

Governor ponders bill to rescue oil spill fund

Carolyn Jones, San Francisco Chronicle, 9-16-10

California's oil-spill fund is headed for bankruptcy, leaving the state virtually unprepared for a Gulf of Mexico-like catastrophe if Gov. Arnold Schwarzenegger does not sign a ramped-up oil-spill prevention bill, said a Marin lawmaker and environmentalists Wednesday.

The governor has until Sept. 30 to sign Assembly Bill 234, which would, among other measures, increase oil companies' fees into the state's oil-spill prevention fund by \$5.6 million a year.

"This bill is critical to saving that fund," said Assemblyman Jared Huffman, D-San Rafael, who introduced the bill in the wake of last year's Dubai Star spill in San Francisco Bay. "These are the minimum essential steps we need to take to keep California on the leading edge of oil-spill prevention."

The bill is among almost 800 now sitting on the governor's desk awaiting his signature, said gubernatorial spokesman Matt Connelly.

"He's currently reviewing (AB234) but he hasn't made any decision on it yet," Connelly said.

The fee increases were added to the bill after the Deepwater Horizon explosion in the Gulf of Mexico on April 20.

The state's Oil Spill Prevention and Response Administration Fund, which pays for spill research, response and prevention, is, like the California budget, running a deficit. The fund will be in the red by \$12 million by 2012, Huffman said.

A spokesman for the fund could not be reached for comment Wednesday.

Huffman's bill would increase oil companies' fees by 1 cent - from 5 cents to 6 cents - per barrel of oil shipped into California. It would also raise vessel fees from \$2,500 to \$3,000. In all, the increases would bring in at least \$5.6 million annually.

Environmentalists said the bill should include more money for spill research.

"Does this bill do everything? Absolutely not," said Jackie Dragon, marine sanctuaries director of Pacific Environment. "But without it, we're left defenseless when the next spill happens."

The bill also requires ships to lay down protective fenders, called boom, when they refuel, and increases safety requirements at the state's 27 offshore oil rigs.

Oil companies have not opposed the bill, but disputed Huffman's claim that the spill prevention fund is headed for bankruptcy.

"We think the fund is adequately funded" by existing fees, said Tupper Hull, spokesman for the Western States Petroleum Association.

The association also wants the boom requirements loosened, so ship crews have more flexibility. In cases of high winds or currents, laying down boom could be dangerous, he said.