

SCOMM

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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. 1 | 0 | 1 | 6

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						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

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. Seiber*
Agency: Environmental Conservation

Date: 4/8/91

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

STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION

WALTER J. HICKEL, GOVERNOR

April 4, 1991

BILL NUMBER: HJR 32 by House Oil and Gas Committee

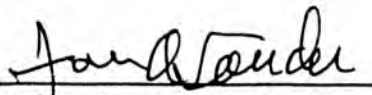
TITLE: Relating to regulation of underground petroleum storage tanks

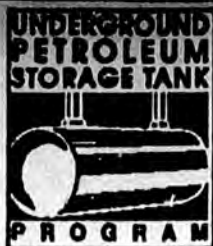
DEPARTMENT POSITION: Support

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



Board of Storage Tank Assistance

Walter J. Hickel, Governor

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POSITION PAPER

IN SUPPORT OF:

House Joint Resolution No. 32 (HJR32)

By the House Special Committee on Oil and Gas

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 House Joint Resolution Number 32 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 EPA. The state underground petroleum storage tank program is based on the premise of technical, educational, and financial assistance. House Joint Resolution Number 32 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