HB

432

SENATE COMMITTEE REPORT

DATE: 4/10/00

FURTHER: Finance

DATE TURNED IN TO OFFICE: 4/18/00

Resources Committee considered CS FOR HOUSE BILL NO. 432(FIN)

BOARD OF STORAGE TANK ASSISTANCE

and recommends:

[ ] be **replaced** with _____ CS _____(_____)

[ ] adopt **previous** _____ CS _____(_____)

[ ] attached amendment(s)

[ ] adopt Letter of Intent by _____ Committee

[ ] further referral to the _____ Committee

Senate Bill:
[ ] same title
[ ] new title

House Bill:
[ ] same title
[ ] technical title
[ ] new: SCR#_____

SIGNING DO PASS	*DP*	*OTHER RECOMMENDATIONS*	*NR*	*DNP*	*AM*
Robin L. Taylor	✓	Lyda Green	✓		
		Georgianna Lincoln	✓		
CHAIR:		*CHAIR:* Rick Halford	✓		

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal
DEC	3/17/00		51.4

[ ] **APPROPRIATION -- no fiscal note**

***include fiscal notes accompanying Governor's bill**

FISCAL NOTE

STATE OF ALASKA **BILL NO.** HB 432
2000 LEGISLATIVE SESSION

Revision Date/Time (Note if correction) _____ Dept. Affected Environmental Conservation
Title Board of Storage Tank Assistance BRU Contaminated Sites Program
Component Contaminated Sites Program
Sponsor House Resources Committee
Requester House Resources Committee Component No. 2386

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel	11.2	11.2	11.2	11.2		
Contractual	40.2	40.2	40.2	40.2		
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	51.4	51.4	51.4	51.4	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ( )	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1079 Storage Tank Assistance Fund	51.4	51.4	51.4	51.4		
TOTAL	51.4	51.4	51.4	51.4	0.0	0.0

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time	0	0	0	0	0	0
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS:
Travel – The Board is likely to hold one meeting in Juneau and three in Anchorage each year. Approximately five people will travel to each meeting, including Department staff, at an average cost of $560 per person.
Contractual – Executive administration of the Board will be privatized, as it was during FY 00. Costs to organize the Board meetings and interact with stakeholders and the Department are based on past Board activities while recognizing that the program was cut significantly in FY 00. Board administration during FY 00 was approximately 100.0. The work to revise the program as required by the FY 00 cuts as well as completion of new loan regulations has been accomplished. It is anticipated that work for the Board in FY 01 will be minimal and focused on the four meetings that will be held throughout the year. The administrator will interact with the Department and tank owners and operators concerning questions and appeals on eligible costs and new appeals under the new authority for review of the Department's cleanup decisions.

Prepared by: Larry Dietrick Phone (907) 465-5250
Division Spill Prevention and Response Date/Time 3/17/00 10:32 AM
Approved by _____ Date 3-17-00
Agency Department of Environmental Conservation

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House Resources Committee

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Committee Meetings
M/W/F 1 - 3 p.m.

Members: Vice Chair John Cowdery, Representatives: Ramona Barnes, John Harris, Carl Morgan, Jim Whitaker, Reggie Joule, and Mary Kapsner

SPONSOR STATEMENT

CSHB 432(FIN) Board of Storage Tank Assistance

The Board of Storage Tank Assistance was created in 1990 in response to a clean up program initiated by increased federal regulations and aggressive Environmental Protection Agency (EPA) enforcement actions. Many Alaska underground storage tank owners were forced out of business because they could not afford the high cost of cleanup of contamination from their leaking tanks.

The Storage Tank Assistance Program was established to protect Alaska's drinking water supplies and to help Alaska's regulated underground storage tank owners and operators meet EPA's tough new environmental laws and regulations pertaining to underground petroleum storage tanks. The goals of the program were simple: cleanup existing leaks, prevent future leaks, and help Alaska's tank owners and operators through educational, technical, and financial assistance. Although originally established as a financial assistance grant program, the program was restructured in 1999 as predominately a loan program.

HB 432 extends the termination date of the Board of Storage Tank Assistance to June 30, 2003. It is necessary to extend the termination date because many sites have just initiated cleanup or are in the midst of a long term cleanup process which are not expected to be completed for a few years. Furthermore, as the new loan program is expected to be implemented this upcoming construction season, it is imperative that the Board remain available to mediate and resolve disputes between the Department of Environmental Conservation (DEC) and Alaska's underground storage tank owners.

HB 432 also expands the authority of the Board. Historically, there has been a delay by DEC in sending final cleanup decisions to businesses. Cleanup decisions, (no further action) provide evidence that the contaminated site has been cleaned up. Many sites are pending sale or are waiting on bank financing. The transactions cannot proceed until final cleanup decision letters are distributed by DEC. By expanding the Board's authority to issue recommendations concerning cleanup decisions it is expected that many new cleanup decisions will be issued that in the past have been delayed or simply overlooked. This expansion of authority will not be binding authority; it will simply provide a forum for the Board, businesses, and DEC to discuss final decision letters.

