

**INTERIM REPORT
OF THE
VIRGINIA COASTAL STUDY COMMISSION**

**TO THE GOVERNOR
AND GENERAL ASSEMBLY**



Senate Document No. 23

Commonwealth of Virginia

December 1975

CONCLUSIONS

1. No outer continental shelf exploration has taken place and no petroleum resources have been discovered.
2. If a petroleum resource is discovered, the Commonwealth will encourage its development.
3. Precise planning for the onshore effects of offshore oil can only be theoretical at this point.
4. The proposed Brown and Root facility at Cape Charles Virginia has been the first indication of onshore impact in Virginia.
5. The onshore effects in Virginia of offshore oil development may be substantial.
6. Virginia and its localities are not prepared for the onshore effects of the production phase of offshore oil.
7. The State should assist localities in preparing for future onshore impacts.
8. The State should strongly support the Coastal Zone Management Program that is now in the planning phase in Virginia.

RECOMMENDATIONS

1. That a resolution be enacted directing the Commission in the course of its study, to consider what the State's role might be in the Coastal Zone Management Program. See proposed legislation in APPENDIX II.

2. That a resolution be enacted stating that it is the best interest of Virginia to seek the most favorable allocation to Virginia of federal money from Mid-Atlantic O.C.S. activity. See proposed legislation in APPENDIX III.

3. That §§ 62.1-44.34:1 and 62.1-44.34:2 be amended to provide for liability for discharging oil from any onshore facility and any offshore facility or vessel if the oil comes into Virginia. See proposed legislation in APPENDIX IV.

4. That a resolution be enacted to appropriate additional funds to the Commission so that the Commission may continue its study for the next year and satisfy the original charge from the General Assembly. See proposed legislation in APPENDIX II.

INTRODUCTION

The Virginia Coastal Study Commission was established by the 1975 General Assembly pursuant to Senate Joint Resolution No. 137 (See APPENDIX I.), to study the onshore, interface and offshore effects on Virginia of possible oil exploration and development on the Outer Continental Shelf (O.C.S.) adjacent to Virginia's coast. The Commission was directed to develop and evaluate information on the probable economic, cultural and environmental cost of such exploration and development. The resolution came about largely because of the November 1974 report, " Virginia And The Outer Continental Shelf: Problems, Possibilities and Posture " done by an ad hoc committee of State agency heads.

The Commission is composed of Senator Joseph V. Gartlan, Jr. of Fairfax, Chairman; Delegate Glenn B. McClanan of Virginia Beach, Vice Chairman; Senator Herbert H. Bateman of Newport News; A. G. Clark, Jr. of Yorktown, representing industry; David S. Favre of Newport News, representing environmental groups; Delegate Evelyn M. Hailey of Norfolk; Ivan D. Mapp of Virginia Beach, representing local government; Delegate George N. McMath of Accomac; Delegate Calvin G. Sanford of Hague; Delegate Alson H. Smith, Jr. of Winchester; and Harry E. Tull, Jr. of Saxis, also representing local government. Edward F. Wilson, the Governor's O.C.S. coordinator and Deputy Director of the Virginia Energy Office was named an ex officio member of the Commission. Mary Margaret Goodwin, Chairperson of the Stream Valley Board of Fairfax County ; B. C. Leynes, Jr. and Stewart Gamage of the Division of State Planning and Community Affairs; Norman E. Larsen of the Virginia Marine Resources Commission; John Pleasants of the Virginia Institute of Marine Science; James E. Moore of the Attorney General's Office and Jonathan Murdoch-Kitt and Susan T. Gill of the Division of Legislative Services served as staff to the Commission.

In March, 1975, the *United States vs. Maine* case was decided in favor of the United States, giving the federal government title to the O.C.S. and dominion and control over its potential oil and gas resources. This case delineated the options available to Virginia regarding the O.C.S. and activated the Senate Resolution that established the Commission.

DEVELOPMENT OF THE STUDY

The coastal area of Virginia is presently faced with recreational, conservational, preservational, industrial, fishing, energy production and other demands that are increasing and competing for valuable coastal resources. The advent of O.C.S. oil and gas exploration and development, if successful, may require additional development of these coastal resources. Although the federal government will regulate exploration and development on the O. C.

