

EDIBLE OIL REGULATORY REFORM ACT

SEPTEMBER 27, 1995.—Ordered to be printed

Mr. ROBERTS, from the Committee on Agriculture,
submitted the following

R E P O R T

[To accompany H.R. 436]

[Including cost estimate of the Congressional Budget Office]

The Committee on Agriculture, to whom was referred the bill (H.R. 436) to require the head of any Federal agency to differentiate between fats, oils, and greases of animal, marine, or vegetable origin, and other oils and greases, in issuing certain regulations, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Edible Oil Regulatory Reform Act".

SEC. 2. DEFINITIONS.

As used in this Act:

(1) ANIMAL FAT.—The term "animal fat" means each type of animal fat, oil, or grease (including fat, oil, or grease from fish or a marine mammal), including any fat, oil, or grease referred to in section 61(a)(2) of title 13, United States Code.

(2) VEGETABLE OIL.—The term "vegetable oil" means each type of vegetable oil (including vegetable oil from a seed, nut, or kernel), including any vegetable oil referred to in section 61(a)(1) of title 13, United States Code.

SEC. 3. DIFFERENTIATION AMONG FATS, OILS, AND GREASES.

(a) IN GENERAL.—In issuing or enforcing a regulation, an interpretation, or a guideline relating to a fat, oil, or grease under a Federal law, the head of a Federal agency shall—

- (1) differentiate between and establish separate categories for—
 - (A)(i) animal fats; and
 - (ii) vegetable oils; and
 - (B) other oils, including petroleum oil; and

(2) apply different standards to different classes of fat and oil as provided in subsection (b).

(b) CONSIDERATION.—In differentiating between the classes of animal fats and vegetable oils referred to in subsection (a)(1)(A) and the classes of oils described in subsection (a)(1)(B), the head of the Federal agency shall consider differences in physical, chemical, biological, and other properties, and in the effects on human health and the environment, of the classes.

SEC. 4. FINANCIAL RESPONSIBILITY.

(a) LIMITS OF LIABILITY.—Section 1004(a)(1) of the Oil Pollution Act of 1990 (33 U.S.C. 2704(a)(1)) is amended by striking “for a tank vessel,” and inserting “for a tank vessel (other than a tank vessel carrying animal fat or vegetable oil),”.

(b) FINANCIAL RESPONSIBILITY.—The first sentence of section 1016(a) of the Act (33 U.S.C. 2716(a)) is amended by striking “in the case of a tank vessel,” and inserting “in the case of a tank vessel (other than a tank vessel carrying animal fat or vegetable oil),”.

BRIEF EXPLANATION

The Edible Oil Regulatory Reform Act is designed to require Federal agencies in issuing or enforcing a regulation, an interpretation, or a guideline to differentiate between and establish separate categories for animal fats and vegetable oils and other oils, such as petroleum. Federal agencies should consider differences in the physical, chemical, biological, and other properties between classes of animal fats and vegetable oils and the classes of other oils, and in the effects on human health and the environment, of the classes. This Act limits the liability under the Oil Pollution Act of 1990 for a tank vessel carrying animal fat or vegetable oil to the greater of \$600 per gross ton of the tank vessel or \$500,000. The liability of the responsible party is limited to the same amount as the tank vessel and such responsible party must establish and maintain, in accordance with regulations promulgated by the Secretary of Transportation, evidence of financial responsibility sufficient to meet the removal costs and damages incident to an oil discharge.

PURPOSE AND NEED

The purpose of the Edible Oil Regulatory Reform Act is intended to avoid the application of costly, inappropriate, and counterproductive regulatory requirements intended for petroleum and other oils to animal fats and vegetable oils. Due to the broad definition of oil in the Oil Pollution Act of 1990, regulatory agencies have generally failed to differentiate between animal fats and vegetable oil and other oils, such as petroleum oil. As a result, regulatory agencies, despite scientific evidence and other data justifying differentiation, have proposed or issued regulations that regulate animal fats and vegetable oils to the same degree as toxic oils.