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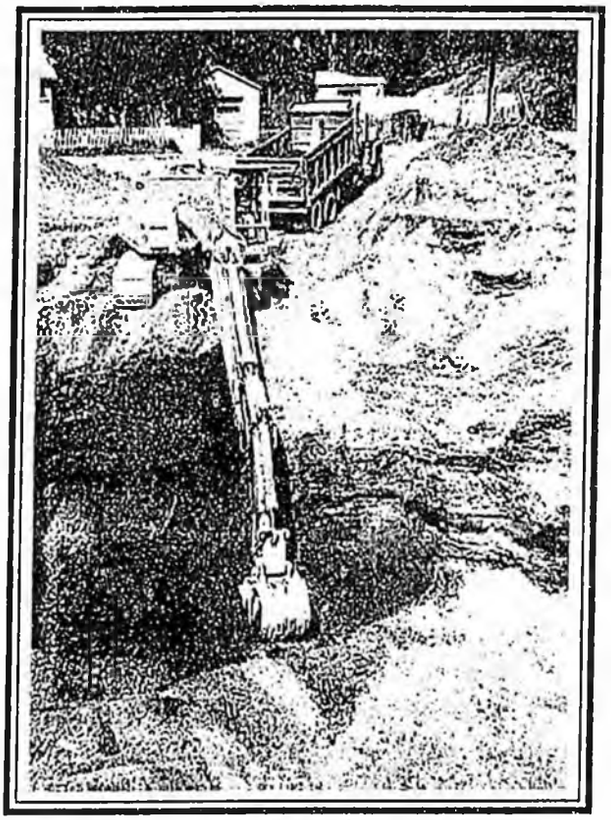
The Storage Tank Assistance Fund

and the

Alaska Storage Tank Program

Questions and Answers



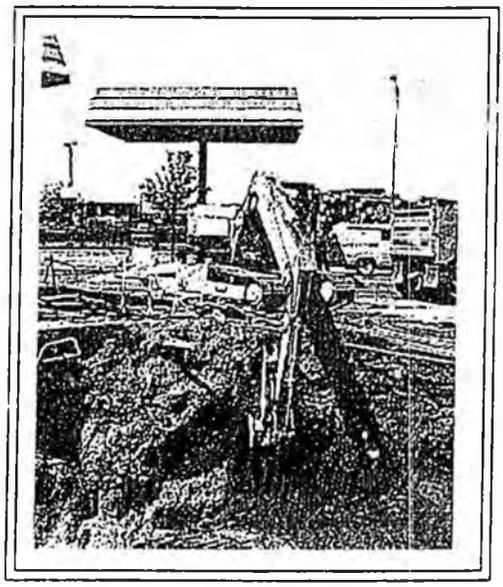
Cleanup activities at an Anchorage gas station.

During the years 1986 through 1990, increased federal regulations and aggressive EPA enforcement action forced numerous Alaska underground storage tank owners out of business. Many of these tank owners could not afford the high cost of cleanup of contamination from their leaking tanks. The 1990 Legislature determined that the State should have an assistance-based tank program to keep these affected businesses "in business" as productive members of the Alaska economic community.

The Problem

Headlines are commonplace throughout the state concerning underground storage tank owner problems and pollution resulting from leaking underground storage tanks. Many tank owners are reducing their liability and cutting back on services while others have simply gone out of business altogether.

The Storage Tank Assistance Program was established to protect Alaska's drinking water supplies and to help Alaska's regulated underground storage tank owners and operators meet EPA's tough new environmental laws and regulations pertaining to underground petroleum storage tanks.



The goals of the program were simple:

- ***cleanup existing leaks,***
- ***prevent future leaks, and***
- ***help Alaska's tank owners and operators through educational, technical and financial assistance.***

Tank turmoil afflicts many Alaska firms

After-the-fact environment checks may ruin a business

Vanishing gas pumps

Stations are getting fewer and larger — and snack foods are replacing service bays

High benzene levels found in subdivision's water wells

Questions and Answers

WHAT IS A REGULATED UNDERGROUND STORAGE TANK?

* Regulated tanks are predominantly motor fuel tanks.

* In general, gasoline, diesel and waste oil tanks greater than 110 gallons are regulated, although there are exemptions.

* Heating oil tanks are NOT regulated.

* Residential motor fuel tanks less than 1100 gallons for farm or residential use are NOT regulated.

* Several other types of tanks are not regulated depending upon their use.

WHO REGULATES UNDERGROUND STORAGE TANKS?

* EPA regulates tanks under 40 CFR 280 and 40 CFR 281.

* State of Alaska regulates tanks under Title 46 and 18 AAC 78 and 18 AAC 75.

* Local governments may regulate tanks under the Uniform Fire Code and the National Fire Protection Association.

