Trips</i>	80	71	52	54
<i>Barge Type 1 Trips*</i>	525	568	476	581
<i>Barge Type 2 Trips*</i>	700	582	566	492
<i>Barge Type 3 Trips*</i>	80	43	50	55
<i>Dredge Daily Operation Fee</i>	45	58	140	73

\* Barge Types were not applied until Aug. 1 2007

### Projected and Collected Revenue

Table 3 indicates projected revenue based on the anticipated activity levels for each fee category, the actual revenue collected during the last three fiscal years and a three year average. Vessel fees did not go into effect until Aug. 1, 2007, so the revenue collected during the year did not accurately reflect the annualized revenue potential of the revised fees for the first year the fees were in effect.

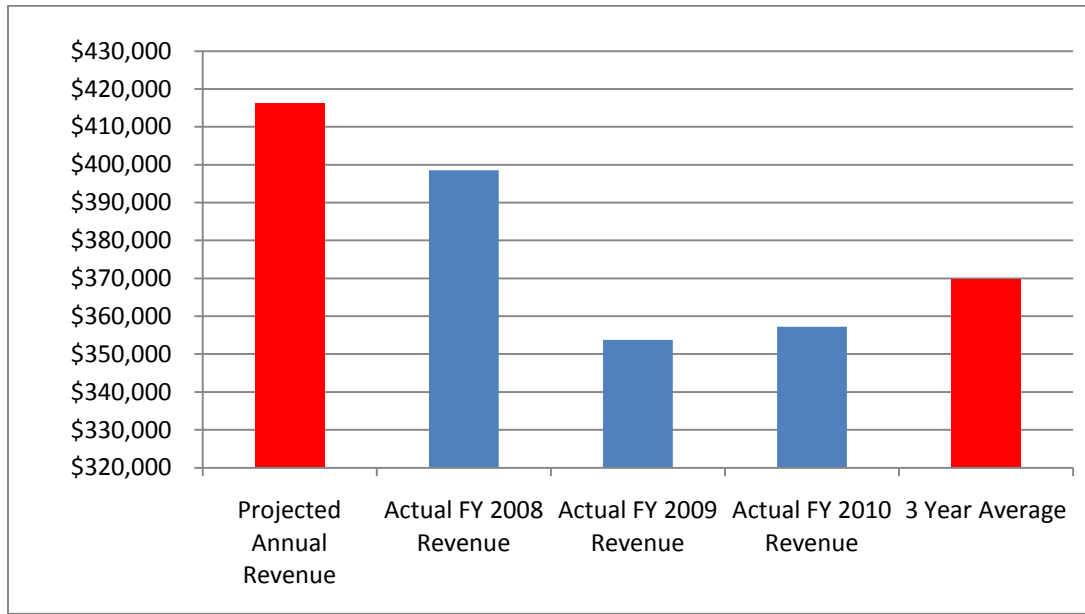
**Table 3**

<i>Fee Type</i>	<i>Projected Annual Revenue</i>	<i>FY 2008 Actual Revenue</i>	<i>FY 2009 Actual Revenue</i>	<i>FY 2010 Actual Revenue</i>	<i>3 year Average</i>
<i>Facilities</i>	\$118,000	\$118,000	\$118,000	\$118,000	\$118,000
<i>Cargo Vessels</i>	\$112,000	\$120,626	\$105,560	\$97,020	\$107,735
<i>Tank Vessels</i>	\$ 96,000	\$ 79,376	\$ 62,400	\$64,800	\$68,859
<i>Barge Type 1</i>	\$ 31,500	\$ 39,852	\$ 27,300	\$34,860	\$34,004
<i>Barge Type 2</i>	\$ 49,000	\$ 34,720	\$ 30,450	\$34,440	\$33,203
<i>Barge Type 3</i>	\$ 8,000	\$ 3,900	\$ 5,000	\$5,500	\$4,800
<i>Dredges</i>	\$ 1,620	\$ 2,088	\$ 5,040	\$2,628	\$3,252
<i>Total</i>	\$416,120	\$398,562	\$353,750	\$357,248	\$369,853

Information from Table 3 is presented in Chart 1 in graphical form. The red column on the left side of the chart represents the projected annual revenue based on expected fee generating activity. The red column on the right hand side is the average for the three years since the fee increase took effect. The blue columns in the middle represent actual revenue for each fiscal year.

**Chart 1**

**Total Annual and 3 Year Average Revenue**



**Oregon Department of Environmental Quality Activities under ORS 468B.300 through 468B.500 during FY 2008**

DEQ responsibilities under ORS 468B.300 through 468B.500 are:

\*To ensure all regulated vessels and facilities have prepared oil spill contingency plans and that those plans meet requirements specific to protect navigable waterways of Oregon; and

\*To verify that equipment listed in oil spill contingency plans is available and adequately maintained; that personnel listed in the plans are trained; and that drills and exercises are conducted.

