

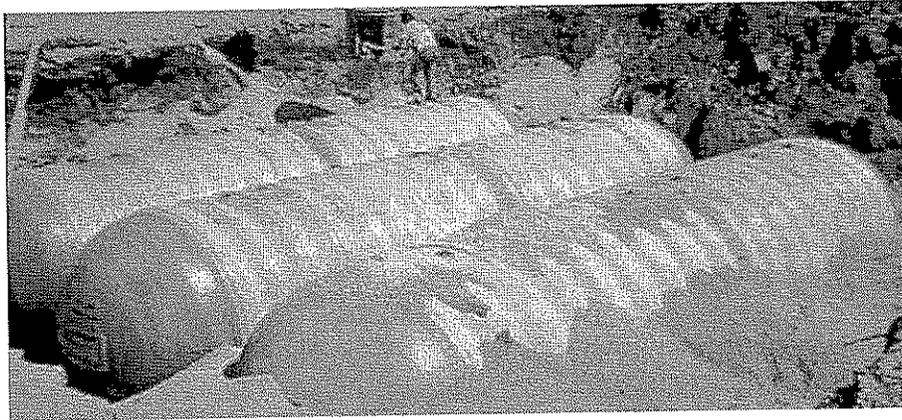


***GASOLINE & AUTOMOTIVE SERVICE
DEALERS OF AMERICA, Inc.***

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*Our Members are responsible for selling over 60%
Of all the gasoline sold annually in the State of Connecticut!*



***APPROPRATIONS COMMITTEE
PUBLIC HEARING***

***Testimony on the Governor's Proposed Deficit Mitigation Plan
and the Impact of the Governor's Rescissions***

By Michael J. Fox, Executive Director

December 09, 2009

Senator Harp, Representative Geragosian, Senator DeBicella, Representative Minor and members of the appropriations Committee we are writing to you today on behalf of our members that are responsible for selling over 70% of all the gasoline sold in Connecticut and who over the last 5-fives have made substantial investment in the State of Connecticut.

We would like to remind this committee that the Major Oil Companies have been exiting the retail gasoline business and selling locations. Our members have purchased those locations and in some cases made investments of over \$2 million dollars to do so. These investments made sure that jobs remained here in Connecticut and our members did that without any State tax assistance or property tax credits. If we added up all the locations and those jobs, the amount would be 1500 jobs remained here in Connecticut. Some will say these are not high paying and we disagree, but more importunate, 1500 employees did not apply for unemployment adding to the States unemployment burden.

With more than 1,400 service stations in our state and ExxonMobil being the next to exit the State the November 2009 Deficit Mitigation Plan would have a devastating impact on those businesses, tax revenues collected by those businesses, gasoline prices and the environment. On line 16 of the Governor's plan, \$1.5 million from the current level of \$4.9 million of funding would be cut from the Program. This is the second cut to this program in the last year. ***In 2008, the GRT generated nearly \$368 million in revenue while the Tank Fund paid out just under \$12 million in claims, while 356 million disappeared into the general fund.*** This places an unfair burden on one industry and will have very damaging results if the proposed cuts remain. ***Each time this program is cut, the state is diverting funds away from its dedicated pur pose as provided by Connecticut law since 1992.***

During the past thirty years, the federal government has taken several steps dealing with underground petroleum storage tanks. Among these steps has been the **requirement that owners of commercial underground petroleum storage tanks have "evidence of financial responsibility,"** the ability to demonstrate the financial wherewithal to clean up discharges and compensate third-parties for damages sustained as a result of discharges from Underground Storage Tanks. Further, the Congress in writing the requirements for evidence of financial responsibility recognized the difficulty with obtaining commercial insurance policies to meet those requirements, and included provision at [42 U.S.C. § 6991c [1]] for states to construct funds to provide the evidence of financial responsibility required by federal law. ***In short, without the commercial tank fund, the majority of the state's commercial UST owners would find it nearly impossible to meet this federal evidence of financial responsibility requirements and, as a result, face forced closure.***

In 1989, the State of Connecticut enacted legislation creating a state-held fund to provide evidence of financial responsibility for the owners of commercial Underground Storage Tanks in accordance with federal law. Accordingly, the proposed new cut in the funding of the Underground Storage Tank Program potentially threatens the Environmental Protection Agency's (EPA) certification of the Tank Program, per the federal financial responsibility requirements that UST owners must comply with to operate. At its peak, the Underground Storage Tank Program cleaned up nearly \$20 million in UST leaks. In 2003, the original funding was cut to \$12 million annually and then cut again this September to its current level of \$4.9 million. These cuts are in stark contrast to the needs of the environment and the businesses that rely on it to ensure that gas stations continue to operate and the environment is clean.

Given the numerous cuts the Underground Storage Tank Program has sustained over the years, we managed to bring good news in 2007 as a private funding firm, NatLUST, came to Connecticut. NatLUST provided rapid payment of claims to claimants who preferred taking a discount of their claims amounts in exchange for not waiting several months for the Department of Environmental Protection to make necessary payments. Unfortunately, with the proposed new cut in the Underground Storage Tank Program, NatLUST informed us as that they believe the fund would be too small to generate necessary payments back to them that they would make to claimants and that they would cease doing business in Connecticut if this new, proposed cut stood. If NatLUST were to leave our state, jeopardizes a program we have long paid for and that is absolutely necessary for us to continue to legally operate under EPA Evidence of Financial Responsibility requirements.

We ask that you reconsider this proposed cut and remove the language in line 16 as it pertains to the Underground Tank Program before many businesses, tax revenue, gasoline prices, jobs and the environment are devastated.