S., many onshore decisions ranging from the location of facilities to the delivery of municipal services must be made by Virginia and its localities. Implementation of well conceived plans may be the key to success in dealing with these developments. Virginia's role in O.C.S. development must be a strong one to insure environmental safety, and to guarantee that federal revenues reach localities in time to take the necessary actions to meet the localities needs.

In the first eight months of its study, the Commission has been educating itself on the problems, facts and potential impacts of energy development in the coastal zone. A major factor was recognized - that with or without O.C.S. development, the present competing demands on coastal resources dictate the need for a comprehensive planning effort and an examination of the role of the State to help localities meet these planning needs. This report will touch on the activities of the Commission in its first eight months including its relationship to the Coastal Zone Management Program, problems involving the interface area, the need for monitoring and emergency planning, key facility siting and developments of regional impact, marine research needs, transportation, proposed federal legislative activity including O.C.S. impact funding and onshore impact case studies.

COASTAL ZONE MANAGEMENT

Historical Background —Over the past decade many events have heightened attention to the United States coastal areas. Increased importation of oil and subsequent spills as well as uncontrolled development in the coastal zone have generated concern. Many coastal communities and industries have grown with haphazard or no planning and insufficient environmental controls. Bays, harbors and estuaries have experienced major alterations. Wetlands and marshes have been dredged and filled at a rate that may threaten the viability of the fishing industries. As these demands on the coastal region have grown, increasing conflicts between users have arisen.

Paralleling the concern for environmental quality was a concern by many over the lack of a United States program for harvesting the valuable resources of the world's oceans. It was argued that the United States should increase its ocean resource activities and develop a national oceans policy. Legislation in 1966 created a special federal commission, known as the Stratton Commission, to study and recommend a national oceans policy. The Stratton Commission's final recommendations (1969) suggested a federal coastal zone management program. Environmental concerns of recent years have added weight to that recommendation. The combined forces of those pushing for a national oceans program and those concerned with the protection of the coastal environment resulted in the enactment of the Coastal Zone Management Act of 1972 (Public Law 92-583, 16 U.S.C. § 1451 et.seq.).

Coastal zone management has been going on for some time and at all levels of government—federal, state and local. Traditional

coastal zone management efforts however, have suffered from major problems. Fragmented projects, such as port development, alteration of wetlands and growth of new communities have been isolated with management objectives focused on a single goal at a time. In addition, coastal zone activities have lacked specific long-term and short-term goals. Without specific goals, governments and private individuals competed among themselves for short-term advantage. Many of these problems are addressed in the Coastal Zone Management Act.

Purpose and Intent —The Act recognizes that the coastal zone is rich in a variety of natural, commercial, recreational, industrial and esthetic resources of immediate and potential value to the present and future well-being of the nation. Under the Act, state governments are the focal point for coastal zone management. To assist the states in their work, the Coastal Zone Management (CZM) program, administered by the National Oceanic and Atmospheric Administration provides matching grants to coastal states and territories, desiring to participate, on a two-third federal, one-third state basis. The program is basically divided into two parts. Section 305 of the Act authorizes annual grants to any coastal state for the purpose of assisting the state in the development of a management program for the land and water resources of its coastal zone. Virginia has recently completed the first year of CZM planning in a proposed three year planning process. Once a coastal state has developed a management program, it is submitted to the United States Secretary of Commerce for approval and, if approved, the state is then eligible under Section 306 to receive annual grants for administering its management program.

The development and administration of the management program must address the following issues emphasizing those of regional importance:

1. Identification of the coastal zone boundaries;
2. Determination of permissible land and water uses which have a direct and significant impact on coastal waters;
3. Determination of areas of particular concern;
4. Designation of priority uses within specific geographic areas of the coastal zone;
5. Development of management techniques and organizational structure to implement Section 306;
6. Determination of the national interest in the siting of facilities; and
7. Designation of areas for preservation and restoration.

Under the interagency coordination and cooperation provisions, the views of affected state agencies must be considered by the state prior to the Secretary of the Interior's approval of the management program. Once the management program is approved, federal

agency activities must be consistent with the coastal zone management program of that state, to the maximum extent practicable.

