

# Oil Spill Contingency Planning Annual Report 2021

Emergency Response Program  
November 2021



State of Oregon  
Department of  
Environmental  
Quality

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# Executive Summary

This report documents fees collected for oil spill contingency planning and related activities conducted by the Oregon Department of Environmental Quality, for the 2021 fiscal year beginning July 1, 2020 and ending June 30, 2021 (FY 2021). This report provides an analysis of the fees collected to ensure that revenue is sufficient to meet DEQ's budgetary needs to operate an effective oil spill contingency planning program.

This report is required by ORS 468B.412. ORS 468B.405 which establishes fees to be submitted to DEQ for covered vessels and facilities. The fees are dedicated to implement work required of DEQ by ORS 468B.300 through 468B.500, the statutes governing oil spill contingency planning and preparedness. Each year DEQ publishes a report for the previous fiscal year documenting:

- Fees assessed and collected under ORS 468B.405 on covered vessels, and facilities located offshore and onshore
- DEQ activities conducted during the year as required by ORS 468B.410(4)
- Details on penalties received due to willful or negligent discharge of oil and the use of those funds

Fees collected by DEQ under ORS 468B.405 are used to review industry oil spill contingency plans, and participate in drills and exercises to ensure plan holders and state responders are able to quickly and effectively respond to oil spills.

The passage of Oregon Senate Bill 41 (2019) established new fees collected under ORS 468B.405. The additional revenue has resulted in the anticipated additional revenue that has allowed DEQ to fully staff existing positions, and hire an additional staff person to provide Geographic Information Systems support of preparedness activities. The fee increases also allowed for an ending balance adequate to cover program activity costs into the next fiscal year, as industry fee payers had requested.

With the onset of the COVID-19 pandemic in early 2020, many exercise components of DEQ's Oil Spill Preparedness Program have been postponed or altered due to industry's and DEQ's inability to conduct in-person drills. Additionally, due to some staff being re-directed to the COVID-19 and 2020 Wildfires responses during FY 2021, some geographic response plan work and contingency plan reviews were postponed. This resulted in less spending from the Oil Spill Prevention Fund, which ended the fiscal year with an ending balance that will allow for full resumption of planning and preparedness activities in FY 2022.

A more detailed reporting of the revenue, expenditures and activities conducted during FY 2021 are presented in subsequent sections.

# Program revenue and expenditures

DEQ has two mechanisms for funding Oregon DEQ’s Oil Spill Preparedness Program; the Oil Spill Prevention Fund and the Oil Spill Control Fund. The prevention fund is funded primarily by fees paid by oil storage facilities that transfer oil over Oregon’s navigable waters and fees on covered vessels. The control fund is funded by civil penalties imposed for willful negligence of oil discharges.

## Oil Spill Prevention Fund

Oregon Revised Statute 468B.405 establishes fees to fund DEQ’s oil spill contingency planning program. The allowable uses of the prevention fund include reviewing required contingency plans, conducting inspections of the facilities, exercises, training and the plan development activities required under ORS 468B.345 to 400. DEQ collects these fees from facilities (including pipelines) that transfer oil in bulk over state-defined navigable waters and covered vessels. Covered vessels include vessels more than 300 gross tons, tank ships, barges transporting oil in bulk and dredges. Specific definitions for covered vessels and facilities are in Oregon Revised Statute 468B.300.

## Fee categories

Table 1 shows the fees for the various activities and facilities adopted in 2019 along with the fee-generating activities and revenue for FY 2020 and FY 2021.

