

# Oil Spill Advisory Council



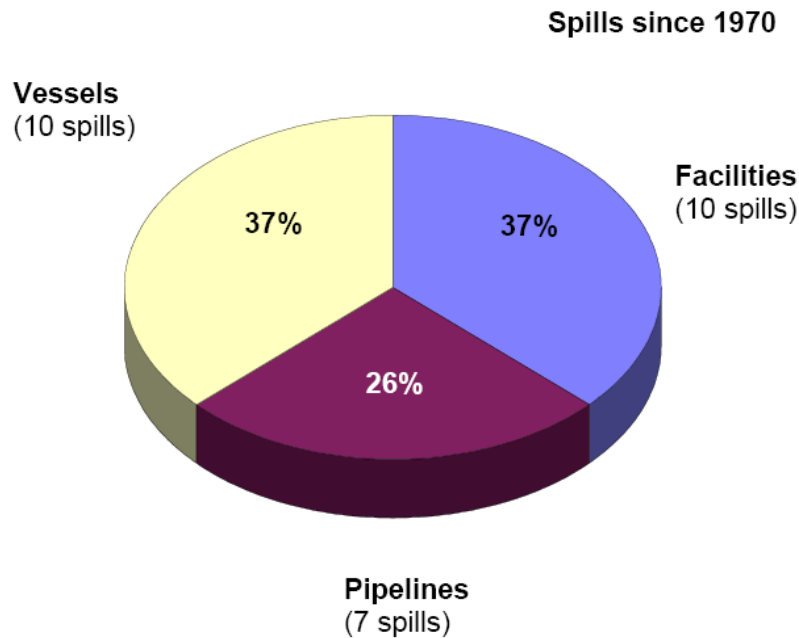
Working Together  
to Improve Washington's Oil Spill Program  
for Washington's Marine Ecosystems

# History and Statistics on Oil Spills in WA

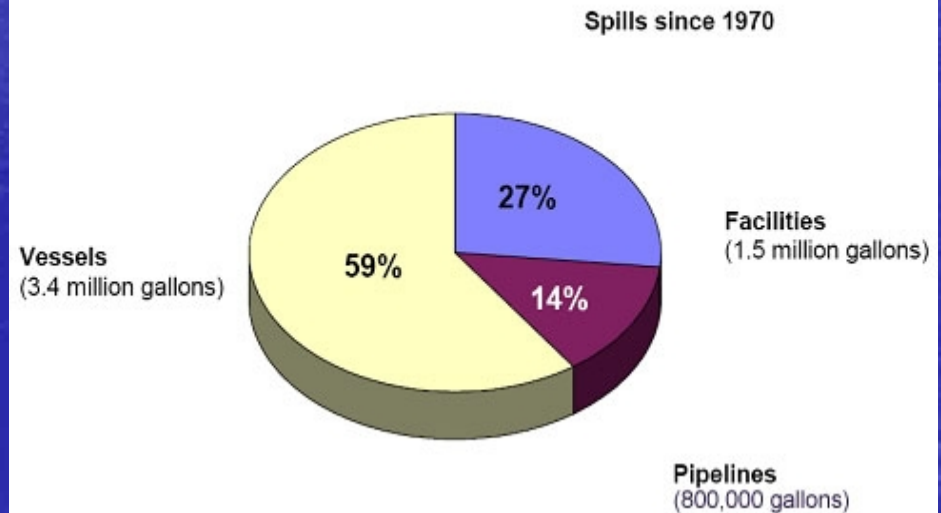
Why was the Council Created?