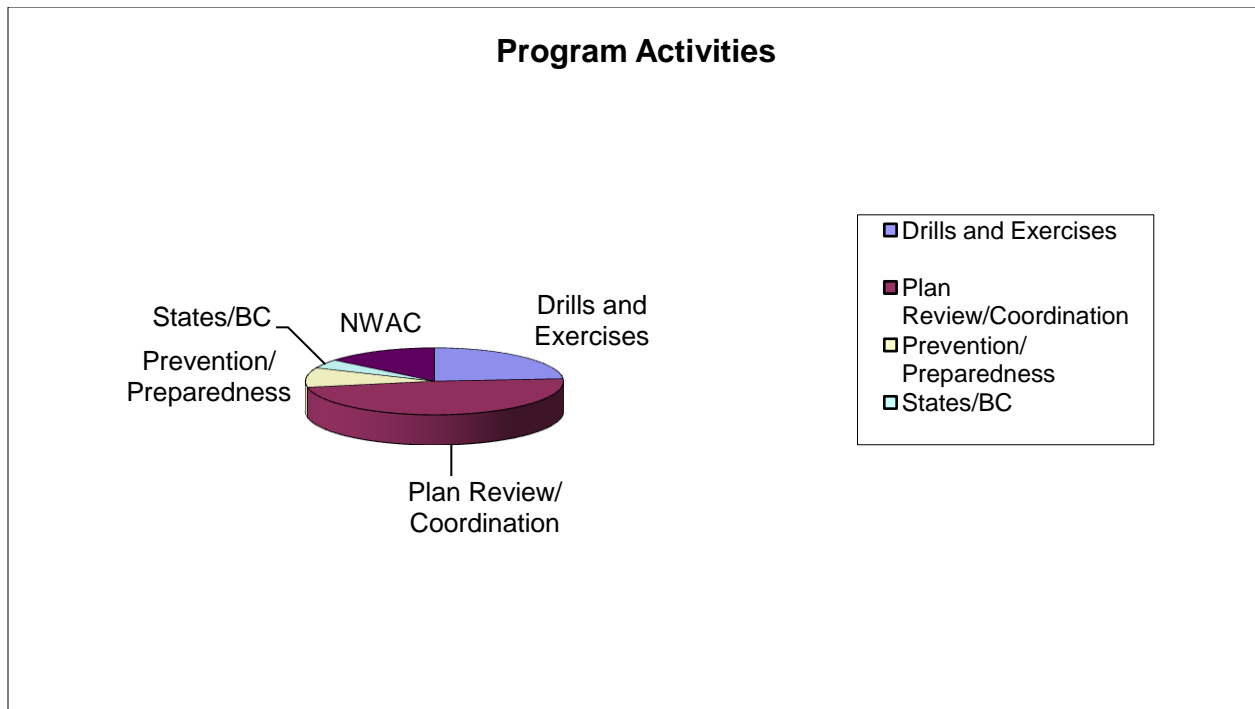
Other activities also charged to the Oil Spill Prevention Fund include:

- Contingency Plan Review and plan holder coordination

- Drills and Exercises,
- Geographic Response Plan development,
- Northwest Area Committee participation,
- Oil Spill Preparedness training
- Pacific States/British Columbia Oil Spill Task Force activities.

DEQ charged 3,926 hours to the Oil Spill Prevention Fund during FY 10, a decrease from 4,650 hours during FY 09. The approximate full-time equivalent used during FY 10 was 2.2 FTE and 2.3 was used in FY 09. Chart 2 breaks out activities charged to the Oil Spill Prevention Fund.

**Chart 2**



**Plan Review/Coordination**

DEQ spent much of the hours, approximately 48 percent, on plan review and direct coordination with plan holders. DEQ has 20 facility plans and seven vessel plans to review and maintain. DEQ approves plans for a five-year period and reviews any significant changes to the plans made during the year. DEQ approved two plans (Harvey Marine Services LLC and Chevron Willbridge Terminal) during FY 2010 and is waiting for final drafts on four other plans (KinderMorgan Integrated Plan, Vigor Industrial LLC, ConocoPhillips and Chevron Shipping). It is worth noting that the new KinderMorgan integrated plan incorporates the Willbridge and Linnton Terminals, the Portland/Eugene Pipeline and the Airport

Pipeline. The integration of this plan and the diverse protection strategies make this plan particularly challenging.

Progress has also been made on six other plans:

- BP West Coast Terminal
- McCall Oil
- Nustar Terminal
- Coos Bay Regional Cooperative
- Sause Bros. Ocean Towing Company
- Chevron Pipeline Co

All of these plans have received preliminary review and are in the process of being revised by the plan holders.

