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Charles P. Costanzo
General Counsel & Vice President – Pacific Region

February 22, 2021

Ms. Christine Kluge
Department of Fish and Wildlife
Office of Spill Prevention and Response
P.O. Box 944209
Sacramento, California 94244-2090

RE: Notice of Proposed Rulemaking:
Non-tank Vessel Fee Increase

Dear Ms. Kluge:

On behalf of The American Waterways Operators (AWO), I would like to offer comments regarding the Office of Spill Prevention and Response's (OSPR) proposed rulemaking to increase non-tank vessel fees.

The U.S. tugboat, towboat, and barge industry is a vital segment of America's transportation system. The industry safely and efficiently moves more than 760 million tons of cargo each year, including more than 60 percent of U.S. export grain, energy sources, and other bulk commodities that are the building blocks of the U.S. economy. The fleet consists of nearly 5,500 tugboats and towboats and over 31,000 barges. The tugboat, towboat and barge industry supports more than 15,310 jobs in California and contributes \$1.1 billion in labor income. More than \$51 billion worth of goods are moved on California waters each year, reducing greenhouse gas emissions by 26% over rail and 90% over trucks.

The domestic maritime transportation industry has a long-standing commitment to safety and environmental protection. AWO's member companies appreciate and support the role that OSPR takes in safeguarding the marine environment. We have enjoyed a productive and collaborative relationship with OSPR, and we look forward to continuing to do so in the future.

We are aware of OSPR's budgetary shortfalls and the implications this has on OSPR's essential mission. Declining petroleum product consumption and transportation of petroleum products is projected to accelerate. Given these trends, it is self-evident that OSPR would seek additional sources of revenue. However, AWO objects to the fee increase for non-tank vessels as we believe that these vessels represent no increase in spill risk, and it is inappropriate to increase the burden on this industry segment. AWO believes that OSPR, as a state oil spill risk management agency, should seek revenues from sectors presenting increased risks of oil spills.

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Due in part to the hard work of OSPR and the collaborative approach you have taken to industry engagement, marine oil spills have decreased since OSPR's establishment in 1991. Additionally, significant improvements in vessel equipment, inspection regulations, standards of care, crew training, and safety management advancements have continued to drive risk down. However, as OSPR now spends more resources responding to spills from trucks, rail, and pipelines, we would ask that you look to those other sources when deciding how to further fund OSPR's mission.

With that reduction in marine spill risk, diversification of non-marine spill risk sources, and declining petroleum usage, OSPR should also consider ways to increase programmatic efficiencies. As maritime spill prevention and response is already extensively regulated by the U.S. Coast Guard, OSPR's limited resources may be better allocated to those areas that do not overlap with federal regulation. This would foster a more risk-based and efficient utilization of OSPR resources.

As demand for petroleum products declines, so too will risk of spills along with OSPR's traditional funding streams. Recognizing this trend, we ask that OSPR not only consider the present but also the future of program funding and fee increases. We ask that you consider fees on the other sources of spill risk in California, ensuring that they bear an equitable share of the funding burden. We also ask that you consider how best to refine your mission to increase efficiency and position OSPR to continue the important work of mitigating oil spill risk and supporting effective oil spill response.

We appreciate the constructive and open dialogue with OSPR, and we look forward to maintaining that productive relationship in a changing future. We are happy to provide additional feedback if requested.

Sincerely,



Charles. P. Costanzo
General Counsel & Vice President – Pacific Region