**Table 1 – Fees by Category, Fee-Generating Activities and Revenue for FY2020-2021**

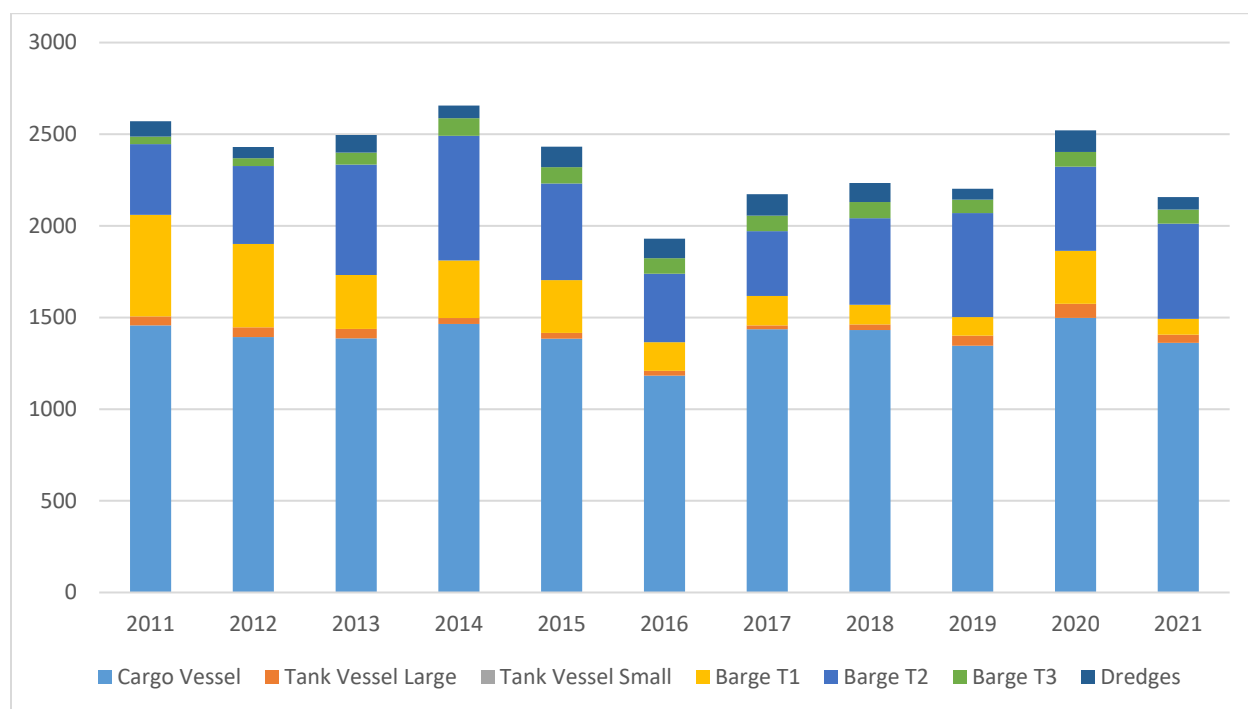
Activity Type	Fees	FY 2020 Activity	FY 2021 Activity	2020 Fee Revenue	2021 Fee Revenue
Facilities	\$ 20,000	12	12	\$ 207,750	\$ 240,000
Pipelines <= 6"	\$ 15,000	1	1	\$ 13,562	\$ 15,000.00
Pipelines > 6"	\$ 25,000	4	4	\$ 84,250	\$ 100,000
Cargo Vessel	\$ 220	1,498	1,362	\$ 286,492	\$ 299,640.00
Tank Vessel >300T	\$ 5,500	77	44	\$ 358,050	\$ 242,000
Tank Vessel <300T	\$ 160	0	0	\$ -	\$ -
Barge T1	\$ 160	289	87	\$ 40,821	\$ 13,920
Barge T2	\$ 220	459	519	\$ 88,357	\$ 114,180
Barge T3	\$ 1,850	80	77	\$ 116,000	\$ 142,450
Dredges (/Day Ops)	\$ 100	118	68	\$ 10,325	\$ 6,800
			<b>Total Revenue</b>	<b>\$ 1,205,608</b>	<b>\$ 1,173,990</b>

## Fee-generating activities

Facilities and pipelines are charged fees annually, and vessel fees are charged based on the number of trips conducted. A trip, for the purpose of assessing fees, means travel to the appointed destination and return travel to the point of origin within the navigable waters of the state (see ORS 468B.405). Table 1 (above) shows the actual fee-generating activities for fiscal years 2020 and 2021.