### **Drills and Exercises**

DEQ also participated extensively in several exercises during FY 2010 since this is an important part of its objective of collaboratively working with industry and agency counterparts to train and prepare for spills. For example, DEQ spent about 230 hours on preparing for and implementing SeaRiver's worst case exercise. These exercises provided an opportunity to utilize Unified Command with the U.S. Coast Guard and other key response personnel. DEQ followed Northwest Area Contingency Plan and protocols extensively at these events. DEQ staffed positions in the Unified Command, Joint Information Center, Liaison, Planning Section, Environmental Unit and Documentation unit. Other drills and exercises that DEQ participated in during the year included:

- McCall Oil Company
- Maritime Fire and Safety Association
- Conoco Phillips
- Paramount Petroleum
- Owens Corning Trumbull Asphalt
- Clean Rivers Mutual Aid Exercise (Equipment Deployment and GRP verification)

### **Regional Response Team and Northwest Area Committee**

DEQ fully participates in the Region 10 Regional Response Team and Northwest Area Committee. The Northwest Area Committee is responsible for continual development of the Northwest Area Contingency Plan. DEQ serves as one of the co-vice chairs of the Northwest Area Committee (as does a representative of each state) and provides leadership through the Steering Committee. DEQ also co-chairs the Geographic Response Plan work group and participates in the Science and Technology Workgroup, Logistics Workgroup and Public Affairs Workgroup.

## **Geographic Response Plan Development**

DEQ develops and maintains geographic response plans to cover the first 12 to 24 hours following a significant release to the coastal shoreline and bays, and major river systems. These plans identify resources to be protected and describe strategies to protect the resources and recover released oils. These plans are used by response contractors to provide a coordinated initial response until a Unified Command can be formed. The plans are periodically updated as information changes or new resource information becomes available. During the last fiscal year, DEQ updated the following Geographic Response Plans:

- Tillimook Bay
- Yaquina Bay
- Coos Bay

DEQ serves as co-chair of the NWAC Geographic Response Plan workgroup. The workgroup's mission is to recommend policy to the Regional Response Team and NWAC, share information and foster stakeholder coordination in the development, testing and periodic update of Geographic Response Plans in Washington, Oregon and Idaho in order to mitigate injury to sensitive resources from oil spills. Oregon co-chairs this workgroup.

The workgroup's objectives include:

- Identifying priorities for response plan development and updates.
- Promoting consistency of response plan form and content.
- Promoting efficient response plan distribution to response community.
- Helping educate the spill response community and public on the purpose, limitations and role of response plans.
- Aiding in the transfer of information from other workgroups to the response plan-producing agencies to support development of the plans.
- Developing procedures for review/revision and field verification of existing response plans as required to address changes in risks and targeted resources, and maintaining current information on response resources.
- Evaluating lessons learned during actual incidents or exercises and taking appropriate actions in the development or revision of policies related to response plans.
- Ensure that the response plans are consistent with all applicable policies, guidance and laws.
- Coordinate review of sections of the Northwest Area Contingency Plan pertaining to geographic response planning to address necessary changes within the contingency plan's update cycle.

## **Pacific States/British Columbia Oil Spill Task Force**

Oregon is a member of the Pacific States/British Columbia Oil Spill Task Force. The task force provides a regional forum for coordination and collaboration on oil spill prevention and response policy issues. Task force members are the state and provincial government directors of the oil spill prevention and response agencies in Hawaii, California, Oregon, Washington, British Columbia and Alaska. Oregon is represented on the task Force by the director of DEQ.

DEQ participates in selected task force projects, as some of the projects are not within the scope of the Oregon Oil Spill Prevention and Preparedness program. Task force projects that DEQ participated in during the past year include:

- Regional Oil Spill Database
- Planning Guidelines for Convergent Volunteer Management
- Information Exchange on Contingency Planning, Drills & Exercises, Mutual Aid, Oil Spill Response Organizations, Natural Resource Damage Assessment and Wildlife Care
- Tracking of the deployment of West Coast assets to the Gulf of Mexico.

### **Summary**

DEQ did not generate as much revenue from the Oil Spill Prevention fee as forecasted for the three years after the fees went into effect. The fixed facilities remained constant and revenue from this sector was easy to predict and accurate. Fees from tank vessels over 300 gross tons, Type 2 barges and Type 3 barges did not generate as much revenue as projected during all three years. The Type 1 barge fee category generated more revenue than projected during two of the three years. Fees collected from cargo vessels exceeded projections during the first year the fees were in effect but have declined over the past two years.

The effect of the lower revenue for DEQ has not caused budget problems for several reasons. DEQ left an oil spill planning position open prior to the end of FY 2007 and the position was also vacant during the first half of 2010 – thus the position was not filled for more than one year. This resulted in a savings for the program.

The net result of expenditures and revenue leaves a balance that should be adequate to maintain the current staffing level for the program through the 2011-13 biennium. If all approved positions had been filled during the past three years, there would have been a net loss rather than a balance. As discussed with oil spill planning stakeholders prior to the passage of SB 105, it was anticipated that an operating reserve be established as well as funds to carry over to future biennia so that fee increases would not be required every legislative session. DEQ should be able to adequately staff the oil spill prevention program and meet work plan expectations through the 2013 fiscal year if fees generated from covered vessels remain steady. There is no recommendation for changes to the fee structure for the 2011 legislative session. Should fees generated from covered vessels decline due to decreasing vessel trips, DEQ would have to look at increasing fees or reducing workload related to oil spill prevention and preparedness.