WHO IS ELIGIBLE FOR FINANCIAL ASSISTANCE?

* Any commercial or private owner or operator of underground storage tanks regulated by the Underground Storage Tank Regulations, 18 AAC 78, is eligible for some form of financial assistance. Essentially, if a tank owner pays into the program, through a registration fee, then the tank is eligible for assistance. Only certain owners and operators qualify for grants, while all owners and operators can qualify for loans.

* Village, City, Borough or municipally owned tanks are NOT eligible, although specific appropriations can be legislatively granted to these entities from the Fund.

* State and Federal owned tanks are NOT eligible.

WHAT KIND OF TANKS ARE ELIGIBLE?

* Industrial, Contracting, Auto Dealerships, Car Rental Agencies, Trucking and Transportation firms comprise 26% of the eligible tanks.

* Nearly 20% of the eligible tanks are used for aircraft refueling, both commercial and private.

* Utilities, Fire Stations, Police and Ambulance services total another 19% of the eligible tanks.

* Less than 30% of the eligible tanks are fuel retailers such as gas and service stations.

WHAT KIND OF ASSISTANCE IS AVAILABLE?

* Technical assistance is available through the Department of Environmental Conservation. Staff provide guidance documents and technical assistance on the proper handling of stored products, system upgrading or closing and cleanup of contamination resulting from leaking tanks.

* Educational Assistance is provided by both the Department of Environmental Conservation and the Board of Storage Tank Assistance. Workshops are conducted annually and staff are provided to assist nationally recognized training courses for presentation in Alaska. A quarterly newsletter "Alaska Underground", is published by the Department to provide timely information on technical and regulatory aspects of tank ownership and maintenance, installation and closure, as well as the latest developments in cleanup and remediation techniques. The newsletter also provides information to contractors and consultants actually conducting tank work.

* Financial Assistance is provided in the form of grants and loans to offset the high cost of tank upgrades to meet EPA standards and to cover proper closure and release investigation, corrective action and cleanup costs.

WHAT TYPE OF FINANCIAL ASSISTANCE DOES THE PROGRAM PROVIDE?

* The Storage Tank Assistance Fund provides grants for upgrading or closing up to 60% of the eligible costs with a maximum combined grant of $60,000 per facility for owners for operators that can demonstrate total assets of $250,000 after deducting the estimated cost to upgrade and cleanup their tanks.

* Grants for cleanup of petroleum contamination are provided for a maximum of $250,000 for owners or operators that can demonstrate total assets of $1,000,000 after deducting the estimated cost to upgrade and cleanup their tanks. The owner is responsible for 10% of the cost up to a maximum of $25,000.

* Loans are available for the 10% not covered by the cleanup grant up to a maximum of $25,000. Owners receiving loans must pay back the loan to the state over five years.

* For owners and operators that cannot qualify for a cleanup grant, a loan may be obtained to a maximum of $500,000. Owners and operators that exceed the cleanup grant cap may also apply for loans. The total allowable combined grant and loan cannot exceed $500,000.

DOES THE PROGRAM ENCOURAGE PRIVATE PARTICIPATION?

* Most upgrades involve multiple tanks and costs usually range from $120,000 to well over $200,000. Typically a grant from the Storage Tank Assistance Fund actually covers only 30% to 40% of the owners cost. The owner must pay the majority of costs involved.

* The balance of the upgrading cost is provided by banks in the form of direct loans to the tank owner or operator. Many banks require that an owner or operator be eligible to receive funds from the Storage Tank Assistance Fund and that a letter be provided from the Department stating that the owner will be receiving financial assistance. The banks are then assured that the work will be conducted according to standard practice and in compliance with applicable laws and regulations.

* The tank owner or operator actually receives the funds and is directly responsible for supervising the funded activity and for insuring that the work is conducted in accordance with applicable laws and regulations. The Department of Environmental Conservation only provides guidance and oversight to insure all work is completed properly and consistent with customary practice and costs. Private sector consulting firms that are approved by the Department or contractors certified by the State conduct work for the owners and operators. The owner or operator contracts directly with the contractors and consultants.

DON'T LARGE FIRMS GET MOST OF THE FUNDS THAT ARE AVAILABLE?

* No. Since the program was changed in 1999, only small companies are eligible for grants from the program. Larger companies with assets exceeding $1,000,000 are only eligible for Cleanup Loans. Upgrade grants are only issued to those owners and opertors that can demonstrate total assets under $250,000. All applicants are priority ranked for funding according to regulations and criteria established by the Board of Storage Tank Assistance. The ranking system emphasizes public health threat foremost followed by numerous other considerations such as nearest alternative fuel source and whether the facility is in a rural location. Several other criteria are used to rank applications with an emphasis on small rural tank owners that pose an imminent public health threat and have acted in good faith to undertake as much of the work as possible on their own. This usually means that unless an imminent public health threat exists, larger companies tend to rank lower on priority ranking lists.

