

By Mr. Goyette of New Bedford, petition of Roger R. Goyette and other members of the House that provision be made for economic survival of fishing and marine related enterprises by regulating the exploration and drilling for oil off the coast of the Commonwealth. Natural Resources and Agriculture.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Eighty.

AN ACT PROVIDING FOR THE ECONOMIC SURVIVAL OF FISHING AND MARINE RELATED ENTERPRISES.

Be it enacted by the Senate and House of Representatives in General Court assembled and by the authority of the same, as follows:

1 Chapter 21 of the General Laws is hereby amended by inserting
2 after section 27 the following new sections:

3 *Section 27A.* The general court finds and declares that the
4 exploration and drilling for oil and the transportation and transfer
5 of such oil on the seacoast or on, in or through tidal waters are
6 hazardous undertakings; that discharges and oil spills resulting
7 from such exploration, drilling, transportation and transfer pose
8 threats of great damage to owners and users of coastal shorefront
9 property and marine dependent businesses; and that such damage
10 has frequently occurred in the past, is occurring now and threatens
11 to occur in the future with potentially catastrophic results. Such
12 damage and threat of such damage are expressly declared to be
13 inimical to the paramount interests of the commonwealth.

14 The general court intends by the enactment of this legislation to
15 give the Secretary of Environmental Affairs power to provide
16 assistance to business concerns that directly or indirectly derive
17 their livelihood from marine related activities and whose livelihood
18 suffer damage from such occurrences; and to establish a fund to
19 provide for the prompt issuance of loans to pay claims resulting
20 therefrom.

21 *Section 27B.* Unless the context otherwise requires, the follow-
22 ing words shall have the following meanings:

23 “Business concern,” any business entity organized for profit
24 (even if its ownership is in the hands of a nonprofit entity) with a
25 place of business located in the Commonwealth.

26 “Director” — the director of the division of Water Pollution
27 Control.

28 “Division’s determination of responsibility”, the determination
29 by the division of water pollution control in accordance with clause
30 (14) of section twenty-seven of the person responsible for a prohi-
31 bited discharge of oil or who owned the vessel, drilling facility,
32 tank, pipe, hose or other container in which the oil was located
33 when the spillage, seepage or discharge occurred or that such
34 discharge is an unidentified oil spill.

35 “Drilling facility”, any exploratory or production oil drilling
36 contrivance and its related appurtenances including but not limited
37 to pipelines, vessels, and barges, or any combination thereof which
38 is used to transport or transfer oil from such drilling facility to
39 another location, whether such drilling facility and its appurtenances
40 are stationary or afloat, located on the seacoast or on or in the
41 territorial tidal waters of the Commonwealth or outside the terri-
42 torial tidal waters of the Commonwealth.

43 “Major oil spill”, any unauthorized discharge in excess of _____
44 gallons of petroleum products, or petroleum by-products of any
45 kind and any form, from any drilling facility within or outside the
46 Commonwealth that affects the seacoast or tidal waters of the
47 Commonwealth.

48 “Minor oil spill”, any unauthorized discharge less than _____
49 gallons of petroleum products, or petroleum by-products of any
50 kind, and any form, from any drilling facility within or outside the
51 Commonwealth affects the seacoast or tidal waters of the
52 Commonwealth.

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

58 “Prohibited discharge of oil”, any discharge of oil or the threat of

59 such discharge within or outside the Commonwealth for which an
60 authorizing permit has not been obtained under section forty-
61 three.

62 "Secretary", the secretary of the executive office of environmen-
63 tal affairs or his designee.

64 "Tidal Waters", those waters of the commonwealth that are
65 subject to tidal action and shall include those waters of the com-
66 monwealth extending seaward from the mean high water mark to
67 the outer limit of the jurisdiction of the commonwealth.

68 "Unidentified discharge," any discharge of oil that cannot be
69 attributed to a particular source.

70 Whenever a prohibited discharge of oil occurs, the director shall
71 make a determination within a reasonable period of the time he is
72 first notified of such discharge that such discharge is a major oil
73 spill or a minor oil spill from a drilling facility or its appurtenances as
74 defined by section 27B of this chapter, or whether such prohibited
75 discharge is from a vessel tank or pipeline not appurtenant to a
76 drilling facility, or whether such prohibited discharge is an uniden-
77 tified discharge.

78 If the director determines that such prohibited discharge is a
79 minor oil spill or a prohibited discharge from a vessel tank or
80 pipeline not appurtenant to a drilling facility, or is a prohibited
81 discharge that is an unidentified discharge, he shall act in accord-
82 ance with the relevant provisions of chapter twenty-one of the
83 General Laws.

84 If the director determines that such prohibited discharge is a
85 major oil spill as defined by section 27B he shall so certify and he
86 shall immediately notify the secretary.

87 Upon such certification and notification by the director the
88 Secretary is authorized to make such loans as he may determine to
89 be necessary or appropriate to any Massachusetts business concern
90 located in the Commonwealth which is affected directly or indi-
91 rectly by a major oil spill, if the Secretary determines that such loan
92 is necessary to enable the concern to meet fixed operating expenses
93 which it is unable to meet solely because of the major oil spill.

94 For purposes of this section, fixed operating expenses shall
95 include:

96 (i) Mortgage payments;

97 (ii) Rent;
98 (iii) Payroll;
99 (iv) Clean-up costs necessitated by the major oil spill if such
100 clean up is not performed by any state or federal agency.

101 (v) Such other costs and expenses as determined by the Secre-
102 tary in regulations promulgated under Section 27B, provided,
103 however, that loans shall not include lost profits or anticipated
104 earnings and provided further that no loans shall be made under
105 this section if the expenses claimed are covered by insurance or by
106 other state or federal programs.

107 *Section 27C.* (a) Total Loans outstanding under section 27B
108 and committed to any borrower shall not exceed \$250,000.

109 (b) The rate of interest on any such loan shall not exceed 8¼
110 percent of the borrowing rate.

111 (c) No such loans including renewals and extensions thereof
112 may be made for a period or periods exceeding 3 years.

113 (d) All loans made under section 27B shall be of such sound
114 value or so secured as is deemed reasonable by the Secretary to
115 assure repayment.

116 *Section 27C.* The Secretary is authorized to make such rules
117 and regulations as he deems necessary to carry out the authority
118 vested in him pursuant to this Act.