

May 25, 2010

H 2014. REMOVE DAMAGE CAP/REVIEW OFFSHORE OIL SPILLS. Filed 5/25/10. *TO (1) REMOVE THE CAP ON THE TOTAL RECOVERY BY THE STATE FOR DAMAGE TO THE PUBLIC RESOURCES AND FOR THE COST OF ANY OIL OR OTHER HAZARDOUS SUBSTANCES CLEANUP ARISING FROM A DISCHARGE AND (2) DIRECT THE COASTAL RESOURCES COMMISSION TO CONDUCT A REVIEW AND EXAMINATION CONCERNING THE OIL SPILL ASSOCIATED WITH THE BRITISH PETROLEUM DEEPWATER HORIZON OFFSHORE DRILLING RIG AND THE ENVIRONMENTAL AND ECONOMIC EFFECTS OF THAT SPILL ON THE GULF COAST REGION AS WELL AS THE ENVIRONMENTAL AND ECONOMIC EFFECTS ON NORTH CAROLINA WERE SUCH AN OIL SPILL TO AFFECT THE COASTLINE OF NORTH CAROLINA EITHER BY TAKING PLACE OFF THE NORTH CAROLINA COAST OR BY TAKING PLACE ELSEWHERE YET REACHING THE WATERS AND COASTLINE OF NORTH CAROLINA.*

Amends GS 143-215.89 to remove existing limits on the total amount the State may recover for damage to public resources and for the cost of cleanup arising from the discharge of oil or other hazardous substances cleanup.

Requires the Coastal Resources Commission to review and examine (1) the review and approval process for the leases and permits to British Petroleum for Deepwater Horizon offshore drilling; (2) the environmental and economic effects of the recent spill on the Gulf Coast region; and (3) the effect such a spill would have on North Carolina's environment, public health, and economy were such spill to occur off the North Carolina coast or reach the North Carolina coast from an incident elsewhere. Provides that, upon completion of this examination and review, the Commission must adopt temporary and permanent rules, pursuant to GS 113A-107 and 113A-124, to require data and information in addition to data and information currently required by 15A NCAC 7M.0403 (f)(2) for state permits and federal consistency reviews for all energy facilities in or affecting any land or water use or natural resource of the North Carolina coastal area. Extends the temporary rulemaking authorization through July 1, 2011.

Provides that the additional data and information required must at least include the following: a detailed assessment of the potential for a blowout of a proposed well, including information regarding relief wells; a calculation of the volume of oil in a worst-case discharge based on specific stated guidelines; detailed descriptions of a spill response, including necessary equipment, personnel, materials, and support vessels to ensure effective immediate and long-term response, storage and transfer provisions, and time need estimates; assessment of number of jobs lost in tourism, fishing, and other affected industries in a worst-case spill scenario; assessment of alternatives to offshore drilling that would reduce risk, including alternative energy sources; assessment of potential damage to various natural and archeological coastal resources in a worst-case spill; explanation of measures to be taken to prevent damage to coastal resources; description of chemical dispersants that may be used in response, including their potential harmful impact; and assessment of potential violations of federal and State water quality standards caused by a spill.

Further provides that the Commission must adopt temporary and permanent rules pursuant to GS 113A-107 and GS 113A-124 to ensure that any impact assessment as defined in 15A NCAC 07M.0402(a) for any proposal for oil or gas exploration activities shall include a full discussion of the items described in subdivisions (1) to (9) of 15A NCAC 07M.0402(a) for a worst-case scenario discharge. Extends this rulemaking authorization through July 1, 2011.

Appropriates \$50,000 for 2010-11 from the General Fund to the Coastal Resources Commission for the required review and examination. Effective with respect to any damage to public resources and to any oil or hazardous cleanup that occur on or after the date the act becomes law.

Intro. by Harrison.

GS 143, APPROP