WHY CAN'T OWNERS AND OPERATORS JUST GET A BANK LOAN?

* Banks do provide loans for certain activities such as closure or upgrading of a facility. The cost of an upgrade ranges from $120,000 to $200,000 or more to meet the federal standards. Banks will provide loans to cover that portion of the upgrade that is not covered by a grant from the Storage Tank Assistance Fund. Without assistance from the state, many small tank owners would not have sufficient resources to undertake an upgrade even with bank financing.

* Banks do not generally provide loans for cleanup purposes. The total cost of a cleanup is not known until the actual cleanup is complete and extremely difficult to estimate. Most Alaska tank owner's principal asset is the actual property that requires cleanup. A parcel of land that is contaminated essentially has no value until clean and actually represent a significant liability. Since collateral is required for nearly all loans, tank owners with contaminated sites normally cannot provide sufficient collateral to back a loan large enough to undertake the cleanup. The average cost of cleanup in Alaska is presently $140,000 per site with some cleanups currently approaching $500,000. These very high cleanup costs are virtually impossible to cover for the average Alaska tank owner.

* Joint and several liability laws also provide a detriment to bank financing for cleanup activities. Banks that foreclose on contaminated property become liable for completion of the cleanup. Many times the cost of the cleanup will be 3 or 4 times the clean site value of the property. Banks also will not provide a loan to a tank owner if the business itself must be shutdown to conduct the cleanup. If a business has no income, it cannot repay a loan. Many businesses have been closed for a year or more while cleanup activities are completed. In numerous cases, the loss of revenues has caused bankruptcy and foreclosure, a fact that banks understand all too well.

WHY DO TANK OWNERS HAVE TO UPGRADE THEIR TANKS?

* In 1984, federal law (Subtitle I of the Resource Conservation and Recovery Act) mandated that owners of certain kinds of underground storage tanks (USTs) containing petroleum products and other regulated substances meet standards which would prevent leaks and assure adequate cleanup where leaks occurred. That law was followed by federal UST regulations in December of 1988.

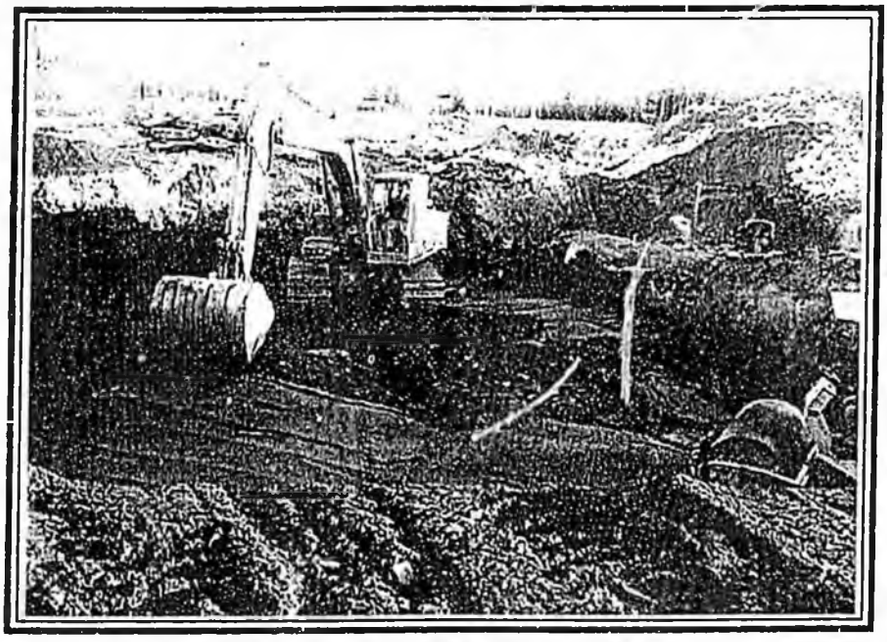
* **7,247** underground petroleum storage tanks have been identified in the State of Alaska. Of that total, **1,193** tanks are currently in use. Other tanks probably exist which have not been reported. Most of these tanks are not protected from leaks and spills. These tanks may be unknowingly damaging the State's drinking water supplies. Since groundwater provides drinking supplies for nearly 70% of the population in Alaska, any contamination that reaches groundwater could cause a serious public health threat. Additionally, the vapors from leaks may seep into basements of homes and buildings and may cause other safety and health hazards.

WHY DO WE HAVE CONTAMINATION FROM TANKS?

* Piping leaks, overfills and spillage during deliveries are common problems.

* Leaking tanks or piping can be nearly impossible to detect without special equipment. A considerable number of leaks occur due to failed fittings between the tank and piping, spillage during filling, overfilling or corrosion.

* Corrosion holes in steel tanks cannot be seen until the tank or piping has been removed or exposed. A corrosion hole that causes a tenth of a gallon per hour leak would release over 300 gallons of fuel per year into the lands of the state. The leak could go unnoticed for years, slowly percolating through the soil and possibly into the water table. This leaking fuel can eventually migrate toward a private or municipal drinking water well.



