

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE  
SUMMARY OF

TITLE VII, THE “OIL SPILL ACCOUNTABILITY AND ENVIRONMENTAL PROTECTION ACT OF 2010”  
OF H.R. 3534, THE “CONSOLIDATED LAND, ENERGY, AND AQUATIC RESOURCES ACT OF 2010”

*July 28, 2010*

**LIABILITY AND FINANCIAL RESPONSIBILITY**

- **Repeal of and Adjustments to Limitations on Liability.** Removes limitation on liability for offshore facilities to ensure that the responsible party or parties (e.g., BP) will be responsible for 100 percent of the cleanup costs and damages to third parties. This provision applies to claims brought before the date of enactment provided that such claims are brought within the limitation period applicable to the claim.
  
- **Evidence of Financial Responsibility for Offshore Facilities.** Increases the level of financial responsibility for an offshore facility to \$300 million; allows the President to require a responsible party to provide evidence of financial responsibility that is less than \$300 million under certain circumstances; sets floors for minimum financial responsibility of \$105 million for a deepwater facility, or \$30 million for a shallow water facility. Directs the President to review the minimum level of financial responsibility every three years, and adjust upward if necessary. The bill does not change the financial responsibility requirements for vessels, which, under current law, are equal to the liability limitations.
  
- **Damages to Human Health.** Authorizes individuals to seek compensation from responsible parties for damages to human health resulting from a release of oil.

**IMPROVEMENTS IN SAFETY AND ENVIRONMENTAL PROTECTION**

- **Americanization of Offshore Operations in the U.S. Exclusive Economic Zone.** Requires all vessels engaged in oil drilling activities in the U.S. Exclusive Economic Zone (EEZ) (200-mile zone) to be U.S.-flag vessels owned by U.S. citizens. In addition, Title VII requires all offshore facilities to be U.S. built, except under certain conditions.
  
- **Safety Management Plans and Safety Standards for Mobile Offshore Drilling Units.** Requires the safety management plan for a MODU to address all activities on the vessel that may affect the seaworthiness of the vessel in a worst-case event; increases knowledge requirements for licensed masters of a MODU.

- **Oil Spill Response Plans (OSRPs).** Requires the Coast Guard to concur in the OSRP for an offshore facility, including the well. Clarifies the respective authorities of the U.S. Environmental Protection Agency (EPA), the Department of Transportation (DOT) with respect to onshore facilities, and the Department of the Interior (DOI). Repeals the authority for the President to allow any tank vessel or onshore or offshore facility to operate without an approved OSRP.
  
- **National Contingency Plan.** Requires EPA to undertake a rulemaking to revise the schedule for using a chemical dispersant in connection with an oil spill. Provides for a temporary moratorium on the use of dispersants except that the EPA may conditionally approve the use of dispersant under certain circumstances.
  
- **Tracking Database.** Requires the President to establish a national database to track all releases of oil or hazardous substances into the waters of the United States, adjoining shorelines, into or upon the waters of the contiguous zone, or in relation to activities on the outer Continental Shelf.
  
- **Implementation of Oil Spill Prevention and Response Authorities.** Defines the respective authorities of the Coast Guard, the EPA, DOT, and DOI and directs the heads of these agencies to ensure that agency personnel develop and maintain the operational capability to respond effectively to an oil spill and to ensure the safe operation of vessels on the outer Continental Shelf.
  
- **Authorization of Appropriations from the Oil Spill Liability Trust Fund.** Authorizes specific appropriations from the Oil Spill Liability Trust Fund for the Coast Guard, EPA, and DOT to carry out this Act.
  
- **Authorized Level of Coast Guard Personnel.** Authorizes an end-of-year strength for active-duty Coast Guard personnel to be increased by 300 personnel who shall be assigned to implement the activities required of the Coast Guard by this Act.