Due to the failure of regulatory agencies to differentiate between fats, oils, or greases and other oils, this Act directs those agencies to differentiate between non-toxic animal fats and vegetable oils and all other oils, including toxic petroleum and non-petroleum oils, when promulgating oil pollution prevention and response regulations. In requiring differentiation, the Committee intends that the provisions of this legislation cover products made from animal fats and vegetable oils that contain no petroleum or toxic additives. Such differentiated animal fat and vegetable oil products include, but are not limited to, lubricants, greases, hydraulic fluids, solvents, and mono-alkyl esters used as fuel for diesel engines

(biodiesel). These products are non-toxic, biodegradable, and should be treated no differently than animal fats and vegetable oils.

SECTION-BY-SECTION

SECTION 1. SHORT TITLE

This section provides that this Act may be cited as the “Edible Oil Regulatory Reform Act”.

SECTION 2. DEFINITIONS

Paragraph (1) of this section defines the term “animal fat” to mean each type animal fat, oil, or grease, including fat, oil or grease from fish or a marine mammal. Additionally, the term “animal fat” includes any fat, oil, or grease referred to in section 61(a)(2) of title 13, United States Code.

Paragraph (2) defines the term “vegetable oil” to mean each type of vegetable oil, including vegetable oil from a seed, nut, or kernel. Additionally, the term “vegetable oil” includes any vegetable oil referred to in section 61(a)(1) of title 13, United States Code.

The Committee intends that the definition of the terms “animal fat” and “vegetable oil” includes products made from animal fats and vegetable oils that contain no petroleum or toxic additives. Such animal fat and vegetable oil products include, but are not limited to, lubricants, greases, hydraulic fluids, solvents, and mono-alkyl esters used as fuel for diesel engines (biodiesel). These products are non-toxic, biodegradable, and should be treated no differently than animal fats and vegetable oils.

SECTION 3. DIFFERENTIATION AMONG FATS, OILS, AND GREASES

Subsection (a) of this section requires a Federal agency in issuing or enforcing a regulation, an interpretation or a guideline relating to a fat, oil, or grease under a Federal law, to differentiate between and establish separate categories for animal fats and vegetable oils and other oils. The Federal agency shall also apply different standards to different classes of fats and oils.

Subsection (b) provides that in differentiating between classes of animal fats and vegetable oils and other oils, the Federal agency shall consider differences in physical, chemical, biological, and other properties, and in the effects on human health and the environment of the classes.

SECTION 4. FINANCIAL RESPONSIBILITY

This section provides that under the Oil Pollution Act of 1990, the liability for a tank vessel carrying animal fat or vegetable oil is limited to the greater of \$600 per gross ton of the tank vessel or \$500,000. The liability of the responsible party is limited to the same amount as the tank vessel and such responsible party must establish and maintain, in accordance with regulations promulgated by the Secretary of Transportation, evidence of financial responsibility sufficient to meet the removal costs and damages incident to an oil discharge.

COMMITTEE CONSIDERATION

The Committee on Agriculture met, pursuant to notice, on September 20, 1995, a quorum being present, to consider H.R. 436, the "Edible Oil Regulatory Reform Act," and other pending business.

Chairman Roberts called the meeting to order in the presence of a quorum and without objection discharged the Subcommittee on Department Operations, Nutrition, and Foreign Agriculture from further consideration of H.R. 436. Mr. Ewing was then recognized for an explanation of the bill.

After an explanation of the bill and a brief discussion. Mr. Ewing offered an Amendment in the Nature of a Substitute, to H.R. 436, which was adopted by a voice vote. Mr. Ewing then moved that the bill, as amended, be favorably reported to the House for consideration on the corrections calendar. That motion, without objection, being adopted by a voice vote, Mr. Emerson who moved that the Committee authorize the Chairman to offer such motions as may be necessary in the House to go to conference with the Senate on the bill, H.R. 436, or similar Senate bills. The motion was also adopted by a voice vote.

The Committee then proceeded to other items of business.

REPORTING THE BILL—ROLLCALL VOTES

In compliance with clause 2(l)(2) of rule XI on the House of Representatives, the bill was reported, as amended, with a quorum actually present by a voice vote. There was no motion or request for a recorded vote.