# Sources of Oil Spills

**Figure 3 — Major Oil Spills Over 10,000 Gallons:  
Number of Spills by Source**



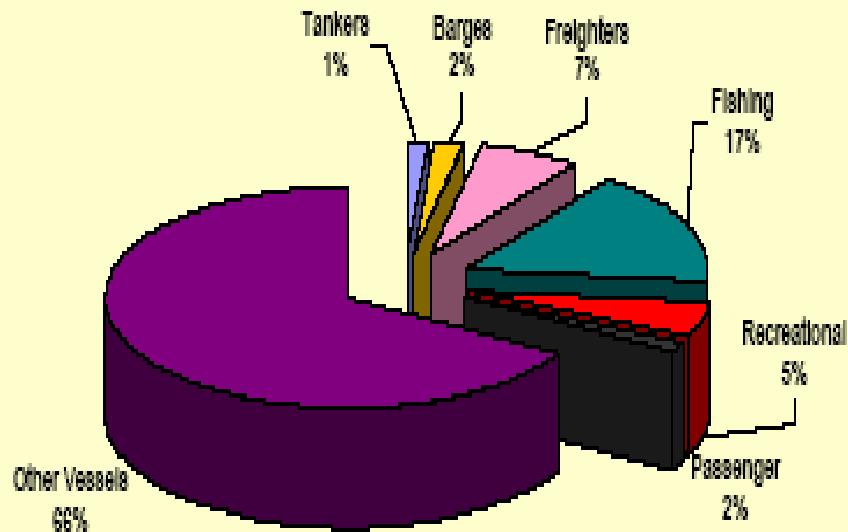
**Figure 4 — Major Oil Spills Over 10,000 Gallons:  
Total Volume of Oil Spilled by Source**



# Most Risky Vessels

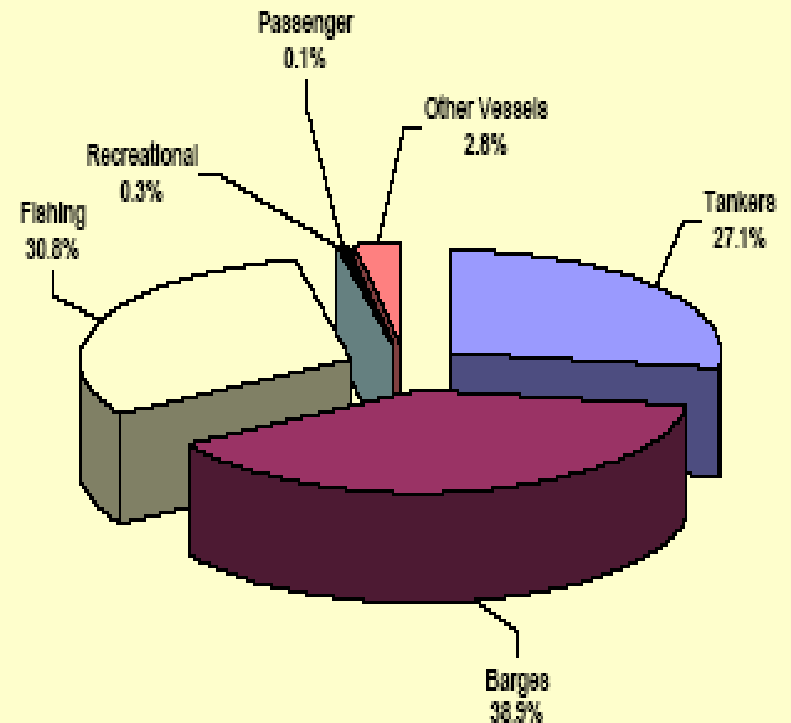
## Number

**Relative Percentages of Numbers of Oil Spills Into Washington State Waters By Vessel Type (1985-1999)**  
(Environmental Research Consulting Database)



## Amount/ Percentage

**Amount of Oil Spilled in Washington Waters (1985-1999)**  
(Environmental Research Consulting Database)



# Legislative Response to Point Wells Spill

- In late 2003 at Point Wells, oil transfer from on shore facility to barge: 4,800 gallon spill; significant damage to a sensitive estuary habitat and tribal cultural areas.
- In 2004 the Legislature passed a bill calling for a “zero spills” strategy and prevention measures during fuel transfers (such as pre-booming).