While oil handling facilities, and Type 2 and Type 3 barge shipments have remained relatively steady in FY 2021, all other categories of activity decreased. During FY 2021, there was a decrease in cargo vessels, large tank vessels, Type 1 barges and dredging days, and an increase in the arrival of Type 2 barges over the previous year (see Figure 1 - Comparison of Key Fee-Generating Categories for Fiscal Years 2012 through 2021).

**Figure 1 – Comparison of Key Fee-Generating Categories for Fiscal Years 2012 through 2021**

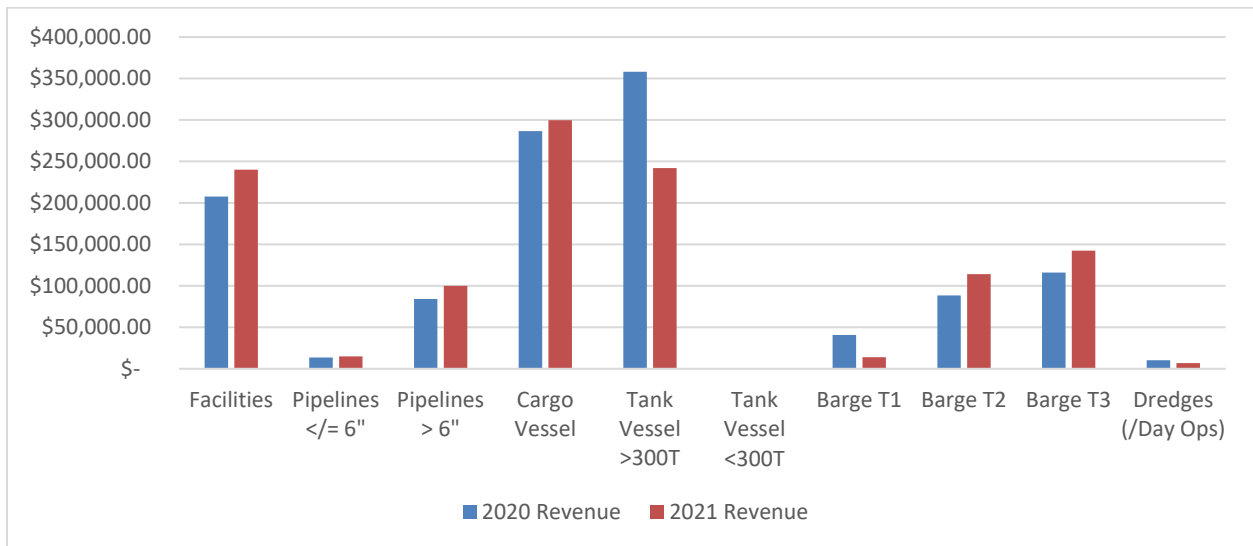


The short-term variability and longer-term trends in the shipping industry make year-to-year projections for funding difficult, and have had impacts on the stability of funding for DEQ's oil spill planning and prevention programs.