Public Participation —Coordination and cooperation between the three levels of government, local, state and federal, is necessary to implement an effective program. This can be achieved through a cooperative program where local and state government interact with one another discussing the problems and issues dealing with the coastal zone. The results of these discussions can then be incorporated into the final implementation of the management program. In addition to intergovernmental coordination, the active participation of the citizenry is essential if the management program is to reflect the diverse complexities of the community.

Virginia's Approach —It is through a formal public participation program that Virginia's State government will establish working relationships with local government and regional planning bodies. The organization of Regional Advisory Committees (RAC) in each of the nine planning districts that are currently considered to be in the coastal zone, is the principal vehicle by which interested citizens and groups can express their opinions and make input to the coastal zone planning process. From the information gathered at these RAC meetings and from the technical background material from the Division of State Planning and Community Affairs and the Virginia Institute of Marine Science, the following basic areas will be assessed by the Division and the Planning District Commissions in each of the nine Planning Districts:

1. A basic description of the coastal zone within each region;
2. The identification of the major coastal related issues identified in each region; and
3. An indication of suggested methods to adequately deal with these issues.

Through this assessment and a similar assessment of State activities, management tools will be recommended to meet the needs of a changing coastal community and the requirements of a growing State.

Commission's Role —The Commission has been favorably impressed with the dedication and determination of the Division of State Planning and Community Affairs, the Virginia Institute of Marine Science and the Virginia Marine Resources Commission in their coastal zone management planning efforts, particularly with respect to the State's emphasis on working for and with the interests of coastal communities. The Commission believes that the State has a special obligation to seek out and involve local governmental and private organizations in the conduct of the coastal zone management planning process. The Commission, as an entity of the State legislature, believes that it has a clear responsibility to facilitate communications between all concerned with the coastal zone management process. In particular, the

Commission will continue to work in concert with the coastal zone management planners, and will emphasize as its particular contribution the guarantee of access by all local interests to the program.

The General Assembly's charge to the Commission was to study the offshore, interface and onshore effects of possible exploration and development of the O.C.S. adjacent to Virginia's coast. The Commission believes that consideration of O.C.S. oil exploration and development is a part of the very important coastal zone management planning process. The Commission recommends that it be directed, in the course of its study, to consider what the State's role might be in the coastal zone management program. See proposed legislation in APPENDIX II.

INTERFACE

The interface area extends from the three mile territorial limit to the upper limit of the wetlands. Fisheries, wetlands and subaqueous lands are among the greatest concerns in this area. With the possibility of oil and gas pipelines coming ashore in Virginia and substantial onshore development that may extend into the interface area, the Commission examined current State protective legislation.

The wetlands legislation, § 62.1-13 et seq. of the Code of Virginia, is a substantial contribution to prudent management of an important interface resource. There is no legislation, however, that specifically protects mud flats and sandy beaches — those areas that do not possess the requisite vegetation to qualify the area for wetlands protection. This area will be examined closely by the Commission with a view to determine future legislative action if the O.C.S. development occurs.

MONITORING AND EMERGENCY PLANNING

Monitoring of offshore facilities for air and water discharges, and oil spills as well as for safety requirements will be the responsibility of the United States Geological Survey in conjunction with the U. S. Coast Guard. California officials have suggested that the oil spill in the Santa Barbara channel off California would never have occurred if the federal government had been monitoring properly. For this reason, Virginia must insure that O.C.S. activities are monitored on a regular basis. This can be done through State review of federal monitoring practices or a cooperative federal - State monitoring program. The Commission will continue to examine this area.

Oil companies have formulated emergency plans to cover many contingencies that may arise as the result of O.C.S. activities - diver accidents, ship collisions, platform and drilling rig accidents, platform fires and explosions, pipeline breaches, etc. These

emergency plans should be part of the overall State program of preparation for O.C.S. development which the Commission intends to address in its final report.

KEY FACILITY SITING/DEVELOPMENTS OF REGIONAL IMPACT

Perhaps the most critical subject in the onshore effects of offshore oil is the siting of key facilities and developments of regional impact. A key facility can be defined as one that meets one or more of the following criteria:

1. It is vital to the national or state interest;
2. It is required to support or service a facility that is vital to national or State interest; or
3. It is a major facility that may be seriously affected by location.