# Spill that led to creating the Oil Spill Advisory Council

- In October 2004, a mystery vessel spilled about 1,000 gallons of oil into Dalco Passage late at night and did not report it. At 1 a.m. a tugboat captain reported the spill; yet officials failed to respond until late afternoon. The spill oiled 21 miles of shoreline. This revealed the inadequacy of our prevention and response measures.
- Citizen groups argued: those who endure persistent oil spill threat and have most to lose also have least to say about regional oil spill policies.
- The Legislature agreed. Created Independent Council with Citizen Oversight Role.  
(RCW 90.56.120)

# Council Composition

- Non-voting Chair – Mike Cooper
- Environmental Reps (3)
- County Government Reps (3)
- Marine Trade Reps (2)
- Tribal Reps (2)
- Commercial Shellfish Growers Rep (1)
- Commercial Fishing Rep (1)
- Public Ports Rep (1)
- Oil Facilities Rep (1)
- Marine Labor Rep (1)
- Marine Recreation Rep (1)
- Shoreline Interests Rep (1)
- Tourism Rep (1)

# Council Decision Making Process for Advisory Recommendations

- Goal is Consensus

Under Council Operating Guidelines (done by consensus), to veto consensus = need three

- Nine may call for majority vote  
(not so far)

# Role of the Council

## Legislature Tasked Council with Eight Substantive Functions (RCW 90.56.130)

Two of these are:

- Early consultation with government decision makers re: state's oil spill prevention, preparedness, and response programs, analyses, rule making, and oil spill activities
- Provide independent advice, expertise, research, monitoring, and assessment of improvements to state's oil spill prevention, preparedness, and response programs, analyses, rule making, and other decisions.

# In addition, Annual Report Due

- The Legislature required the Council to
  - deliver a one-time report to the Governor and Legislature with recommendations for long-term and sustainable funding of
    - the Council's activities and
    - the state's oil spill preparedness, prevention, and response program
  - deliver an annual report to the Governor, Legislature, and Ecology recommending ways to continually improve the state's oil spill prevention, preparedness, and response program

# Bird's Eye View of Council Recommendations



# Consensus Carried the Day

The Council reached consensus on each recommendation in its October 2006, report.

# Minority reports

- Stakeholders casting dissenting opinions were given the opportunity to submit minority reports
- Those reports are included in the published report and online.

# Neah Bay Tug

- Fully funded, year-round "Straits and coastal Waters Response/Rescue Tug," at Neah Bay
- Primary mission: stand by and respond to & tow disabled or drifting vessels to prevent pollution events
- Should be: state-of-the-art and of sufficient power, maneuverability, and deck configuration so it can timely respond to any vessel in the response area in extreme weather conditions
- Should have: additional capabilities of spill response, firefighting, and early salvage (so long as primary service not compromised)

# Neah Bay Tug

Achieve this tug coverage through:

- State or federal statutes or regulations requiring all shippers to pay for tug
- State or federal appropriations generated by fees on potential spillers (i.e., tank vessels, cargo vessels, cruise lines, and others)
- Combination of above

