

**MINUTE ITEM**

This Calendar Item No. 60 was approved by the California State Lands Commission by a vote of 3 to 0 at its 12-7-95 meeting.

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60**

- A: 1, 6, 12, 13, 14, 16, 19, 21, 27, 33, 35, 37, 41, 53, 54, 67, 70, 73, 74, 78 12/07/95  
W 9777.151  
G. Gregory  
D. Brown
- S: 2, 3, 8, 9, 11, 15, 18, 19, 23, 27, 28, 35, 38, 39, 40

**REQUEST DELEGATION OF AUTHORITY FOR EXECUTIVE OFFICER  
TO EXECUTE COOPERATIVE RESEARCH AND DEVELOPMENT AGREEMENT  
WITH THE UNITED STATES DEPARTMENT OF THE NAVY TO DETERMINE  
AUDIT CRITERIA FOR MARINE TERMINAL DESIGN AND OPERATIONS**

**APPLICANT:**

The State Lands Commission

**PROPOSAL**

The Staff of the State Lands Commission (Staff) proposes to enter into a Cooperative Research and Development Agreement (CRADA) with the Naval Facilities Engineering Service Center (the Navy). Under this agreement, the parties would jointly develop and demonstrate a manual to be used in performing in-depth structural and safety system facility audits of existing marine oil terminals in the State.

**CONTRACT NUMBER:**

C9562

**STATUTORY AND OTHER REFERENCES:**

- A. 15 U.S.C.A. Sections 3701 through 3717
- B. Public Resources Code Sections 8755 and 8757
- C. State Administrative Manual Sections 1233-36

**CEQA REFERENCE:**

This activity is exempt from the requirements of the CEQA pursuant to 14 Cal. Code Regs. 15061, because the activity is not a project as defined by Public Resources Code Section 21065 and 14 Cal. Code Regs. Section 15378.

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**AB 884:**

N/A

**OTHER PERTINENT INFORMATION:**

Staff proposes to take advantage of special skills and expertise available in the Navy to carry out certain of its responsibilities under the Lempert-Keene-Seastrand Oil Spill Prevention and Response Act (the Act). That statute requires that the Commission inspect or cause to be inspected, on a regular basis, all marine facilities, along with associated equipment, and monitor their operations and the effects on public health, safety, and the environment. The Act also requires the Commission to adopt rules, regulations, guidelines, and leasing policies for reviewing the location, type character, performance standards, size and operations of all existing and proposed marine terminals within the State. See Sections 8755 and 8757 of the Public Resources Code.

Specifically, Staff and the Navy would combine their resources for the purpose of establishing standards under which they could determine whether a marine oil terminal is fit for the purpose intended. The objective of this joint effort would be to develop a manual of procedures for use in performing thorough examinations of each marine terminal in the State. These audits would be carried out to determine whether the structural integrity of the terminal, the oil transfer operations system, and the safety equipment are designed and being maintained in a manner and condition that will protect public health and safety and the environment. The manual would provide a standard and serve as a guide for future evaluations of both commercial and government owned marine terminals.

The purpose of the audit procedures detailed in the manual would be as follows:

- (1) To identify safety system, mechanical, and electrical deficiencies of the marine terminal operation;
- (2) To identify structural damage or weaknesses that might affect the continued fitness-for-purpose of the facility;
- (3) To advise whether these deficiencies have been properly assessed; and

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- (4) To advise what steps should be taken to prevent, or minimize potential risks.

The services the Navy would provide, would include technical assistance, diving support and on-site management of audit teams for facility inspections when required, and review of the audit manual and preparation of a sample audit report. These services would be performed for up to four separate commercial facilities selected by Staff.

The manual would also be adapted by the Navy for auditing its own marine oil transfer facilities. The State would provide technical expertise and personnel to manage the overall joint effort and coordinate the four test audits.

The proposed agreement is possible because the Federal Technology Transfer Act of 1986 (the FTT Act), as amended, provides for making developments at Federal laboratories accessible to private industries and to state and local governments. The FTT Act promotes improvements to the economy, environmental and social well-being of the United States by stimulating the civil utilization of Federally-funded technology developments. In keeping with these policies, the Navy desires to make its extensive expertise and technology available for use other agencies and the private sector.

The CRADA is expected not to exceed approximately \$120,000 over the two-year life of the agreement. Budgeted funds are available for this purpose under a previously-approved budget change proposal.

**IT IS RECOMMENDED THAT THE COMMISSION**

1. FIND THAT THIS ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF CEQA PURSUANT TO 14 CAL. CODE REGS. 15061, BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND 14 CAL. CODE REGS. 15378.
  
2. AUTHORIZE THE EXECUTIVE OFFICER OR HIS DESIGNEE TO EXECUTE, IN ACCORDANCE WITH CURRENT APPLICABLE STATE POLICIES AND PROCEDURES, A COOPERATIVE RESEARCH AND DEVELOPMENT

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AGREEMENT WITH THE UNITED STATES OF AMERICA DEPARTMENT OF THE NAVY, IN AN AMOUNT NOT TO EXCEED \$120,000 AND UNDER TERMS THE EXECUTIVE OFFICER DETERMINES TO BE NECESSARY. SAID AGREEMENT SHALL BE UNDER SUCH TERMS SO AS TO FURTHER THE PURPOSES OF PUBLIC RESOURCES CODE SECTIONS 9855, AND 8757 BY JOINTLY DEVELOPING A MANUAL FOR USE IN PERFORMING IN-DEPTH STRUCTURAL AND SAFETY SYSTEM FACILITY AUDITS OF EXISTING MARINE OIL TERMINALS IN THE STATE.

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