Sterling facility undergoing cleanup activities.

AREN'T THESE PROBLEMS THE TANK OWNERS FAULT?

* Although the leak originates from an owner's facility, the leak is very rarely caused by negligence on the owners part. The facility was usually installed and operated to a standard of practice that was considered sound and conscientious at the time of installation. Many times the facility owner or operator is treated as a criminal, when in fact the leak or spill might have been caused by natural processes such as corrosion over time or by an accident caused by a passerby. Just a simple case of accidently spilling waste oil on the ground or repeated overfilling of vehicle gas tanks by customers can add up to a serious contamination problem for a facility owner.

* It is worth noting that petroleum contamination was not considered a serious health hazard until just a few years ago, long after these facilities had been installed. The State of Alaska only recently halted routine oiling of roads, now considered dangerous to public health and critical habitats. The underground storage tank rules imposed by EPA are "after the fact" environmental regulations that have caused a notable and detrimental economic impact to small businesses.

AREN'T THESE PROBLEMS JUST THE "COST OF DOING BUSINESS"?

* The requirements to upgrade or clean up contamination from leaking tanks are relatively new "after the fact" regulations from EPA that did not exist when these businesses started nor during most of their existence. Many businesses acquired facilities with existing contamination. These owners are now faced with the formidable task of "making right what wasn't a problem before". The cost to clean these contaminated sites has skyrocketed beyond the reach of an average business in Alaska. The cost can easily reach several hundred thousand dollars per site. Investigating the extent of contamination, soil and water sampling, excavation, contaminated soil disposal, total tank and piping system replacement, interim business shutdown, loss of revenues and threats of penalties regarding contamination that occurs through natural corrosion, customer negligence and accidents were not a consideration when these businesses began.

WHY DID THE STATE GET INVOLVED?

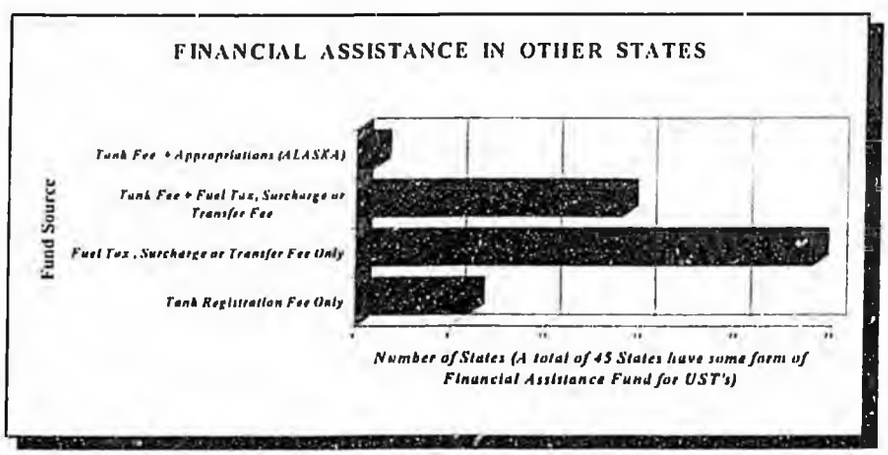
* During the years 1986 through 1990, increased federal regulations and aggressive EPA enforcement action forced numerous Alaska tank owners out of business. Many of these tank owners could not afford the high cost of cleanup of contamination from their leaking tanks. If an owner cannot pay the cost of cleanup, the State actually undertakes the task using Response Funds. The 1990 Legislature determined that the State should have an assistance-based tank program to keep these affected businesses "in business" as productive members of the Alaska economic community.

* Many of the facilities affected by the EPA requirements are in outlying areas of the State, on the Alaska Highway, remote lodges, rural community airstrips and remote fishing villages. Although protecting drinking water supplies in urban areas such as Anchorage and Fairbanks is critical, maintaining essential fuel services for the State is undeniably an important consideration for stable economic growth, tourism and access.

* Since December 31, 1993, most tank owners have been required to demonstrate $1 million of financial responsibility per occurrence and $2 million aggregate. Failure to comply may result in $10,000 daily fines from EPA. Alaskan tank owners can meet the financial responsibility requirement by purchasing pollution liability insurance. Pollution liability insurance is available but very expensive for most small tank owners. The problem still involves the question of eligibility for insurance. Is a facility actually insurable? Many insurance plans call for a clean site to be demonstrated. However, most of these facilities have had numerous incidents of overfilling and spillage during fuel deliveries or in some cases, actual leaks. The Storage Tank Assistance Fund helps owners help themselves by assisting owners of contaminated sites to undertake proper cleanup and become insurable. Insurance policies can then be purchased from the private sector, thereby allowing a tank owner to meet the federal financial responsibility requirement.