ADMINISTRATION POSITION

At the time of the filing of this report, the Committee had not received a report from the U.S. Department of Agriculture concerning H.R. 436, as amended, to require the head of any Federal agency to differentiate between fats, oils, and greases of animal, marine, or vegetable origin, and other oils and greases, in issuing certain regulations, and for other purposes.

BUDGET ACT COMPLIANCE (SECTION 308 AND SECTION 403)

The provisions of clause 2(l)(3)(B) of rule XI of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974 (relating to estimates of new budget authority, new spending authority, or new credit authority, or increased or decreased revenues or tax expenditures) are not considered applicable. The estimate and comparison required to be prepared by the Director of the Congressional Budget Office under clause 2(l)(C)(3) of rule XI of the Rules of the House of Representatives and section 403 of the Congressional Budget Act of 1974 submitted to the Committee prior to the filing of this report are as follows:

U.S. CONGRESS,
 CONGRESSIONAL BUDGET OFFICE,
Washington, DC, September 27, 1995.

Hon. PAT ROBERTS,
*Chairman, Committee on Agriculture,
 House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed H.R. 436, the Edible Oil Regulatory Reform Act, as ordered reported by the House Committee on Agriculture on September 20, 1995. The bill defines animal fat and vegetable oil, and would require the head of a federal agency to apply different regulatory standards to classes of fats and vegetable oils and other classes of other oils, including petroleum oil, based on physical, chemical and other properties. The bill would also change financial responsibility requirements for tank vessels carrying animal fat or vegetable oil. CBO estimates that enacting H.R. 436 would not result in any significant cost to the federal government, and would not affect the budgets of state or local governments.

Enactment of H.R. 436 would not affect direct spending or receipts. Therefore, pay-as-you-go procedures would not apply to the bill.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is David Hull.

Sincerely,

JAMES L. BLUM
 (For June E. O'Neill, Director).

INFLATIONARY IMPACT STATEMENT

Pursuant to clause 2(l)(4) of rule XI of the Rules of the House of Representatives, the Committee estimates that enactment of H.R. 436, as amended, will have no inflationary impact on the national economy.

OVERSIGHT STATEMENT

No summary of oversight findings and recommendations made by the Committee on Government Reform and Oversight under clause 2(l)(3)(D) of rule XI of the Rules of the House of Representatives was available to the Committee with reference to the subject matter specifically addressed by H.R. 436, as amended.

No specific oversight activities other than the hearings detailed in this report were conducted by the Committee within the definition of clause 2(b)(1) of rule X of the Rules of the House of Representatives.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

OIL POLLUTION ACT OF 1990

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TITLE I—OIL POLLUTION LIABILITY AND COMPENSATION

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SEC. 1004. LIMITS ON LIABILITY.

(a) **GENERAL RULE.**—Except as otherwise provided in this section, the total of the liability of a responsible party under section 1002 and any removal costs incurred by, or on behalf of, the responsible party, with respect to each incident shall not exceed—

(1) **[for a tank vessel,]** *for a tank vessel (other than a tank vessel carrying animal fat or vegetable oil), the greater of—*

(A) * * *

* * * * *

SEC. 1016. FINANCIAL RESPONSIBILITY.

(a) **REQUIREMENT.**—The responsible party for—

(1) any vessel over 300 gross tons (except a non-self-propelled vessel that does not carry oil as cargo or fuel) using any place subject to the jurisdiction of the United States; or

(2) any vessel using the waters of the exclusive economic zone to transship or lighter oil destined for a place subject to the jurisdiction of the United States;

shall establish and maintain, in accordance with regulations promulgated by the Secretary, evidence of financial responsibility sufficient to meet the maximum amount of liability to which, **[in the case of a tank vessel,]** *in the case of a tank vessel (other than a tank vessel carrying animal fat or vegetable oil), the responsible party could be subject under section 1004 (a)(1) or (d) of this Act, or to which, in the case of any other vessel, the responsible party could be subjected under section 1004 (a)(2) or (d), in a case where the responsible party would be entitled to limit liability under that section. If the responsible party owns or operates more than one vessel, evidence of financial responsibility need be established only to meet the amount of the maximum liability applicable to the vessel having the greatest maximum liability.*

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