Examples of key facilities are oil refineries, pipelines, major highways, ports, airports, and power generating facilities.

Developments of regional impact are those developments which, by reason of their nature, size or impact affect more than one political jurisdiction and affect the functioning of a key facility.

The State Land Use Council, which is an ad-hoc group of State agency heads, representatives of local governments, planning district commissions and legislative study committees, is presently studying both key facilities and developments of regional impact. The Commission intends to review the efforts of the State Land Use Council in these areas. Any Commission action at this time would be premature.

RESEARCH NEEDS: CONTINENTAL SHELF

The research needs for a more thorough understanding of the environment of the continental shelf are listed below. These needs recognize that part of the work will be done under the contract granted by the Bureau of Land Management of the Department of the Interior to the Virginia Institute of Marine Science to conduct certain baseline studies of the Baltimore Canyon Trough area.

State funding of all the listed studies would place a tremendous burden on the State. The Commonwealth, however, has a very great involvement with shelf waters, economically, socially, culturally and historically. Virginians use these waters for transportation, waste disposal, recreation, commercial fishing, and potentially the extraction of minerals from the shelf itself. In recognition of these facts, legislation mandates that the Virginia Institute of Marine Science conduct studies of "all the tidal waters of the

Commonwealth and the contiguous waters of the Atlantic Ocean”, § 28.1-197 of the Code of Virginia. The Commission endorses the Commonwealth’s participation and funding of offshore research to the fullest extent practicable.

Answers should be sought to the following questions:

1. How long does crude oil persist in the offshore area, and what happens to it?
2. What are the sub-lethal effects of crude oil upon the creatures of the shelf?
3. How can we describe the circulation patterns on the Mid-Atlantic shelf under varying conditions?
4. How can we describe, in great detail, the movement of crude oil and other pollutants at any particular site?
5. What are the bottom currents in O.C.S. lease areas and along pipeline corridors?
6. What changes occur to the bottom normally and during storms in the O.C.S. lease areas and along pipeline corridors?
7. In what areas is wave energy concentrated?
8. How large are our fishery resources, and where are the areas that are crucial to them?

In the opinion of the Commission, these are the major questions which must be answered to understand the effects of petroleum development upon the biota and environment of the Virginian Sea.

Transportation—Vessel Traffic System

Transportation of people, raw materials and finished products have and will continue to have a tremendous impact on the coastal area of Virginia. The Commission has examined one element of transportation in the coastal zone—the need for a Vessel Traffic System for the bay.

The Waterways Safety Act of 1972 authorized the Coast Guard to establish, operate and maintain vessel traffic systems for ports, harbors and other waters subject to congested vessel traffic. The basic objectives of the VTS are to improve marine safety while facilitating the orderly movement of vessels by providing the mariner with more accurate and timely navigation information and by coordinating traffic movements.

The complexity of the Vessel Traffic System ranges from information transmission between ships to more costly and complicated systems involving computerized data collection with radar surveillance.

Coast Guard estimates of time required for the planning, development and implementation of any major VTS extend from four to six years. Since the passage of the enabling legislation in 1972, vessel traffic systems have been developed or are operating in six U. S. port areas. Sixteen other ports and waterways have been identified as congested areas requiring such systems; the Chesapeake Bay is among those cited. "Report To The Congress: Vessel Traffic Systems—What Is Needed To Prevent And Reduce Vessel Accidents?": U. S. Coast Guard; Department of Transportation (page 7, January, 1975.).

A report of the Comptroller General conducted by the federal General Accounting Office specified several harbor areas where the introduction of a VTS would be "most cost effective in preventing vessel casualties". The Chesapeake Bay was one of those harbor areas. The Fifth Coast Guard District is presently developing a planning proposal for the Chesapeake Bay Area Vessel Traffic System. This proposal should have been presented by the District to Coast Guard Headquarters in Washington in December 1975. After acceptance of the proposal, a more detailed work proposal accompanied by specific cost estimates will be formulated. An Environmental Impact Statement will be prepared after preparation of the more detailed plan. The estimated time for the completion of this entire process will be 1981.

