

MINUTE ITEM

10/7/71
JAR

22. AGREEMENT FOR PARTICIPATION BY THE CITY OF LONG BEACH IN THE PETROLEUM INDUSTRY COASTAL EMERGENCY COOPERATIVE (P.I.C.E. CO-OP).

During consideration of Calendar Item 13 attached, Commissioner Orr asked about the State's share of the cost involved. It was noted that until such time as the City of Long Beach has received its maximum revenue from the development of the Long Beach Unit, the City of Long Beach and the State would each bear its pro rata share of the expense. Thereafter, when the City no longer shares in the revenues, the State would pay the full cost.

The Executive Officer pointed out that the Cooperative had been formed for the purpose of paying the expenses of cleaning up unidentified oil spills, not for those where the oil spill could be traced to a specific responsible source. This is in line with the efforts of the oil industry (of which the State, as a participant in the Long Beach Unit operation, is a part) to protect the areas involved from the effects of oil spills where the clean-up expenses incurred could not be charged directly to a specific company or agency.

For the benefit of the Commission, Deputy Attorney General Warren J. Abbott outlined the pro rata cost shares of the City and the State.

Deputy City Attorney Harold A. Lingle of Long Beach appeared and stated that it was the City's intent not merely to commit the THUMS group to the effort to clean up oil spills, but all operators under City contracts in the Wilmington Oil Field. It was felt the costs involved should be borne across-the-board by all the oil operations in the area.

UPON MOTION DULY MADE AND CARRIED, THE FOLLOWING RESOLUTION WAS ADOPTED:

THE COMMISSION:

1. FINDS:

A. THAT THE "AGREEMENT FOR PETROLEUM INDUSTRY COASTAL EMERGENCY COOPERATIVE" PROVIDES FOR MUTUAL ASSISTANCE AND COOPERATION IN THE CONTROL OF OIL SPILL EMERGENCIES OCCURRING IN THE COASTAL PORTION OF THE STATE OF CALIFORNIA BETWEEN AND INCLUDING POINT DUME AND THE SANTA ANA RIVER.

B. THAT ENTERING INTO THE PERFORMANCE OF SUCH AGREEMENT IS IN THE PUBLIC INTEREST.

2. APPROVES THE AFORESAID AGREEMENT FOR MUTUAL ASSISTANCE AND COOPERATION ON BEHALF OF THE STATE, PURSUANT TO APPLICABLE LAW.

Attachment:

Calendar Item 13 (2 pages)

AGREEMENT FOR PETROLEUM INDUSTRY COASTAL EMERGENCY COOPERATIVE

The City of Long Beach has requested State Lands Commission approval for participation in the Petroleum Industry Coastal Emergency Cooperative (P.I.C.E. Co-op).

The purpose of the Petroleum Industry Coastal Emergency Co-operative is to provide mutual assistance and cooperation in the control of oil spill emergencies occurring in the coastal portion of the State of California between and including Point Dume (north end of Santa Monica Bay and southern boundary of Clean Seas, Inc.) and the Santa Ana River.

Membership in P.I.C.E. consists of companies engaged in the operation of refineries, terminals, pipelines, or other facilities for handling, storing, transporting, or manufacturing petroleum or petroleum products or who drill for or produce petroleum hydrocarbons in the area described.

Participation in this cooperative is based on each member company's previous annual volume of oil transferred from ships to shore facilities, transferred from shore facilities to ships, or produced from seaside drillsites. Participation of operators of offshore wells is based on double the previous annual volume of oil production from such offshore wells. Long Beach participation would fall in the "seaside drillsite" classification.

The P.I.C.E. Cooperative will employ a full time manager and secretary with necessary office space, at an initial cost of \$50,000 per year. A \$10,000 bank balance will be maintained for the receipt of assessments and the payment of bills. The Cooperative is expected to be reimbursed for any clean-up performed for other identifiable operators. P.I.C.E. has incurred an outstanding bill for \$5,911 for clean-up operations performed thus far as requested and directed by the U. S. Coast Guard.

It is estimated that Long Beach Unit participation would be 15.5%. If participation is approved by the Commission, the Long Beach Unit will obligate itself to a first-year expenditure of slightly over \$10,000, in addition to approximately 15.5% of any costs incurred in future nonreimbursed clean-up operations undertaken by P.I.C.E. The Commission would be requested to provide funds as necessary for current and future obligations.

Continuing emphasis on oil spill prevention has been a policy of the Long Beach Unit, evidenced through training, emergency procedures, safety equipment and spill-containment equipment. Participation in P.I.C.E. is evidence of the State's interest in environmental control and pollution prevention in coastal areas.

The Office of the Attorney General has reviewed the proposed agreement and concluded that it may properly be approved by the Commission.

CALENDAR ITEM 13. (CONTD.)

The Division has reviewed this proposed cooperative agreement and found that its implementation will be in the public interest.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND:

A. THAT THE "AGREEMENT FOR PETROLEUM INDUSTRY COASTAL EMERGENCY COOPERATIVE" PROVIDES FOR MUTUAL ASSISTANCE AND COOPERATION IN THE CONTROL OF OIL SPILL EMERGENCIES OCCURRING IN THE COASTAL PORTION OF THE STATE OF CALIFORNIA BETWEEN AND INCLUDING POINT DUME AND THE SANTA ANA RIVER.

B. THAT ENTERING INTO THE PERFORMANCE OF SUCH AGREEMENT IS IN THE PUBLIC INTEREST.

2. APPROVE THE AFORESAID AGREEMENT FOR MUTUAL ASSISTANCE AND COOPERATION ON BEHALF OF THE STATE, PURSUANT TO APPLICABLE LAW.