

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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SENATE BILL 1085

Short Title: Legislative Commission on Gasoline Shortages. (Public)

Sponsors: Senators Snow, Hartsell; Apodaca, Atwater, Berger of Franklin, Bingham, Brock, Brown, Brunstetter, Dorsett, Foriest, Goodall, Goss, Nesbitt, Queen, Rucho, Swindell, and Tillman.

Referred to: Rules and Operations of the Senate.

March 31, 2009

A BILL TO BE ENTITLED

AN ACT TO ESTABLISH THE LEGISLATIVE STUDY COMMISSION ON GASOLINE SHORTAGES.

The General Assembly of North Carolina enacts:

SECTION 1.(a) There is created the Legislative Study Commission on Gasoline Shortages. The Commission shall consist of 15 members appointed as follows:

- (1) Five Senators appointed by the President Pro Tempore of the Senate.
- (2) Five Representatives appointed by the Speaker of the House of Representatives.
- (3) A petroleum marketer appointed by the Governor.
- (4) A convenience store marketer appointed by the Governor.
- (5) A member of the press appointed by the Governor.
- (6) A local government representative appointed by the Governor.
- (7) A business representative appointed by the Governor.

SECTION 1.(b) The Legislative Study Commission on Gasoline Shortages shall study the issue of gasoline shortages in this State and in particular shall study the gasoline shortages experienced from the Piedmont to the Western region of this State in the wake of Hurricanes Ike and Gustav in 2008. The Commission shall specifically study all of the following:

- (1) How the gasoline shortage of 2008 occurred. The Commission's investigation of this issue shall include an investigation of at least the following: (i) how oil refineries shut down and come back online in conjunction with hurricanes; (ii) where the terminals that supply this State with gasoline are located and how their supplies were impacted during and after the hurricanes; (iii) the type of petroleum dealers that exist and how their contracts affect pricing and fuel availability; (iv) the definition of a gas allocation and its practical application to supplying gasoline to petroleum marketers; (v) whether or not the September 15th switch from the summer blend of fuel had an impact on the shortage; (vi) why some areas of the State had a relatively normal supply of gasoline while others did not; and (vii) whether or not shortages in surrounding states impacted North Carolina's supply.
- (2) The obstacles that slowed gasoline supply recovery after the shortage. The Commission's investigation of this issue shall include an investigation of at least the following: (i) whether petroleum companies limited information on



1 fuel transit, fuel levels, and fuel flow; (ii) whether the appropriate federal
2 agencies granted necessary waivers in a timely fashion; (iii) whether the
3 media sensationalizing of the shortage caused increased panic among
4 motorists that led to excessive "topping off" that hurt the recovery effort; and
5 (iv) whether the Attorney General's office threat of "price gouging" actions
6 caused convenience store operators to reduce sales of gasoline.

- 7 (3) Methods of avoiding gasoline shortages in the future. The Commission's
8 investigation of this issue shall include an investigation of at least the
9 following: (i) requiring information on fuel transit, levels, and flow from
10 petroleum companies; (ii) working with North Carolina's congressional
11 delegation to change the switch from the summer blend of fuel from
12 September 15th to October 15th; (iii) working with North Carolina's
13 congressional delegation to ensure a process is in place to quickly obtain any
14 waivers that are needed at the federal level; (iv) work with the Attorney
15 General's office to see if changes need to be made in the price gouging
16 statutes to promote the sale of gasoline; (v) develop a PSA campaign to
17 encourage drivers not to top off and limit gas purchasers; (vi) work with the
18 media to encourage responsible coverage; and (vii) determine if an
19 appropriation from the General Assembly to carry gas reserves would be
20 helpful.

21 **SECTION 1.(c)** The Speaker of the House of Representatives shall appoint a
22 cochair, and the President Pro Tempore of the Senate shall appoint a cochair for the
23 Commission. The Commission may meet at any time upon the joint call of the cochairs.
24 Vacancies on the Commission shall be filled by the same appointing authority as made the
25 initial appointment.

26 Subject to the approval of the Legislative Services Commission, the Commission
27 may meet in the Legislative Building or the Legislative Office Building. The Legislative
28 Services Commission, through the Legislative Services Officer, shall assign professional staff
29 to assist the Commission in its work. The House of Representatives' and the Senate's
30 Supervisors of Clerks shall assign clerical support staff to the Commission, and the expenses
31 relating to the clerical employees shall be borne by the Commission. Members of the
32 Commission shall receive subsistence and travel expenses at the rates set forth in G.S. 120-3.1,
33 138-5, or 138-6, as appropriate.

34 **SECTION 1.(d)** The Legislative Study Commission on Gasoline Shortages shall
35 submit a final report to the 2010 Regular Session of the 2009 General Assembly on the
36 Commission's findings and recommendations, which may include any statutory changes
37 necessary to implement the recommendations. The Commission shall terminate upon the earlier
38 of the filing of its final report or the convening of the 2011 General Assembly.

39 **SECTION 1.(e)** There is appropriated from the General Fund to the General
40 Assembly the sum of fifty thousand dollars (\$50,000) for the 2009-2010 fiscal year and the sum
41 of fifty thousand dollars (\$50,000) for the 2010-2011 fiscal year to be used by the Legislative
42 Services Commission for expenses of the Legislative Study Commission on Gasoline
43 Shortages.

44 **SECTION 2.** This act is effective when it becomes law.