While the necessary planning must be supplied by the Coast Guard in designing a VTS for the Chesapeake Bay, the time frame for program development, the sophistication of the system selected and the attitudes of the maritime community within the Commonwealth are appropriate areas for future consideration by the Coastal Study Commission.

Federal Legislation

The Commission has been monitoring federal legislative developments concerning the Coastal Zone Management Act, oil spill legislation, and offshore leasing legislation. The Commission will continue to keep abreast of federal developments. The Middle Atlantic Governor's Coastal Resources Council has been established and has been very beneficial in providing a forum for the Middle Atlantic region with the Federal government. An O.C.S. Advisory Board has been formally established at the federal level to advise the Secretary of Interior on O.C.S. policy problems. This Board includes a representative of the governor from each adjacent coastal state and a regional sub-structure which includes the Mid-Atlantic states to address regional problems. The commission will also maintain contact with these regional groups.

Federal O.C.S. Impact Funds

The Commission has monitored numerous federal legislative proposals that involve federal funds to the states for onshore

impacts caused by offshore oil. These proposals range from dividing a percentage of the federal O.C.S. leasing revenues among the affected states to funds distributed based upon net adverse budgetary impact. Two important questions must be addressed:

1. How, and to what extent should Virginia participate in federal O.C.S. impact funding; and
2. How can the State insure the fair distribution of federal O.C.S. impact funds or leasing revenues?

The Commission recommends that Virginia take a strong policy position in favor of the maximum amount of federal money for the State whether from oil leasing revenues or through impact funds. See proposed legislation in APPENDIX III.

The Commission will attempt to identify and make recommendations with respect to the important policy issues for the State which will be involved in fairly and wisely using and distributing these revenues.

Onshore Impact Cast Studies

The Commission has studied numerous reports on the impacts the onshore areas of Virginia can expect from offshore oil. These reports include: "Virginia And The Outer Continental Shelf; Problems Possibilities and Posture": Ad Hoc O.C.S. Advisory Committee (1974); P. Baldwin and M. Baldwin, Onshore Planning for Offshore Oil: Lessons From Scotland, (1975); and "Mid-Atlantic Regional Study; An Assessment of the Onshore Effects of Offshore Oil and Gas Development": Woodward—Clyde Consultants, (1975).

Several conclusions have been made:

First, no petroleum resources have been discovered. Until some idea of the size and location of oil or gas fields has been established precise planning for onshore impacts is not feasible. A substantial level of advance planning must be maintained, however, for the time when explorations have been made and specific data is available. Although most onshore impacts are theoretical until oil or gas is discovered, Virginia has experienced some onshore impact through the proposed Brown and Root platform fabrication facility at Cape Charles, Virginia. This is one example of impacts that can be expected in the future.

Second, if the oil resource is present, its development will be encouraged by the Commonwealth. This is a re-statement of the position taken by the General Assembly last year in Senate Joint Resolution No. 91, (1975), See APPENDIX V.

Third, there are conflicting perceptions regarding the effect that onshore development will have on the coastal zone, which makes it very difficult to provide useful guidance. Based upon onshore effects in the Gulf of Mexico and in Scotland it is the opinion of the

Commission that onshore effects may be substantial. In this connection, the Commission has been advised that major oil companies plan no expansion of refining capacity in Virginia under present supply and demand conditions. However, an independent oil refiner is planning a 350,000 barrel per day refinery in the Hampton Roads area which will have an effect on Virginia. The Commission believes that further research is necessary to forecast possible changes in conditions which may affect the plans of the major oil companies.

Fourth, Virginia and its localities must study and prepare for the onshore effects the production phase of O.C.S. development may bring. In the time remaining before this phase begins, the State should help localities plan for these impacts and provide guidance and direction for onshore development.