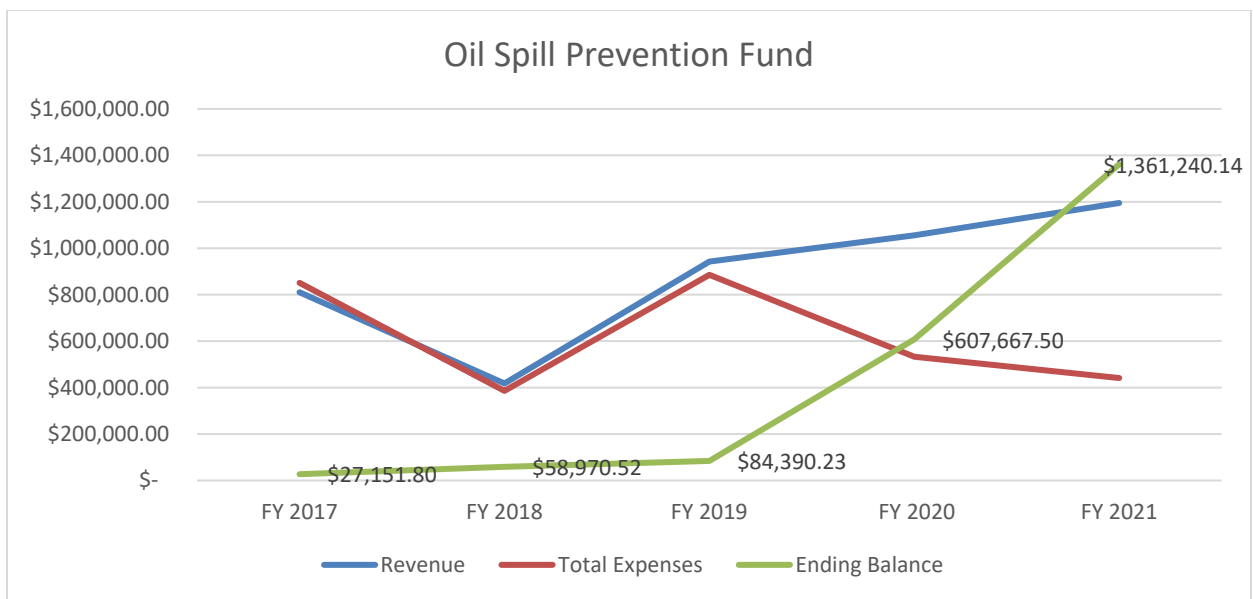
The ability to forecast industry activities has remained difficult and the reasons for the variability are too complex to reliably predict. The difficulty in predicting activities, and therefore revenue, continue to support the fee-setting approach taken in 2019; to establish an adequate buffer of revenue to fund program requirements when shipping activities fluctuate. Although fee-generating activities were generally lower in FY 2021, due the full effect of the SB 41 fee changes in effect for the full year, revenue for most categories was up, and overall revenue was slightly higher for FY 2021 over FY 2020 (see Figure 2 – Oil Spill Prevention Fund Revenue Breakdown for Fiscal Years 2020 and 2021 and Figure 3 - Oil Spill Prevention Fund Revenue, Expenses and Ending Balance for Fiscal Years 2017 through 2021).

The fee increase created by SB 41 has increased revenue as designed. The bulk of the Oil Spill Prevention Fund is used to pay for staff time dedicated to preparing to respond to large oil spills within the oil transport industry. The positive ending balances the past two fiscal years are due largely to the sudden need to shift program staff to non-oil spill planning activities to respond to the pandemic and the 2020 Wildfires Response, and therefore not charging time to the Oil Spill Prevention Fund (see Staffing section, below). We expect expenditures to return to levels seen in FY 2019. Additionally, new staff hired in 2020 and 2021 will utilize the funding to conduct non-railroad oil spill planning, training and other preparation to respond to oil spills.

