

Hendel's

March 7, 2011

Members of Environment Committee:

I am testifying today on behalf of Hendel's Inc., a third generation family-owned business based in Waterford. We have over 150 employees, most of whom are residents of Connecticut. We own 40 gasoline stations/convenience store facilities throughout the state. We have utilized the Tank Fund/Program to partially reimburse us for the costs of remediating accidental spills, thereby helping to protect the environment of our state and allowing us to keep locations open, which keeps employees on the job and allows taxes to continue to be generated.

I urge the Committee to support S.B. No. 1113, an act establishing a Connecticut Commercial Tank Insurance Account.

Until about 1 ½ years ago, the petroleum gross earning tax (GET) was the dedicated revenue stream which financed the Tank Fund/Program. In the last few years the GET - which had been established about 20 years ago to pay for for the Tank Fund - has generated well over \$ 300 million in revenue annually for the State of Connecticut, while the Tank Fund only paid out approximately \$ 10-15 million annually in approved reimbursement claims to gas station owners, which left almost a BILLION dollars to be deposited into the state's general fund during the last few years.

Since 2009, a series of debilitating cuts have been made to the Fund which have depleted it to the point where it now is virtually "broke." Further proposed cuts could force us (like many of our competitors) to close some of our TAX-GENERATING gasoline locations which would otherwise be remediated, thus necessitating layoffs of some of our employees. This would REDUCE the tax revenue Hendel's and our employees provide the state and ADD to the State's expenses by swelling unemployment rolls. This is certainly **NOT** the time to **REDUCE** the **State's REVENUE AND ADD** to the **State's EXPENSES** (while hurting our environment which ultimately creates much greater expenses in the long run due to harm to public health, than would be the case if remediation was pursued promptly).

It **IS** the time to **support S.B. No. 1113** which would provide an improved tank clean-up funding mechanism that would allow businesses to operate while **protecting our environment**—by (1) encouraging remediation of contaminated sites and (2) providing incentives for companies to abide by very stringent environmental regulations if they wish to be eligible for reimbursement per this program (since companies which don't adhere to such strict environmental rules are ineligible).

In 1989 the State of Connecticut enacted legislation creating the Tank Fund in order to provide evidence of financial responsibility for the owners of commercial tanks in accordance with federal law. Without a viable, federally-certified state program, we (and most other gasoline distributors, other than the multinational giants) would have to close many gas outlets in order to remain in compliance. Less competition begets higher gasoline prices, which further hurts our economy.

S.B. 1113 does NOT require the State to go into its very stressed bank account to rescue the Tank Fund/Program. Rather, it would allow us to have a SELF-FINANCED vehicle which would revive an example of outstanding public policy—one that is good for private sector business, good for the business of the State of Connecticut and good for the environment.

Therefore, **I urge you to support S.B. No. 1113**, which provides the right mechanism for enabling tank clean-up funding, thus providing a “win-win” for Connecticut’s environment and for Connecticut’s economy.

Thank you.

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