

SJR

25



# Alaska State Legislature

*Sen*  
Senator Curt Menard



While in  
Session:  
P.O. Box V  
Juneau, Alaska  
99811  
(907)465-2679

Interim:  
165 E. Parks  
Highway  
Wasilla, Alaska  
99687  
(907)373-2878

Senate  
District  
E

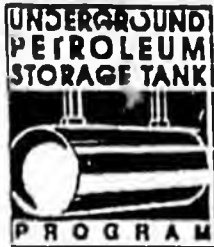
## SPONSOR STATEMENT

As a part of its extensive underground storage tank regulations, the Environmental Protection Agency (EPA) has required that owners of 1 to 12 underground tanks obtain a minimum of \$1,000,000 of liability insurance for pollution cleanup by October 26, 1991.

SJR 25 requests the EPA to extend the \$1,000,000 financial responsibility deadline for at least one year. Most owners and operators are unable to meet the financial responsibility requirement and will face up to \$10,000 per day in fines. The impact particularly on small businesses will be very severe.

The State is in the process of implementing regulations and a grant and loan program to help underground tank owners meet all the EPA requirements. Owners and operators in Alaska, like in many states, are still in the process of assessing the extent of their pollution problems and determining the best course of action to protect the state's groundwater and local economies.

It is the sponsor's understanding that the EPA has recently announced an intent to delay the financial responsibility deadline for small tank owners for an unspecified length of time. SJR 25 requests that the extension be granted for at least one year.



# Board of Storage Tank Assistance

Walter J. Hickel, Governor

P.O. BOX "O"  
JUNEAU, AK  
99811-1800  
(907) 465-2110

## POSITION PAPER

**IN SUPPORT OF:** Senate Joint Resolution No. 25 (SJR25)

**SUBJECT:** Relating to Underground Petroleum Storage Tanks

A request by the Alaska State Legislature to the EPA for a delay in implementing the October 26, 1991 financial responsibility requirement.

The Board of Storage Tank Assistance wholeheartedly supports Senate Joint Resolution Number 25 pertaining to underground petroleum storage tanks. The Board recognizes the concerns of Alaskan underground petroleum storage tank owners and operators in regard to the October 26, 1991 deadline for meeting the EPA financial responsibility requirement. Although insurance is steadily becoming available, thereby enabling owners and operators to meet the federal financial responsibility requirement, the insurance is limited to only those owners and operators demonstrating their site is free from petroleum contamination.

Although a new state program has been implemented to assist owners and operators determine the extent and subsequently clean up contamination resulting from underground petroleum storage tanks, a considerable amount of time and effort will need to be invested to achieve that goal. Underground petroleum storage tank owners and operator's in Alaska will need time to participate in this program, time to determine the scope of the problem and time to mitigate the problem. It is absolutely imperative that underground petroleum storage tank owners and operators be allowed an opportunity to clean up their sites to become insurable, without persecution from the EPA. The state underground petroleum storage tank program is based on the premise of technical, educational, and financial assistance. Senate Joint Resolution Number 25 is consistent in that aim.

Dated: April 5 1991

For and on behalf of the  
BOARD OF STORAGE TANK ASSISTANCE,

  
John C. Barnett, Executive Director



## Note to Correspondents

RECEIVED  
APR 19 1991  
A00-JUNEAU

MONDAY, APRIL 15, 1991

The U.S. Environmental Protection Agency today announced its intention to propose a short-term extension of the October 1991 compliance deadline for financial responsibility for underground storage tank (UST) owners. The proposed extension affects those owners with 12 or fewer tanks as well as non-marketers with a net worth of less than \$20 million.

The Agency plans to extend the compliance date, under Subtitle I of the Resource Conservation and Recovery Act (RCRA), for this group because many of these owners and operators in this category are now unable to obtain insurance or achieve compliance through other mechanisms. The proposed extension will not adversely affect human health and the environment since the technical requirements for USTs, including leak detection, tank upgrading and corrective action, remain in effect.

This compliance group generally includes the smallest gas stations and convenience stores most in need of an effective financial responsibility mechanism. EPA will continue to work with Congress and the states to enable small businesses to remain economically viable while, at the same time, ensuring mechanisms exist to pay for cleanup of leaking tanks.

Forty-three states have enacted legislation creating state assurance funds, and 21 have received EPA approval for the funds to be used as a compliance mechanism. States need additional time to have their funds approved and to make them operational. EPA will use the additional compliance extension time to actively work with the states to accomplish this. Also, 13 states have initiated financial assistance programs to help owners and operators upgrade or replace their tanks. EPA encourages these efforts and continues to assist states to establish similar programs.

Under Subtitle I of RCRA, UST owners and operators must show financial means to cover cleanup costs and third-party damages resulting from potential leaks. The financial responsibility requirement has been phased-in over several years with petroleum marketers owning 1,000 or more USTs as well as non-marketers with more than \$20 million in tangible net worth required to comply by January 1989. Marketers owning between 100 and 999 USTs were required to comply by October 1989. By April 26, 1991, petroleum marketers owning between 13 and 99 USTs are required to comply.

For more information, contact Lauren Milone at 202-382-4355.