**Figure 2 – Oil Spill Prevention Fund Revenue Breakdown for Fiscal Years 2020 and 2021**



**Figure 3 – Oil Spill Prevention Fund Revenue, Expenses and Ending Balance for Fiscal Years 2017 through 2021**

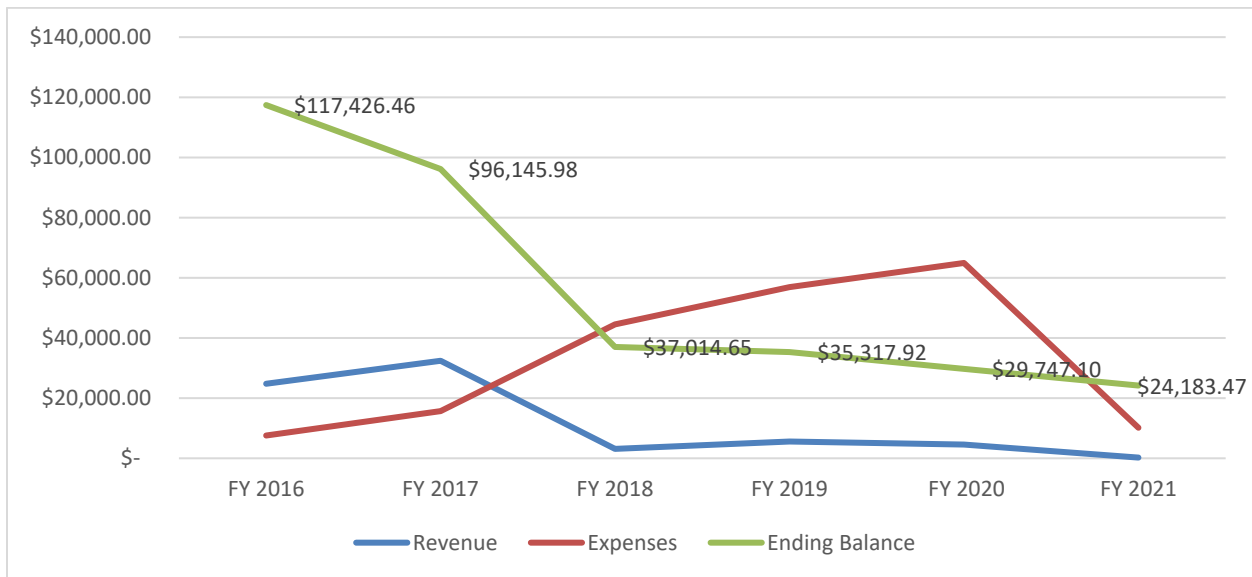


# Oil Spill Control Fund

The original Oil Spill Contingency Planning Act, passed in 1991, established the Oil Spill Control Fund (Oregon Revised Statute 468B.455). All penalties recovered through civil penalties for violations related to the willful or negligent discharge of oil are to be deposited in this fund.

The control fund received \$237 from fines in FY 2021. Expenses of approximately \$5,800 were made from this fund in FY 2020, for an ending balance of \$24,184 (See Figure 4 - Oil Spill Prevention Fund Revenue, Expenses and Ending Balance for Fiscal Years 2017 through 2021).

**Figure 4 – Oil Spill Control Fund Revenue, Expenditures and Ending Balance for Fiscal Years 2017 to 2021**





# Oil spill contingency planning activities conducted in fiscal year 2020-2021

DEQ responsibilities under the state's statutes on oil spill contingency planning are:

- Ensure all regulated vessels and facilities have prepared oil spill contingency plans and that those plans meet requirements specific to protecting Oregon's navigable waterways
- 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
- Conduct drills and exercises in accordance with the [Northwest Area Contingency Plans and the NW Regional Contingency Plan](#) and promote a consistent approach to incident response to oil spills
- Develop and maintain an interagency response plan for oil or hazardous material spills

DEQ activities charged to the Oil Spill Prevention Fund include:

- Geographic Response Plan development and updates (excluding railroad routes which have separate funding)
- Northwest Area Committees and Regional Response Team participation
- Updates to the Northwest Area Contingency Plan and Regional Contingency Plan
- Review of the Sector Columbia River Area Contingency Plan
- Oil spill preparedness training and development of information needed for response
- Assisting plan holders in developing and conducting drills and exercises
- Participation in plan holder-led drills and exercises
- General oil spill planning and preparedness
- Participation in the Derelict Vessel Task Force
- Pacific States/British Columbia Oil Spill Task Force activities

Figure 5 depicts the relative proportions of various planning, plan review and exercise components conducted in FY 2021. The largest program activities during this period were for general preparedness coordination (56%) with work on the reorganization and plan development under the NW Area Committee(s) and Regional Response Team the next largest. Time spent in the review and update of contingency plans, participation in drills and exercises, and the Geographic Response Plan development activities were less this fiscal year than in previous years due to the COVID-19 and 2020 Wildfires responses.

