

FOR RELEASE: November 2, 1994

CONTACT: Tom DeRocco  
(202) 208-3983

### OCS POLICY COMMITTEE SETS UP OPA 90 SUBCOMMITTEE (#40085)

The Outer Continental Shelf (OCS) Policy Committee today approved establishment of a subcommittee to assist in recommending solutions to implementing the financial responsibilities section of the Oil Pollution Act of 1990 (OPA 90), under jurisdiction of the Minerals Management Service (MMS). Assistant Secretary of the Interior for Land and Minerals Management Bob Armstrong made the request to the Committee meeting in McLean, VA November 1 and 2.

The Committee, formed under the Minerals Management Advisory Board, advises the Secretary of the Interior on issues related to offshore minerals management, including the leasing and production of offshore natural gas and oil. Members of the Committee, who are appointed by the Secretary, include representatives from each coastal state, the gas and oil industry, the environmental community, small business, marine mining, fisheries, local government, and ex officio members from the Departments of Commerce, Defense, State, Transportation, and Energy, and the Environmental Protection Agency.

MMS is responsible for promulgating regulations to implement Section 1016(c) of OPA `90, which requires evidence of financial responsibility for offshore facilities. Section 1016(c) requires parties responsible for facilities meeting the definition of "offshore facility" to demonstrate that they can pay the costs of cleanup and damages caused by an oil spill; the law sets the level of financial responsibility at \$150 million.

Noting that implementation of OPA's financial responsibility provisions could potentially result in significant economic impacts on a wide range of industries, facilities and small businesses, Armstrong asked the Committee to assist MMS as it grapples with the issues.

"Given the potential magnitude of the impact of these regulatory issues, I believe it is important for the Committee to provide us with their advice and recommendations to resolve them in a fair and equitable manner," said Armstrong. "To the extent that any of these issues cannot be reasonably resolved through our administrative process, I ask the Committee to help us consider the most appropriate legislative solution.

"The goal of MMS has been and always will be to meet the spirit and intent of the Act without placing undue burdens on the private sector," said Armstrong. "The diverse interests and points of view embodied in the OCS Policy Committee make this group a logical choice to help MMS."

Armstrong told the Committee that the Interior Department's Solicitor is completing an analysis of the OPA statute and legislative history which is expected to be available later this month. "We have requested a formal legal opinion that will address the Department's latitude in developing regulations," said Armstrong.

"We've asked the Solicitor to examine three issues critical to writing a rule that embodies OPA principles without imposing onerous financial burdens on large segments of our national economy," he declared. The issues are:

-- What facilities fall within the definition of an "offshore facility" and are, therefore, subject to OPA financial responsibility requirements?

-- Can the level of financial responsibility that an offshore facility must demonstrate be based on the pollution risk it represents?

-- Can facilities that handle small quantities of oil and are therefore a minimal risk to the environment be exempted from the financial responsibility requirements?

According to Paul Kelly, chairman of the OCS Policy Committee, "I'm happy MMS recognizes the difficulties we see in these requirements and is taking an active role in resolving them. We are pleased to be able to play a part in seeking reasonable solutions."

Kelly will appoint subcommittee members within the next month. Armstrong asked that the subcommittee report back to the full Committee their recommendations at the Spring 1995 meeting.

-MMS-

Subject: PR-11/02/94 OPA 90/OCS Policy Committee Sets Up OPA 90

Subcommittee (#40085)