* Developing an assistance-based program was considered to be the best way to promote strong pollution prevention practices to avoid future contamination of drinking water supplies. By providing assistance to tank owners to cleanup contamination and to promote the upgrade of their facilities to federal standards, the regulated community was more willing to step forward and report old spills or leaks without the fear of fines and penalties from the EPA. Although the "big stick" approach from EPA got attention, the State's "white hat" approach got results.

* Alaska was not the only state that recognized the problem tank owners were facing with the new federal requirements. Currently, forty-five states have financial assistance programs for underground storage tanks. Seventeen of these states have recently expanded their programs to include aboveground tanks as well.



AREN'T MOST OF THE LEAKING TANKS OWNED BY BIG COMPANIES?

* Just because a facility is named "Alaska Chevron" does not mean it is owned by Chevron. The name usually signifies the brand of product sold. Most businesses covered by the EPA's underground storage tank regulations are small, "Mom-and-Pop" businesses. DEC estimates that of the 7,247 tanks that have been identified in Alaska, there are 1,193 presently in use of which most are privately owned. It is estimated that over two-thirds of the privately owned tanks in Alaska are owned by small, independent companies.

IS THERE MUCH DEMAND FOR FINANCIAL ASSISTANCE?

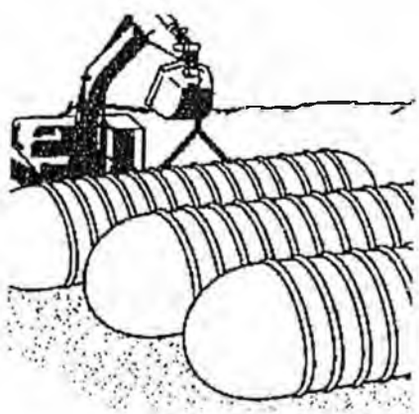
* Presently, there are nearly 60 unfunded requests for financial assistance for testing, closure, upgrade or cleanup activities in the State of Alaska.

* Over $27 million has been expended, encumbered or obligated through fiscal year 99.

HOW MUCH MONEY HAS THE PROGRAM RECEIVED SO FAR?

* The Storage Tank Assistance Fund received an initial capitalization of $6 million in fiscal year 1991. In fiscal year 1992, no new monies were appropriated to the Fund. For fiscal year 1993, the Alaska Legislature appropriated $5 million to the Storage Tank Assistance Fund. The Alaska Legislature appropriated $4.5 million to the UST Financial Assistance Program for fiscal year 1994 and $2.9 million for fiscal year 1995. For fiscal years 1996 & 1997 the Prgram received $1.9 million each year and in Fiscal Year 1998 the Fund received $ 5 million. In FY 99, the program received $5 Million and a statutory change directing the department and the Board to establish a Cleanup Loan program as well as new standards for eligibility for grants.

* Funds appropriated by the Alaska State Legislature to the Storage Tank Assistance Fund are allocated annually by the Board of Storage Tank Assistance to different financial assistance programs, the tank cleanup program, the tank cleanup Loan program the tank upgrading program and the tank closure program. The Board of Storage Tank Assistance makes the annual allocations after taking into consideration the amount of money in the Fund, the money required to meet the needs for each program, as supported by approved applications and the requirement that the greatest priority be given to funding UST's that present the greatest threat or potential threat to human health.



WHAT AGENCY ADMINISTERS THE STORAGE TANK ASSISTANCE FUND?

* The Department of Environmental Conservation administers the Storage Tank Assistance Fund. The Department is responsible for advertising the application periods, receiving the applications, processing the requests, administering the grants and auditing the project costs. The Division of Investments in the Department of Commerce and Economic Development works in partnership with the DEC to provide cleanup loans for eligible UST owners and operators.

* The Department of Environmental Conservation has a staff of three Environmental Specialists in Anchorage to process the actual grant applications. A Grants Administrator and a Clerk Typist provide additional support for the program.

* The 1990 Legislature established the seven-member Board of Storage Tank Assistance with one government member and six public members. Members are appointed by the Governor and serve without compensation other than per diem and expenses when traveling. They have an Executive Director, contracted from the private sector, who is their sole employee. The first duty of the Board was to write regulations relating to financial assistance for UST owners and operators. The Board also jointly developed regulations with DEC pertaining to cleanup standards and allowable technologies to be used in the cleanup of contamination resulting from leaking tanks.

* The Board is an Appeal Board to mediate disputes between the Department of Environmental Conservation and regulated underground petroleum storage tank owners and operators. In regard to disputes arising over eligibility, priority rankings and eligible costs, the Board's decisions are binding upon the department and the owner or operator. For corrective action plan disputes the board may only issue recommendations.

* Although the Board developed the financial assistance regulations, the Department of Environmental Conservation actually implements those regulations by physically processing each applicant's request for financial assistance. This enables the Board to remain objective and unbiased when a dispute arises. The Board is then tasked with resolving the matter in a prompt and conscientious manner.