**Figure 5 –Program Planning Activities 2020 – 2021 (FY 2021)**

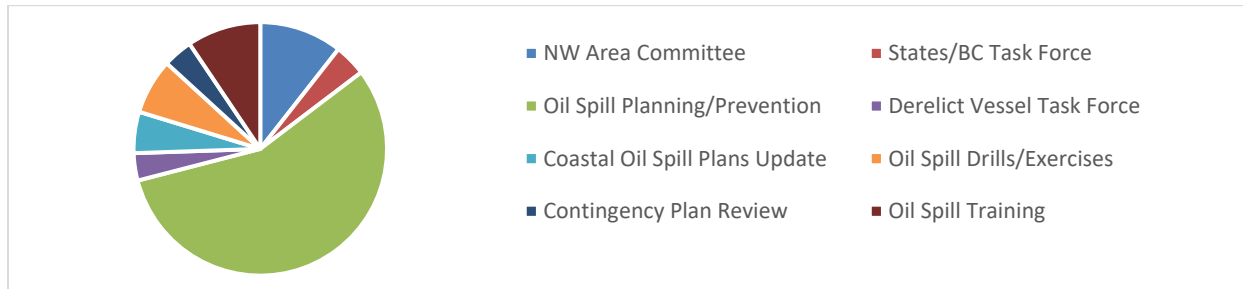
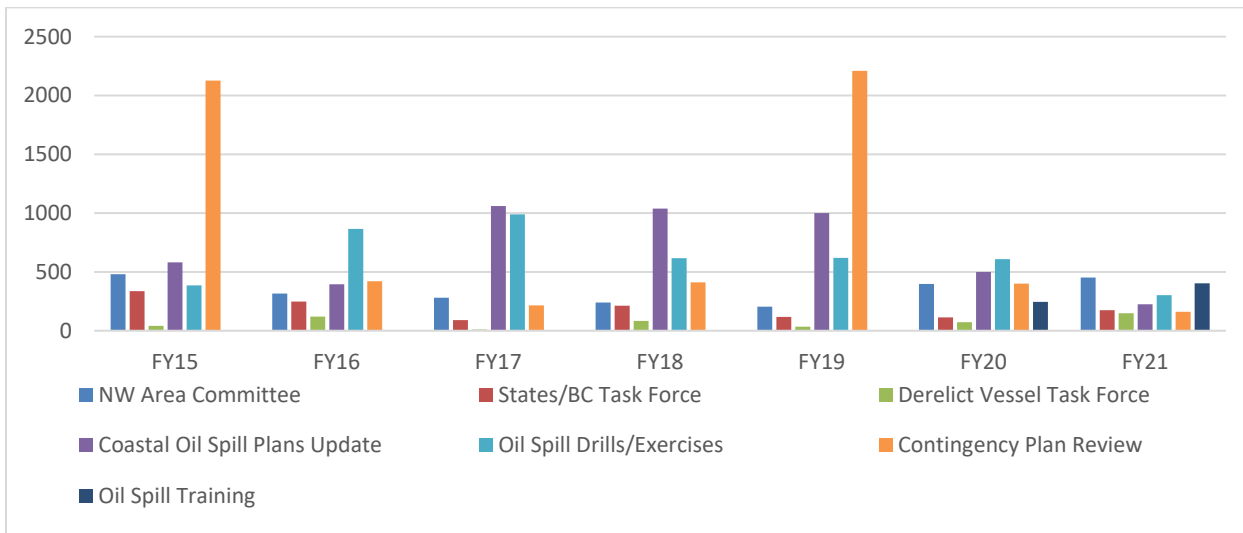


Figure 6 shows the time spent in various activities by year within DEQ’s Spill Preparedness Program. The variations in activities year to year are typically due to the hosting of a States/BC Oil Spill Task Force Annual Meeting, the initiation of a Geographic Response Plan update, or the review and approval of a significant contingency plan change. In FY 2020, significant additional time was spent in NW Area Committee activities and the reconfiguration of the NW Area Contingency Plan, due to the US Coast Guard requirement to separate the Area Contingency Plan from the Regional Contingency Plan, which had been combined since the early 1990s. This level of effort continued into FY 2021 and FY 2022 to complete the separation of these plans and develop individual area plans (Local Area Plans) for the coastal zones in the northwest area. In FY 2021, substantial effort normally expended in oil spill preparation was redirected to the Covid-19 and 2020 Wildfires Responses.

