

§ 135.3

the administration and general operation of the fund established under Title III of the Outer Continental Shelf Lands Act Amendments of 1978 (Pub. L. 95-372, 43 U.S.C. 1811 et. seq.).

§ 135.3 Applicability.

(a) This part applies to each person who:

(1) Owns oil obtained from the Outer Continental Shelf when the oil is produced;

(2) Owns, operates, or is the guarantor of the owner or operator of any vessel;

(3) Owns, operates, or is the guarantor of the owner or operator of any offshore facility;

(4) Sustains an economic loss as a consequence of oil pollution arising from Outer Continental Shelf activities; or

(5) Otherwise has responsibilities under Title III of the Act and the regulations in this part.

§ 135.5 Definitions.

(a) As used in this part, the following terms shall have the same meaning as defined in section 301 of Title III of the Outer Continental Shelf Lands Act Amendments of 1978 (Pub. L. 95-372): “barrel”; “claim”; “discharge”; “facility”; “Fund”; “guarantor”; “incident”; “offshore facility”; “oil pollution”; “operator”; “owner”; “person”; “person in charge”; “public vessel”; and “vessel”.

(b) As used in this part:

(1) *Act* means Title III of the Outer Continental Shelf Lands Act Amendments of 1978 (Pub. L. 95-372), entitled “Offshore Oil Spill Pollution Fund”.

(2) *Captain of the Port* means a Coast Guard officer designated as Captain of the Port for the areas described in part 3 of this chapter, or that person’s authorized representative or, where there is no Captain of the Port area, the District Commander.

(3) *Commandant* means the Commandant of the Coast Guard or that person’s authorized representative.

(4) *District Commander* means the Coast Guard officer commanding a Coast Guard District described in part 3 of this chapter, or that person’s authorized representative.

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(5) *Fund Administrator* means the person to whom the authority and functions of the Commandant as administrator of the Fund are delegated.

(6) *Oil* means petroleum, including crude oil or any fraction or residue therefrom and natural gas condensate, except that the term does not include natural gas.

(7) *Outer Continental Shelf* or *OCS* means “outer Continental Shelf” as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C.1331(a)).

§ 135.7 Delegation—Fund Administrator.

(a) The Fund Administrator is delegated authority to perform those functions assigned or delegated to the Secretary of Transportation under the Act not reserved by the Secretary of Transportation or the Commandant.

(b) The Fund Administrator may redelegate and authorize successive redelegations of the authority granted in paragraph (a) of this section within the command under which that person has jurisdiction or to members of the Fund staff.

§ 135.9 Fund address.

The address to which correspondence relating to the Coast Guard’s administration of the Fund should be directed is: Director National Pollution Funds Center, NPFC MS 7100, U.S. Coast Guard, 4200 Wilson Blvd., Suite 1000, Arlington, VA 20598-7100.

[CGD 86-032, 52 FR 23175, June 18, 1987, as amended by CGD 88-052, 53 FR 25120, July 1, 1988; USCG-1998-3799, 63 FR 35530, June 30, 1998; USCG-2009-0416, 74 FR 27440, June 10, 2009]

Subpart B—Levy of Fees

§ 135.101 Purpose.

(a) The purpose of this subpart is to state the general requirements concerning the levy of fees.

§ 135.103 Levy and payment of barrel fee on OCS oil.

(a) A fee of \$.03 per barrel is levied on all oil produced on the OCS and is imposed upon the owner of the oil when such oil is produced.

(b) The owner of oil obtained from the OCS shall, for the purpose of computing the barrel fee levied in paragraph (a) of this section, measure OCS oil production by employing the methods and criteria of the Minerals Management Service contained in 30 CFR 250.180.

(c) The barrel fee levied in paragraph (a) of this section applies whenever the unobligated Fund balance is less than \$200,000,000.

(d) Payment of the fee levied in paragraph (a) of this section is made in accordance with the fee collection regulations of the IRS at 26 CFR part 301, §301.9001. Federal government entitlement to royalty oil does not constitute ownership of oil at time of production. The Fund Administrator advises the IRS when the unobligated Fund balance requires starting or stopping the collection of the barrel fee levied in this section, so the IRS may provide appropriate notice to affected owners of OCS oil.

[CGD 88-050, 53 FR 52997, Dec. 30, 1988, as amended by CGD 90-005, 55 FR 17268, Apr. 24, 1990]

Subpart C—Financial Responsibility for Offshore Facilities

§ 135.201 Applicability.

(a) This subpart applies to the owner or operator of each offshore facility required by the Act to establish and maintain evidence of financial responsibility.

(b) For the purpose of this subpart:

(1) All structures, including platforms, wells, and pipelines, are considered a single offshore facility if they are physically connected, located upstream of the point of custody transfer, within the same oil field, and under one ownership.

(2) If separate parts of a structure, including platforms and pipelines, are owned separately, each part having common ownership is considered a separate offshore facility.

(3) A mobile offshore drilling unit is considered an offshore facility from the moment a drill shaft or other device connected to the unit first touches the seabed or connects to a well for the purposes of exploration, development, or production of oil until drilling is

completed and the unit is no longer attached to the well or drill hole by any device.

(4) A mobile offshore drilling unit considered an offshore facility under paragraph (b)(3) of this section remains a separate facility when physically connected to another offshore facility, unless both are under one ownership.

(5) All segments of a common carrier pipeline from the point of custody transfer to the shore, including any pumping or booster stations, which are under one ownership are considered a single offshore facility.

(6) Any pipeline, which is under one ownership, between two offshore facilities, or between an offshore facility and the shore, is considered a single offshore facility.

(7) Offshore facilities which drill for, produce, or process only natural gas are not subject to this subpart unless the facilities have the capacity to transport, store, or otherwise handle more than 1,000 barrels of condensate at any one time.

NOTE: Regulations governing financial responsibility and certification for vessels are promulgated by the Federal Maritime Commission.

§ 135.203 Amount required.

(a) Each facility that is used for drilling for, producing, or processing oil, or which has the capacity to transport, store, transfer, or otherwise handle more than one thousand barrels of oil at any one time must be covered by evidence of financial responsibility submitted by or on behalf of the owner or operator of the facility, in the amount of \$35,000,000.

(b) Evidence of financial responsibility established and maintained by a person who owns or operates more than one facility, or who has an interest in the ownership or operation of more than one facility, may be applied by that person towards establishing and maintaining the required evidence of financial responsibility for each facility in which that person has an interest, if the evidence is available to satisfy liabilities arising out of incidents involving those facilities.