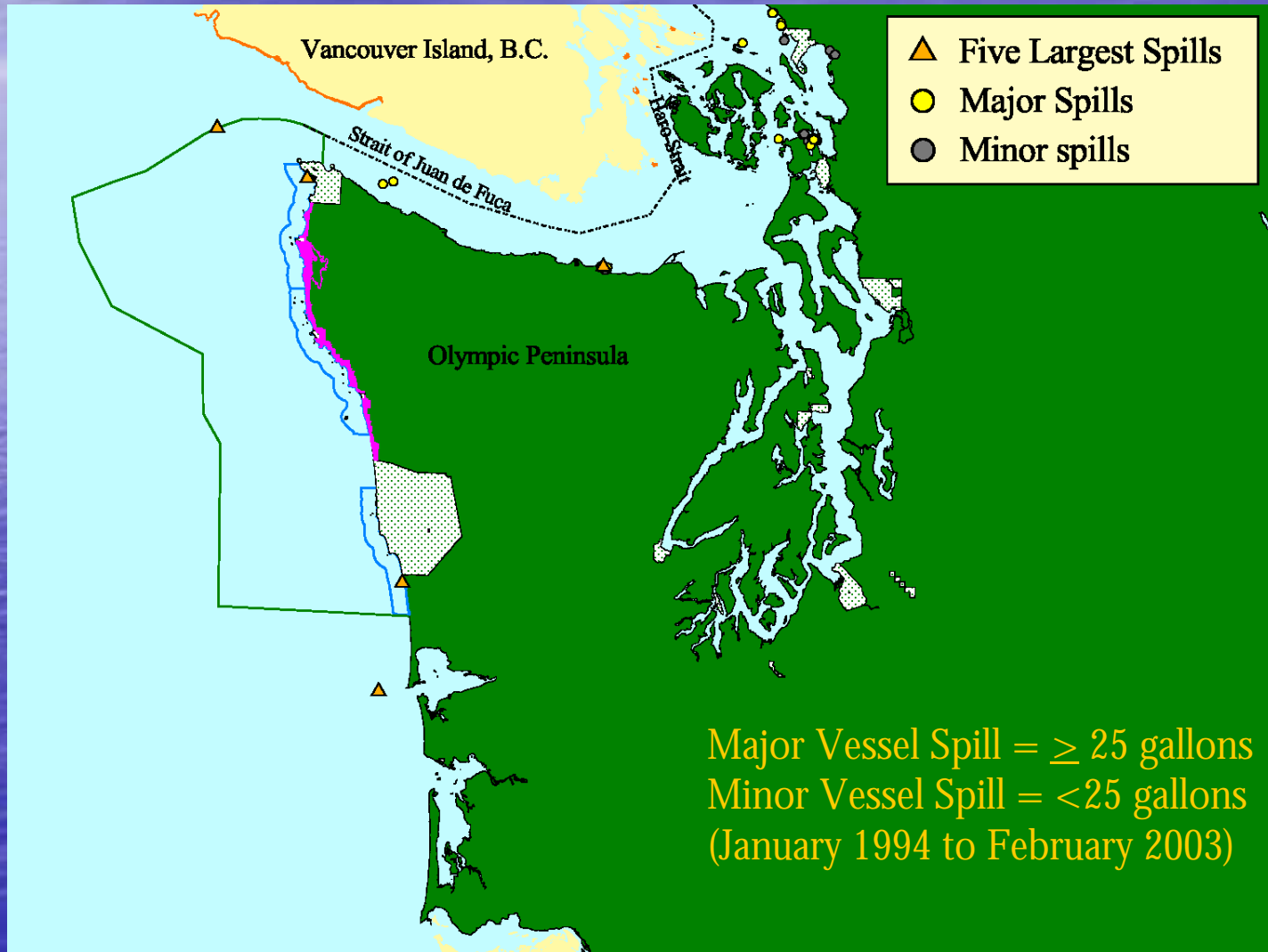
MEAN TIME: While regulations developed and/or funding secured, provide funding for the additional capability year-round tug

- \* \$11 million a biennium = not in budget calculations until 09-11
- \* current tug, year round = \$5.3 million and rising



WHY the Tug?