**Figure 6 – Program Activities by Year (Staff Hours) FY 2015 to FY 2021**



## Plan review and coordination

Fees collected by DEQ under ORS 468B.405 are used to review industry oil spill contingency plans, and participate in drills and exercises to ensure plan holders and state responders are able to quickly and effectively respond to oil spills. To be approved by DEQ, oil spill contingency plans must meet requirements specific to protecting Oregon's navigable waterways. There are 17 contingency plan holders that submit plans for DEQ review and approval. These plans must be renewed on a five-year schedule, and updated throughout that five-year period for substantive changes in the plan resulting from changes in regulatory, company (plan holder) or industry standard operations. In any given year, DEQ typically conducts review and approval of three to five plans annually. DEQ also works with plan holders to design, stage and evaluate oil spill exercises.

DEQ currently has twelve fuel storage/transfer facilities, five petroleum pipeline facilities and three vessel plans to review and maintain. DEQ approves plans for a five-year period and reviews any significant changes to plans made during the year. DEQ has a public comment period of no less than 30 days for each plan under review. DEQ makes plans available for public review through its website or by hard copy at DEQ headquarters office.

There are a total of 14 individual contingency plans that require periodic review. Approximately one half of the plans are due for review and approval. This is due to the large number of companies that made significant changes to their plans in 2020, the changing of company names through corporate sale or reorganization, the consolidation of some contingency plans to cover multiple facilities and pipelines, and the impact of the department's need to shift some emergency response personnel to work on the COVID-19 pandemic response.

Drills and exercises are an important aspect of the program to test the organizational and operational skills of plan holders and prevent or reduce the impact of possible future disasters. DEQ awarded drill credits to one plan-holder due to their use of the Incident Command System to run their company's COVID response. Another pipeline was awarded credit for a real-world response to a potential release. At the time the 2020 wildfires occurred, DEQ was prepared to staff additional drills that were scheduled, however all Emergency Response staff were redirected to assist with the wildfire debris cleanup efforts. Those drills still occurred, and the US Coast Guard provided evaluations in the place of DEQ staff.

Drills and exercises also help meet DEQ's objective to work with industry and agency counterparts to train and prepare for spills. Drills and exercises demonstrate the ability to respond to an oil spill in a quick, efficient manner. Lessons learned from drills and exercises assist participants and DEQ improve their incident response capacity.

DEQ follows the Northwest Area Contingency Plan and protocols extensively at drills and exercises. DEQ typically staffs positions in the Unified Command including Command Staff, Joint Information Center, Planning Section, as well as Liaison, and GIS Specialist. Per the NW Area Contingency Plan, DEQ is responsible for staffing and leading the Environmental Unit in drills and actual responses.

**Table 7 – Drills and Exercises Conducted in FY 2021**

Planholder	Date	Drill Type	# DEQ Staff Attended	DEQ Hours
MFSA	7/1/2020	WCD	7	56
MFSA	3/5/2021	TTX	7	56
TLP Management*	9/23/2020	Virtual WCD	1	10
Olympic Pipeline*	10/6/2020	Virtual WCD	0	0
Columbia Pacific*	10/7/2020	Virtual WCD	0	0
Zenith*	10/22/2020	Virtual WCD	0	27
McCall Oil*	11/18/2020	WCD	0	0
<b>Total Staff Time</b>				<b>149</b>

TTX = Tabletop Exercise; Virtual = Participants connecting remotely via collaboration platform (MS Teams, etc.)

TTX/Deployment = Tabletop Exercise combined with an equipment deployment drill

WCD = Worst Case Discharge Exercise; GUIE = Government Initiated Unannounced Exercise

\* Due to DEQ’s drill staff attendance for all drills in the fall of 2020 was redirected towards the real-world wildfire debris response.

Eight plan-holders are scheduled for worst-case discharge exercises in FY 2022.