For Further Information Contact the Board of Storage Tank Assistance at (907)364-2514 or the Department of Environmental Conservation, Storage Tank Program, at (907) 465-5203.

Key Factors in the Development of the Storage Tank Assistance Fund

- Federal Mandates from Congress / EPA
- Significant Environmental Impact
- Specific Deadlines for Upgrading to New Tank Standards
- High Visibilty Enforcement by EPA on Small Business Owners
- Major Leaks from UST's in Anchorage and Fairbanks
- Response Fund Actions on UST Owners Forcing Owners Out of Business
- Essential Services Threatened
- Major Economic Impact on Small Companies
- Strong Private Sector Voice (Alaska Underground Tank Owners & Operators Assoc.)

Cleanups from leaking tanks can be traumatic on Alaska's small businesses, such as this "mom and pop" facility on the Kenai Peninsula.

Key Factors in the Success of the Storage Tank Assistance Fund

- State Regulatory and Enforcement Program
- State UST Registration Program
- Program Linked to State & Federal UST/LUST Programs through DEC
- Emphasis and Priorities on Environmental Concerns
- Strong Public Outreach Program - Bulletins, Quarterly Newsletter, Workshops
- Cost Controls & Detailed Project Oversight and Auditing Practices
- Active Board to Mediate Disputes and Provide Oversight to the Program
- UST Worker Certification Program
- Consulting Firm Approval Program (QAPP)
- Joint Public & Private Sector Technical Working Groups
- Strong Private Sector Voice (Alaska Underground Tank Owners & Operators Assoc.)

UNDERGROUND PETROLEUM STORAGE TANK PROGRAM

THE STORAGE TANK ASSISTANCE PROGRAM

The Storage Tank Assistance Fund -- What is it all about?

* AN ENVIRONMENTAL CLEANUP PROGRAM RESTORING ALASKA'S DRINKING WATER SUPPLIES.

* Providing grants and loans to Alaskan businesses to offset the high cost of environmental cleanups to keep Alaskan businesses in business.

* A POLLUTION PREVENTION PROGRAM FOR UNDERGROUND PETROLEUM STORAGE TANKS.

* Providing incentives and grants to tank owners and operators to upgrade or close their tanks to prevent future leaks.

* AN ALASKAN BUSINESS ASSISTANCE PROGRAM.

* Providing relief to Alaskan businesses and private individuals faced with the high cost of environmental compliance.

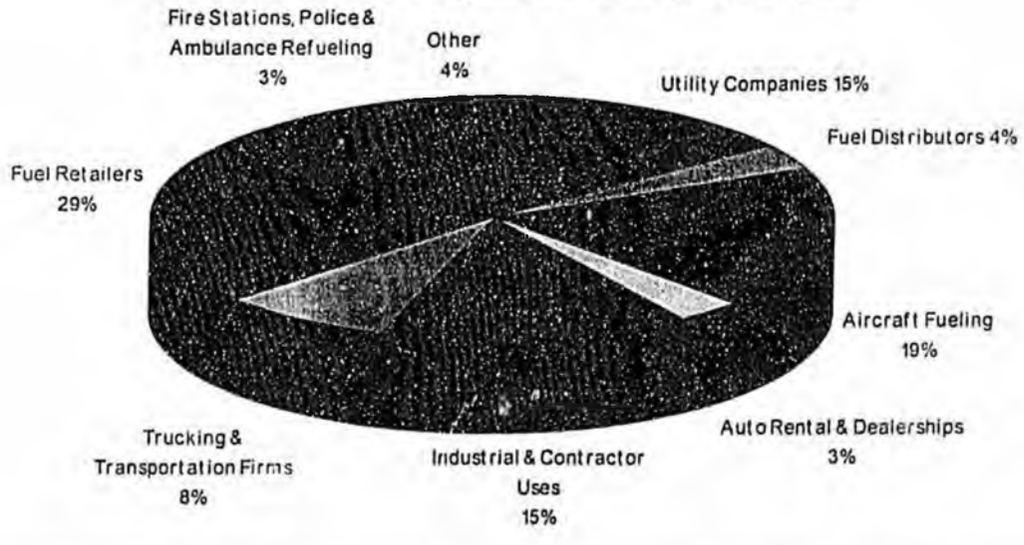
Since Program Inception in 1991

* Over $27 Million has been expended, encumbered or obligated for financial assistance grants and loans through Fiscal Year 00.

* Over 1000 financial assistance requests for tank tightness testing, site assessments, soil or groundwater cleanup or to upgrade tanks to new EPA standards and prevent future leaks have been funded or encumbered.

* Over 2000 Financial Assistance Requests have been received to-date.