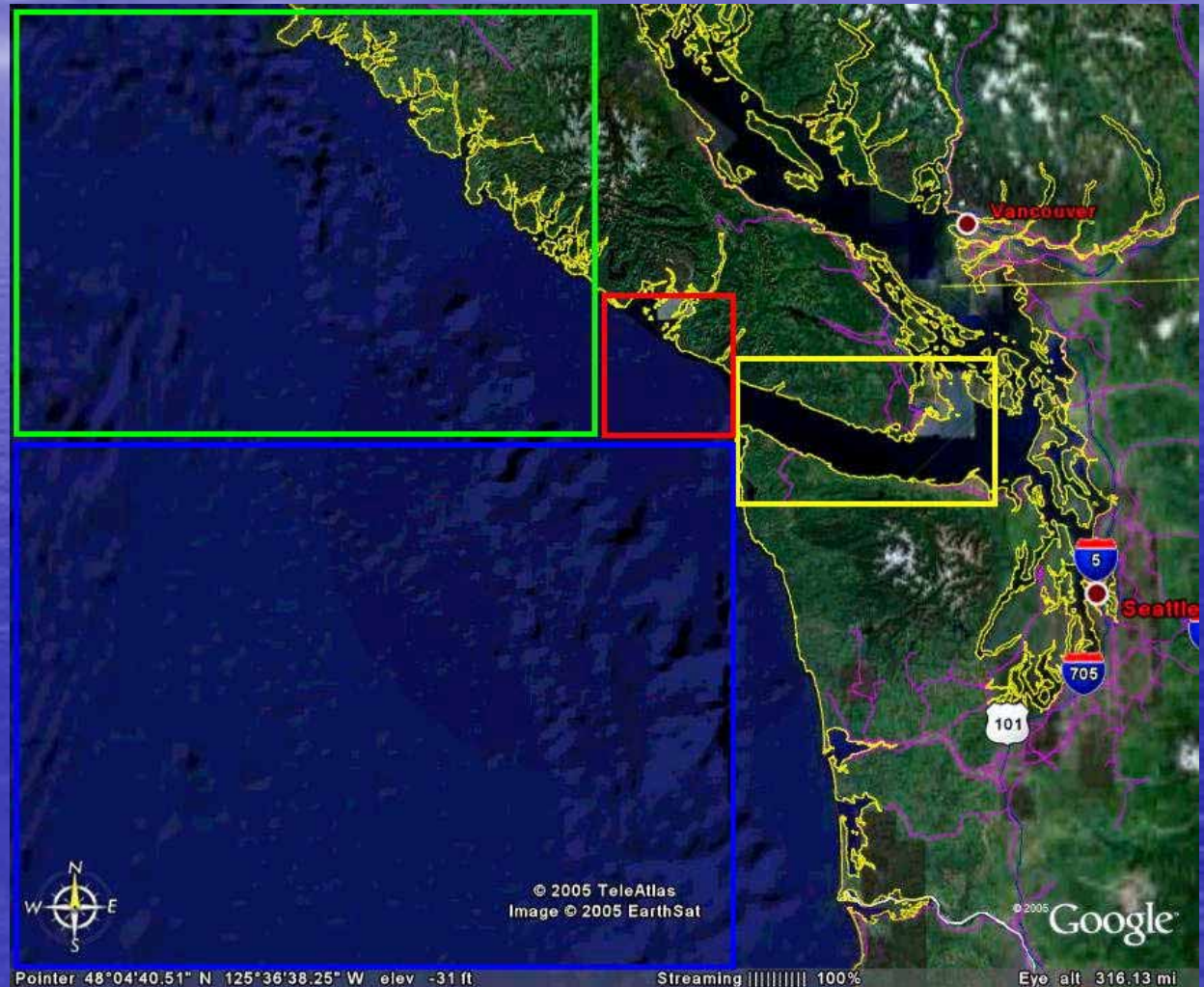
# 5 largest spills in WA (pre tug)