## Regional Response Team/Northwest Area Committee

The Region 10 Regional Response Team consists of key federal and state agencies in Oregon, Washington and Idaho and member tribal nations involved in emergency response to hazardous materials. The team is chaired by the US Coast Guard, District 13 and the US Environmental Protection Agency, Region 10.

In response to a directive by the US Coast Guard Commandant, the US Coast Guard Sectors prepared individual area contingency plans for their areas of operation. This directive ultimately required a reorganization of the Northwest Area Committee which is still in progress. A new charter has been in development for a couple of years, as the long standing committees and sub-committees also need to be reorganized to the new organizational model.

Due to the urgency and necessity to complete the reorganization, updating the NW Area Contingency Plan and other normal yearly work has been postponed or delayed, with only crucial updates to the plan being incorporated.

Throughout FY 2021, DEQ participated in the Steering Committee to guide the reorganization process, develop agendas for the three annual meetings, provided review and comment on the new Sector Columbia River Area Contingency Plan.

Additionally, DEQ participated in the reorganization effort, co-chaired the Geographic Response Plan Workgroup and participated in the Tribal Engagement Task Force. In late FY 2021, DEQ became co-chair of the Tribal Engagement Task Force.

## **In FY 2021, DEQ participated in the following Northwest Area subcommittees:**

**Geographic Response Plan Sub-Committee:** DEQ participated as co-lead with the Washington Department of Ecology. During FY 2021, the subcommittee established two workgroups to work on resources at risk and GRP standardization. The key goals of the sub-committee and workgroups are to promote consistency in plan development, understand how resources at risk are identified and prioritized, streamline and make plan production more efficient, and to make sure that end-user needs are addressed in new forms and information delivery formats. Near the end of FY 2021, the resources at risk workgroup began an effort to assure that endangered species requirements are addressed in the GRPs.

**Tribal Engagement:** DEQ was an advisory member to the Tribal Engagement Task Force until stepping in to the role of co-chair. The task force is developing a Tribal Engagement Presentation Team, as well as presentation materials for tribes on oil spill response and how to engage with the Northwest Area Committee and Regional Response Team. This task force was also responsible for developing a tribal needs and gap assessment and a timeline for filling these identified gaps through online surveys and other means. In FY 2021, the task force also began working with the GRP Sub-Committee/Resources at Risk Workgroup to determine the best ways to incorporate protection of resources important to tribes in the northwest.

## **Geographic Response Plan development update**

DEQ develops and maintains Geographic Response Plans to cover the first 24 to 48 hours after a significant spill or release to coastal shorelines, bays or major river systems. These plans identify sensitive resources and describe strategies to protect these resources and recover released oils. Response contractors and responding agencies use these plans to provide a coordinated initial response until a Unified Command is established. DEQ periodically updates the plans as information changes or new resource information becomes available.

In fiscal year 2021, DEQ planning staff was primarily engaged in developing implementation instructions, resources at risk and other strategy details for the newly developed response strategies for the Oregon Coast. DEQ also continued to develop the information and publishing systems needed to finalize the coastal GRPs.

The strategies are available as GIS datasets and on dedicated data viewers on a provisional basis to support drills/exercises and incidents that occur before they can be finalized and officially adopted.

## **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 programs in Hawaii, California, Oregon, Washington, British Columbia and Alaska. DEQ's Land Quality Administrator serves as Oregon's representative to the task force.

DEQ is selective about participation in task force activities, as some projects are not within scope of the Oregon Oil Spill Contingency Planning and Preparedness program. Task force projects that DEQ participated in during fiscal year 2021 include:

- Crude oil transport information
- Abandoned & Derelict Vessels (ADVs)
- Oil spill data collection
- Drills & Exercise workgroup
- Mutual Aid Agreement
- Legacy awards
- Federal partnership meetings
- Assessment of state spill response capacity through personnel and training

Due to new and emerging oils spill risks, the task force members review and refresh the strategic plan allowing for adaptation to new risks. The strategic plan can be found [here](#). The task force also develops biennial work plans based on the strategic plan.