State Oil Spill Legislation

The Commission has examined comprehensive oil spill liability legislation for the State which includes a fund to pay damages caused by unknown or insolvent polluters. The Commission will continue to examine the need for this type of legislation but does not recommend comprehensive oil spill legislation with a liability fund at this time. A number of questions must be answered before Virginia can recommend any action to the federal government on oil spill liability legislation or any State legislation that provides strict oil spill liability with a fund from which damages could be paid. Those questions are: (1) the annual number of sizeable oil spills in Virginia; (2) the difficulty experienced in determining the responsible owner or operator; (3) how promptly have State and private property damage claims been paid; (4) whether owners and operators have had sufficient ready funds to pay claims; and (5) the advisability of creating further State or federal administrative machinery to collect and manage such a fund.

An amendment to §§ 62.1-44.34:1 and 62.1-44.34:2 is offered, however, to eliminate two potential gaps in assessing liability for discharging oil: discharges from all types of onshore facilities including refineries, and discharges at sea outside Virginia's territorial limits that come into Virginia's territory. Legislation of this type is not in conflict with any Federal legislation, nor is it preempted by federal legislation. Askew v. American Waterways Operators, Inc. 411 U. S. 325, (1973). See proposed legislation in APPENDIX IV.

Continuation of This Study

The Commission was originally funded for \$5,000 for its two year study. Presently, the Commission has less than \$2,000 left from the original appropriation as a result of carefully arranging its meeting schedule to minimize costs.

This report details the areas the Commission intends to cover in the next year through intensive meetings, public hearings, workshops, and conferences. To carry out its charge, the Commission will need more money than it has currently.

There is a possibility that some federal funds will be available to the Commission through the Coastal Zone Management Program, but these funds can not be used for any travel or other expenses of elected officials. Nine of the eleven Commission members are elected officials; therefore, whether the Commission received federal funds or not, additional State money is necessary.

With additional State funds, the Commission could match federal funds on a basis of 1/3 State to 2/3 federal. Therefore, the Commission respectfully requests additional funding in the amount of \$5,000 to complete its study. See APPENDIX II.

Summary

The Commission has expended significant effort in the past eight months educating itself on the potential problems and benefits of O.C.S. related development. Substantial work remains to be done in the next year in developing resource management strategies for the Commonwealth. Future areas to be considered include: Coastal Zone Management planning, environmental and safety monitoring, emergency planning, key facility siting, developments of regional impact, a vessel traffic system, contact with regional and federal groups, and comprehensive oil spill legislation.

Respectfully submitted,

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*See Comments and Dissents

COMMENT

Delegate Glenn B. McClanan

I approve the Interim Report of the Virginia Coastal Study Commission with the following reservation: the phrase in APPENDIX IV, § 6.2.1-44.34:2,"(c) an act or omission of a third party without regard to whether any such act or omission was or was not negligent, or any combination of the foregoing" would appear to need further clarification.

DISSENT

Senator Herbert H. Bateman

My principal concern is that I am not sure that what the Commission report concludes needs to be done, warrants the continued existence of the Commission in order to do it.

The basic recommendation goes to the need for a sound coastal zone management plan. It is my understanding that a coastal zone management plan is being formulated and that input from local governmental units and citizens in the coastal areas is being sought. This being the case, it seems to me the report and recommendations of the agencies formulating the plan will in the normal course, come before the General Assembly. I therefore question the need for our study Commission to be continued.

APPENDIX I

VIRGINIA COASTAL STUDY COMMISSION

S.J.R. No. 137, 1975

Creating a commission to study the effects upon Virginia of possible exploration and development of the Outer Continental Shelf and to allocate fund therefor.

WHEREAS, the environmental, energy, cultural and economic impact upon Virginia of possible offshore drilling for oil and related activities must be assessed before exploration and development takes place on the Outer Continental Shelf, hereinafter referred to as O.C.S., adjacent to Virginia's coast; and

WHEREAS, these assessments involve policy decisions that the executive and legislative branches of State government must make before the start of any exploration of Virginia's O.C.S.; and

WHEREAS, these policy decisions must be made with the benefit of public opinion and in light of the experiences of other states and in light of possible effects on commercial fishing, the tourist industry, the need for new industry in Virginia, the energy crisis and other matters; and

WHEREAS, the Commonwealth is participating in the coastal zone management program to develop a planning and management program for the coastal zone of the State; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That there is hereby created the Virginia Coastal Study Commission. The Commission shall study the offshore, interface and onshore effects of possible exploration and development of the O.C.S. adjacent to Virginia's coast. The Commission shall make recommendations on the alternatives available to the State with information on the probable economic, cultural and environmental cost of such exploration and development.