# Benefit & Effectiveness of Dedicated Rescue Tug

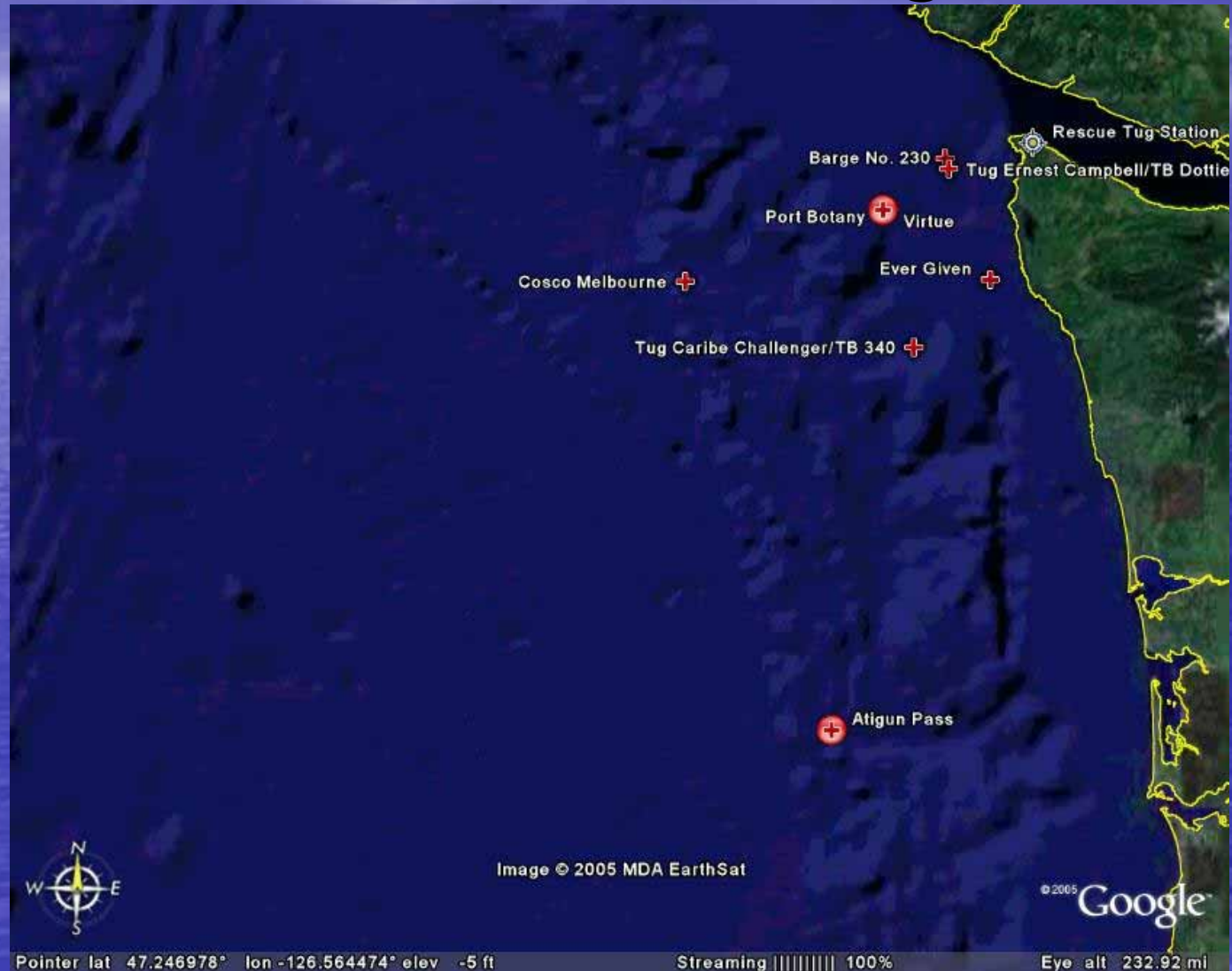
Neah Bay  
Tug's  
Incident  
Responses  
from 1999  
to  
10/2005.

Total = 28  
TODAY = 29



# Benefit & Effectiveness of Dedicated Rescue Tug

Responses  
on Outer  
Coast



# Benefit & Effectiveness of Dedicated Rescue Tug

Responses  
in NW  
Sector



# Benefit & Effectiveness of Dedicated Rescue Tug

Responses  
in the  
Straight



# Benefit & Effectiveness of Dedicated Rescue Tug

Responses  
in Mouth  
of Strait



# Other Tugs in Other Locations?

- Study whether it would be beneficial to station additional response/rescue tugs throughout WA waters (VTRA= vessel traffic risk assessment study)
- Even with existing incident intervention tools (such as International Tug of Opportunity System (ITOS), current oil tanker escorts, and a year-round tug at Neah Bay) there are still high-risk locations where additional safeguards may be needed to achieve state-of-the-art prevention (S. Outer Coast or San Juan passages)

# During Study, Fund Emergency Tug Placement

- Establish a "Contingency Tug Fund" of \$1,000,000 per biennium for Ecology to manage and periodically place as-needed tugs in strategic locations
- Example: bad weather is coming and temporary protection in key area could prevent storm-related incidents and a large spill
- Fund would not accumulate if unspent

# Derelict and Abandoned Vessels

- Eliminate "backlog" - DNR estimates it needs over \$4 million to eliminate current commercial backlog
- Bifurcate program between recreational and formerly commercial vessels- leave recreationals with current funding source and find new source for expensive commercials
- Council recommends \$2 million per biennium to handle the backlog is set forth in the Council's proposed budget, in addition to \$1 million for recreationals and \$1.5 million for commercials (total \$4.5)