John Kasper, Director  
Press Services Division  
202-382-4355

# STATE OF ALASKA

WALTER J. HICKEL, GOVERNOR

## DEPT. OF ENVIRONMENTAL CONSERVATION

April 4, 1991

**BILL NUMBER:** HJR 32 by House Oil and Gas Committee

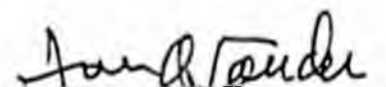
**TITLE:** Relating to regulation of underground petroleum storage tanks

**DEPARTMENT POSITION:** Support

**ANALYSIS:** This Resolution would ask that the Environmental Protection Agency (EPA) delay for one year implementation of it's final phase-in of the financial responsibility requirements for UST owners and operators. Currently, owners and operators of 13-99 tanks will have to demonstrate \$ 1 million in financial responsibility for releases associated with their tanks by April 26, 1991. Owners and operators of 1-12 tanks will have to meet that requirement on October 26, 1991.

Alaska's UST program became effective on March 25, 1991, and tank owners and operators are still in the process of assessing their pollution potential. Of particular concern is the small tank owner's ability to meet the requirement. Given the State's short construction season, it is doubtful these tank owners and operators will be able to complete such assessment by October 26.

The Legislature has also discussed finding an alternative funding source for the UST assistance program, one that could be approved by the EPA. Alaska would then have a State assurance or trust fund which would meet the EPA's financial responsibility requirements for all Alaskan owned and operated USTs. The additional year sought by this Resolution would give the State time to find such a funding source.



John A. Sandor  
Commissioner

**FISCAL NOTE**

**STATE OF ALASKA  
1991 LEGISLATIVE SESSION**

BILL NO. HJR 32

Revision Date: \_\_\_\_\_  
 Title: EPA's regulation of underground  
storage tanks  
 Sponsor: (H) Oil and Gas  
 Requestor: (H) Oil and Gas

Department Affected: DEC  
 BRU: Environmental Quality  
 Component: EQ Projects

COMPONENT SERIAL NO. 

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**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL						
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REVENUE						
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**FUNDING: (Thousands of Dollars)**

GENERAL FUND	0.0	0.0	0.0	0.0	0.0	0.0
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**POSITIONS**

FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME						
TEMPORARY						

Estimate of current year impact:  
 ANALYSIS: (Attach a separate page if necessary.)

Prepared by: Janice Adair  
 Division: Commissioner's Office

Phone: 4/8/91  
 Date: 465-2600

Approved by Commissioner: *John D. Lesh*  
 Agency: Environmental Conservation

Date: 4/8/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

**HOUSE CS FOR SENATE JOINT RESOLUTION NO. 25 (RESOURCES)**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**SEVENTEENTH LEGISLATURE - FIRST SESSION**

**BY THE HOUSE RESOURCES COMMITTEE**

**Offered:  
Referred:**

**Sponsor(s): SENATORS MENARD, Kerttula, Hoffman, Rodey, Shultz, Frank**

**A RESOLUTION**

**1 Relating to regulation of underground petroleum storage tanks.**

**2 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

**3 WHEREAS the Environmental Protection Agency (EPA) adopted regulations in 1986 that  
4 extensively regulated underground petroleum storage tanks; and**

**5 WHEREAS these EPA regulations require all owners and operators to demonstrate a minimum  
6 of \$1,000,000 in financial responsibility for pollution cleanup, with owners of 1 to 12 tanks required to  
7 meet this requirement by October 26, 1991; and**

**8 WHEREAS most owners and operators who have any degree of contamination on their property  
9 are unable to meet the financial responsibility requirements, thus facing fines of up to \$10,000 a day,  
10 which would have a particularly severe effect on small businesses; and**

**11 WHEREAS the Sixteenth Alaska State Legislature demonstrated a good faith intent to comply  
12 with the EPA regulations by enacting AS 46.03.360 - 46.03.450, which regulate underground petroleum  
13 storage tanks and provide financial assistance to owners of underground petroleum storage tanks to help  
14 them meet all the requirements of the EPA regulations; and**

**15 WHEREAS the Alaska Department of Environmental Conservation has demonstrated an intent  
16 to assume responsibility for regulation of underground petroleum storage tanks in this state; and**

1           **WHEREAS** owners and operators of storage tanks in Alaska, like in many states, are still in the  
2 process of assessing the extent of their pollution problems and the state is still in the process of  
3 determining the best course of action to protect both the state's groundwater and its local economy;

4           **BE IT RESOLVED** that the Alaska State Legislature respectfully requests the Environmental  
5 Protection Agency to delay the implementation of federal regulations requiring a minimum of \$1,000,000  
6 in financial responsibility for private storage tank owners for at least one year in Alaska in order to allow  
7 owners and operators of the tanks adequate time to complete site assessment and to address potential  
8 pollution problems so that they can meet the financial responsibility requirements.

9           **COPIES** of this resolution shall be sent to William K. Reilly, Administrator of the United States  
10 Environmental Protection Agency; Dana A. Rasmussen, Regional Administrator of the United States  
11 Environmental Protection Agency; and to the Honorable Ted Stevens and the Honorable Frank  
12 Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska  
13 delegation in Congress.