The Commission shall also take into consideration the probable impact O.C.S. exploration will have on local government and include recommendations on what the State might do to assist these localities. An effort should be made to receive public comment.

The Commission shall consist of eleven members, five to be appointed by the Speaker of the House of Delegates from the membership thereof, two to be appointed by the Committee on Privileges and Elections of the Senate from the membership of the Senate and four to be appointed by the Governor to include one from established Virginia environmental groups, one from Virginia industry, and two from local government. If a vacancy occurs for any reason, the appropriate above named person or persons shall appoint a successor.

The legislative members of the Commission shall receive such compensation as set forth in § 14.1-18 and all members shall be reimbursed for necessary expenses incurred in the performance of their duties in the work of the Commission. The Division of Legislative Services shall serve as staff to the Commission. The Secretary of Administration and the Secretary of Commerce and Resources and the agencies within their responsibility shall provide staff and otherwise assist the Commission in its work. There is hereby allocated from the general appropriation to the General Assembly the sum of five thousand dollars for the purposes of this study.

All agencies of the State and all governing bodies and agencies of all political subdivisions of the State shall assist the Commission in its work.

All agencies of the State and all governing bodies and agencies of all political subdivisions of the State shall assist the Commission in its work.

The Commission shall make an interim report to the Governor and the General Assembly no later than December one, nineteen hundred seventy-five and a final report with recommendations no later than December one, nineteen hundred seventy-six. This resolution shall become effective only in the event the disposition of the U.S. v. Maine case is unfavorable to the Commonwealth of Virginia.

APPENDIX II

SENATE JOINT RESOLUTION NO.....

Directing the Virginia Coastal Study Commission to include the coastal zone management program as part of its study; and to allocate funds to continue the study.

WHEREAS, the Virginia Coastal Study Commission was created and charged by the 1975 General Assembly in Senate Joint Resolution No. 137, to study the offshore, interface and onshore effects of possible oil exploration and development of the Outer Continental Shelf adjacent to Virginia's coast; and

WHEREAS, the study initiated in the coastal states by the federal Coastal Zone Management Act of 1972 is considering, among other things, the possible effects of oil exploration and development; and

WHEREAS, the Division of State Planning and Community Affairs, the Virginia Institute of Marine Science and the Virginia Marine Resources Commission have just completed the first year of a scheduled three-year Coastal Zone Management Planning effort pursuant to the federal act; and

WHEREAS, it is important to Virginia that it be prepared for possible O.C.S. oil impacts, and it appears that the best way to insure readiness is through careful advance planning which can best be accomplished through Virginia's participation in the federal Coastal Zone Management Act; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That the Virginia Coastal Study Commission is directed, in the course of its study, to consider what Virginia's role might be in working for and with the interests of coastal communities as the coastal zone management planning program continues, to facilitate communications between all concerned with the coastal zone management process and, in particular, to work in concert with the coastal zone management planners to guarantee all local interests access to the program. All State agencies shall assist the Commission upon request.

There is hereby allocated from the general appropriation to the General Assembly the sum of five thousand dollars to continue the Commission's study which was started by the General Assembly in 1975.

The Commission shall advise the governor and the General Assembly on the Coastal Zone Management program including recommendations on policy and proposed State legislation. These recommendations shall be part of the Commission's final report which is due December one, nineteen hundred seventy-six.

APPENDIX III

SENATE JOINT RESOLUTION NO.....

Requesting Virginia's Congressional Delegation to seek the maximum amount of revenues for Virginia from the federal government as a consequence of Atlantic Outer Continental Shelf oil leasing, exploration and development.