Tank Uses for USTs Eligible for Financial Assistance



How the *Storage Tank Assistance Fund* affects environmental cleanups in Alaska

*** Because there is an Assistance Program -**

Public Health Threats from petroleum contamination are addressed through not only a Priority Ranking System that is based primarily upon the Alaska Hazard Ranking Model but also through a unique Emergency Grant system that provides for emergency cleanup assistance almost immediately after an imminent public health threat is identified.

*** Because there is an Assistance Program -**

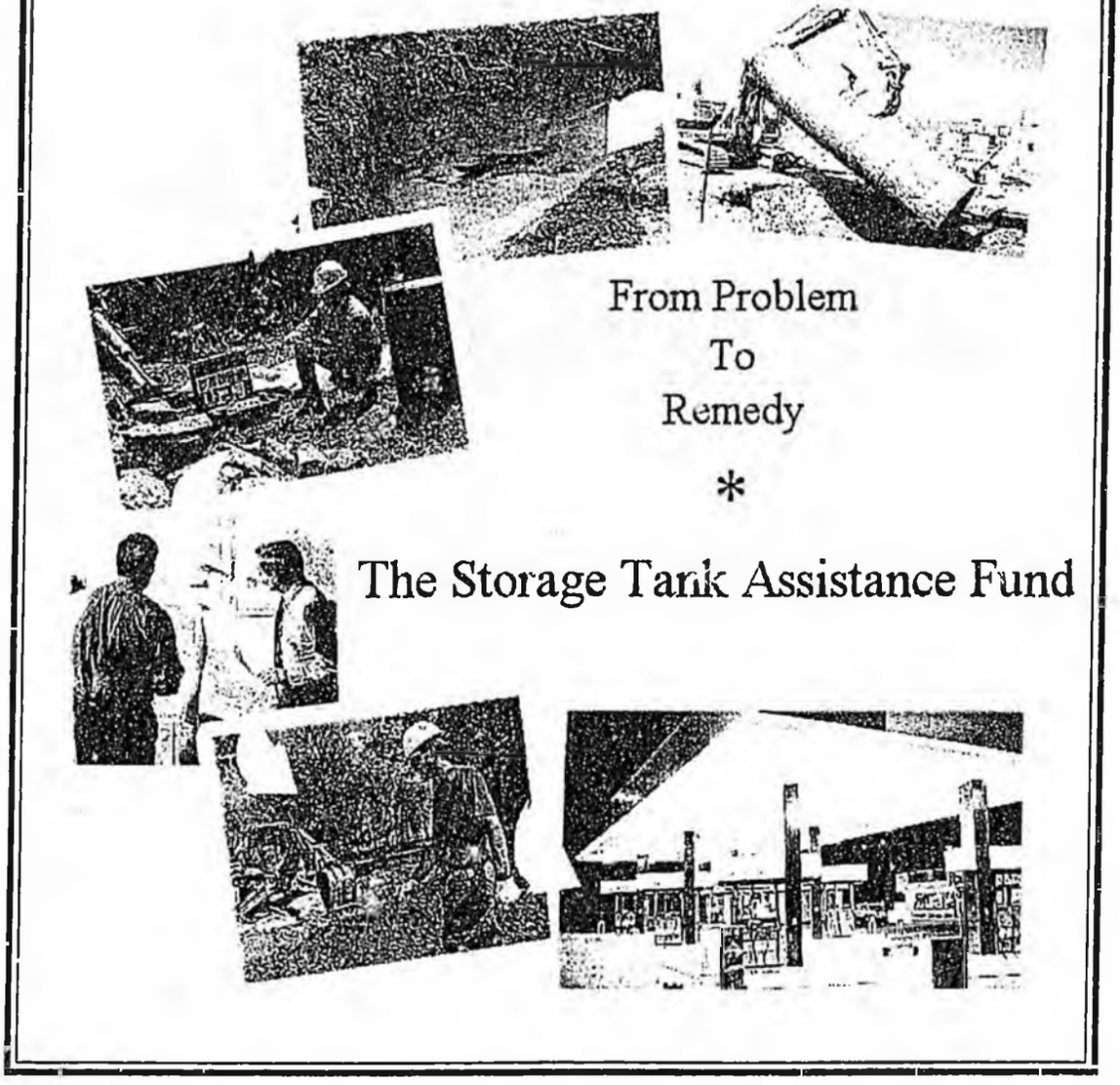
UST owners and operators do not fear legal action and have stepped forward to cooperate with DEC to undertake soil and groundwater cleanup.

*** Because there is an Assistance Program -**

Litigation has been avoided thereby saving the State of Alaska millions of dollars in legal costs.

*** Because there is an Assistance Program -**

Cleanup activities directly involve the owner or operator and reduce the need for State lead actions and oversight. This approach further reduces both higher cost State contractors as well as the number of State staff required to oversee the cleanup activities.



The Storage Tank Assistance Fund

Board of Storage Tank Assistance
410 Willoughby Ave.
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cresolve@eagle.ptialaska.net

*Web:*http://www.state.ak.us/dec/dspar/stp_home.htm