# Funding for Staff and Studies

- Unable to achieve eight mandates established by Legislature without additional staffing and funds for studies
- Currently two staffers staff nineteen members, five committees, several technical advisory committees, and several research consultants and interns per year. Understaffed compared with other similarly sized Councils
- Need equivalent of five staff, plus study funding (low suggestion of \$1.7 million biennium)

# Studies Council Will Do if Funded

# 1. Analyze Protection Gaps and Jurisdictional Authority

- Council did preliminary work to ID root causes underlying recent incidents. Several of these were dealt with in WA regulations that "Intertanko" overturned under federal preemption.
- Council wants to study if there are effective mechanisms in place to eliminate the threat stemming from these root causes.
- This gap analysis should address the following:
  - Are there root causes that pose unmitigated risk due to a lack of mandatory regulations?
  - Where would improving regulations reduce risk?
  - Would strengthening enforcement mechanisms achieve "behavior modification" that would deal with root causes?

## ... and Jurisdictional Authority

- Council wants an analysis to ID what legal support is there for state to deal with root causes on its own.
- Where state lacks authority, facilitate improvements via federal congressional delegation (a “federal cooperative strategy”) and via compacts with other states

## 2. Study Federal Funding for Prevention Activities

..... Related to previous study,

- Task One – ID federal spill prevention activities required or authorized under law, but not being effectively performed (use metrics to determine effectiveness, if possible)
- Task Two – ID spill prevention activities being performed by the state that are not fully funded by federal government and consider how to get a remedy

### 3. Study what Is Needed to Respond to Major Spill

Analyze whether Washington has capacity to quickly and effectively respond to catastrophic oil spill



# Where does the money come from?

- From those who pose risk
  - Two Changes to Crude Oil Barrel Tax
  - One Added Fee on Refined Oil Product Transfers Over Water

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# Changes to Crude-Oil Barrel Tax

1. Eliminate one-cent reduction of five-cent barrel tax that occurs when Oil Spill Response Account reaches \$9 million. Tax will be a constant five cents per barrel. Will raise an estimated \$2.8 million per biennium in new revenue.
2. Remove barrel tax export credit that credits all barrel taxes paid if refined product leaves Washington. Eliminates inequitable situation of getting a tax credit for transporting a dangerous product over waterways a second time (as refined product cargo). Will raise an estimated \$5.1 million in new revenue per biennium.
3. Find way to index barrel tax to make it sustainable and able to keep pace with inflationary driven programmatic costs. Council's idea: tie current volume-based tax to the average annual price of a barrel of oil. At \$60 per barrel, the current five-cent tax would constitute 0.00083 percent of the price of a barrel of oil. This would make it self-indexing. Annual price linkage = more stable.

# Refined Product Transfer Fee

A fee to pay for the state's oil spill prevention and response services.

This "Oil Spill Prevention and Response Service Transfer Fee" is a risk-based fee that will be charged to persons that transfer oil products to others. Charged on each transfer. Collected on all transfers of refined oil product on, near, or over state waters served by Ecology's spill program.

A per-gallon fee self-regulates: the amount you pay is linked to the amount of risk you pose (the number of gallons you transfer). Fee spreads the burden of paying for the State's services broadly across many sectors, all of which pose a risk to Washington's waters during their fuel transfers.

Not a general fund tax, but a fee derived from industry and others posing a risk to our waters.

# Everybody Pays Transfer Fee

- Recreational boaters refueling at marina fuel docks
- fishing fleet vessels
- Cruise ships
- Tug and barge operations
- Cargo vessels
- Oil tankers

# Revenue Raised by Transfer Fee

The revenue is high

- approximately \$10.1 million per biennium
  - exclusive of whatever amount would be raised by extending this fee to fishing and recreational vessels that transfer fuel at marina fuel docks. Ecology has not tracked this and data was unavailable for these transfers

The cost is VERY low

- 0.000392 percent of the price of a gallon of gasoline (not even a penny per gallon - \$.000012)
- Council chose percentage of price to get self-indexing function

# For more information

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Thank You