WHEREAS, there is a possibility that oil and gas may be discovered under the Mid-Atlantic Outer Continental Shelf, and the federal leasing process for this area already has begun; and

WHEREAS, numerous federal legislative proposals on distributing federal Outer Continental Shelf revenues to affected States are currently being considered by the Congress of the United States; now, therefore, be it

RESOLVED by the Senate of Virginia, the House of Delegates concurring, That it is in the best interest of Virginia to seek the most favorable allocation of revenues to Virginia from the federal government for the onshore impacts of possible Outer Continental Shelf development. The members of Virginia's Congressional Delegation are respectfully requested to support the enactment of such legislation. It is also the policy of Virginia to place the Commonwealth in the best financial position possible to effectively deal with the social, economic, physical and environmental effects which may be caused by Outer Continental shelf exploration and development; and be it

RESOLVED FURTHER, That the Clerk of the Senate of Virginia is directed to send copies of this resolution to Virginia's Congressional delegation.

APPENDIX IV

A Bill to amend and reenact §§ 62.1-44.34:1 and 62.1-44.34:2 of the Code of Virginia, relating to oil spill liability.

Be it enacted by the General Assembly of Virginia:

1. That §§ 62.1-44.34:1 and 62.1-44.34:2 of the Code of Virginia are amended and reenacted as follows:

§ 62.1-44.34:1. Definitions.—The following words as used in this article shall, unless a different meaning is plainly required by the context, have the following meaning:

1. “Discharge” means any spilling, leaking, pumping, pouring, emitting, emptying or dumping.

2. “Oil, petroleum products and their by-products” means oil of any kind and in any form including, but not limited to, petroleum, fuel oil, sludge, oil refuse, oil mixed with other wastes, crude oils and all other liquid hydrocarbons regardless of specific gravity.

3. “Oil refinery” means ~~any facility used for the process of refining, purifying, or removing impurities from crude oil and includes any storage tanks, terminals, or docks whether or not used or operated by a refinery.~~

4. “Vessel” includes every description of watercraft or other contrivance used as a means of transporting or carrying oil on water, whether self-propelled or otherwise and shall include barges and tugs.

5. “Facility” means any development or installation, either onshore or offshore, both within and without Virginia that deals in or handles oil, petroleum or any petroleum product or by-product.

§ 62.1-44.34:2. Liability for permitting discharge of oil from refinery facility or vessel.—Any person, firm or corporation owning or operating ~~an oil refinery~~ any facility, or any vessel while within State waters, or any facility or vessel while beyond State waters, which permits or suffers a discharge of oil into ~~such~~ State waters, shall be liable to the Commonwealth of Virginia for all costs of cleanup or property damage incurred by the State or a political subdivision thereof, and to any person showing damage to his property resulting from such discharge. In any suit to enforce the claims under this article, it shall not be necessary for the State, political subdivision, or person showing property damage, to plead or prove negligence in any form or manner on the part of the ~~oil refinery facility~~ or vessel. It shall be a defense that the discharge was caused solely by (a) an act of God (b) an act of war or (c) an act or omission of a third party without regard to whether any such act or omission was or was not negligent, or any combination of the foregoing.

APPENDIX V

SENATE JOINT RESOLUTION NO. 91, 1975

Virginia Should encourage and promote exploration of the Outer Continental Shelf.

WHEREAS, the demand for energy in the Commonwealth and the nation is increasing and will continue to increase for the foreseeable future; and

WHEREAS, domestic production of oil and gas has declined in recent years; and

WHEREAS, it is in the interest of Virginia and the nation to reduce the degree of dependence upon imports of oil from foreign nations to meet domestic energy demand; and

WHEREAS, there is reason to believe that the Atlantic Outer Continental Shelf contains significant quantities of oil and gas which can be developed consistent with State and national environmental policies; and

WHEREAS, the Commission to Study the Energy Crises in the Commonwealth, after a review of information and evidence gathered in connection with development of the Outer Continental Shelf, including the document released by the ad hoc Virginia Outer Continental Shelf Advisory Committee in November, nineteen hundred seventy-four, believes that the development, processing, and distribution of the oil and gas reserves on the Outer Continental Shelf adjacent to Virginia's coast should proceed in order to meet energy demands; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That exploration and development of oil and gas resources of the Outer Continental Shelf adjacent to Virginia's coast should be encouraged and promoted, provided, however, that such activities are consistent with the requirements of applicable environmental safeguards and conducted so as to protect, insofar as possible, onshore social, economic and environmental conditions of the coastal area of Virginia.

