



Petroleum Company, Inc.

"Experience the Drake Petroleum Difference"

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March 16, 2012

Co-Chair Edward Meyer
Co-Chair Richard Roy
Senator Andrew Roraback
Representative Clark Chapin

Re: Senate Bill 375
AN ACT CONCERNING REIMBURSEMENT UNDER THE
UNDERGROUND STORAGE TANK PETROLEUM CLEAN-UP PROGRAM.

Members of Environment Committee:

My name is Michele Alabiso, I live in Meriden and work as the Director of Environmental Affairs for Warren Equities, Inc. and its operating subsidiaries, Drake Petroleum Company, Inc. (Drake) and WAREX Terminals Corporation, Inc. (WAREX), who owns, leases, operates and/or supplies fuel to ninety-three former and active retail petroleum distribution facilities, in the State of Connecticut, and wish to express our **strong opposition to Senate Bill 375 AN ACT CONCERNING REIMBURSEMENT UNDER THE UNDERGROUND STORAGE TANK PETROLEUM CLEAN-UP PROGRAM.**

Drake and WAREX face many challenges in today's regulatory environment trying to operate our stations in compliance with the changing regulations of the State of Connecticut. We have a staff of ten (10) environmental professionals who proudly endure the challenges of inspecting and maintaining or stations, training station personnel and the public regarding the hazards of a release of petroleum and working with consultants to ensure compliance with the environmental regulations of the State of Connecticut. We report our spills in accordance with the existing Underground Storage Tank Regulations; spend millions of dollars annually investigating and remediating properties we own and operate and many we no longer own to ensure both compliance with the Remediation Standard Regulations (RSRs) and that we meet the 2005 Milestone requirements as specified in CGS Section 22a-449p and most importantly, we pay our taxes, a portion of which each year was supposed to be dedicated to fund the existing Underground Storage Tank Clean-Up Program. Unfortunately as we all know the monies that should have been set aside have now been derailed into the general fund and although the monies paid out in taxes have increased, the funding has decreased to the point where one could say that the Underground Storage Tank Clean-Up Program is no longer solvent.

In 2005 the State of Connecticut implemented the Milestone requirements for reimbursement of environmental cleanup activities at retail petroleum distribution facilities. These Milestone requirements mandated that an applicant must wait to submit costs eligible for reimbursement

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until one of seven Milestones were completed. We believe that the establishment and required adherence to the Milestone regulations, specifically Milestones 3 (Investigation Report and Remedial Action Plan) and 5 (Groundwater Remedial Action Progress Report) which required full delineation and the determination of an appropriate remedial technology and the installation and operation of a remediation technology respectively for a one year period, lead to the accumulation of significant costs by retail petroleum station operators over a long period of time, during which the operator could not submit claims. We also believe that the completion of these Milestones should have guaranteed retail petroleum distribution owner and operators reimbursement. We are now finding that is not the case.

Additionally, isn't the entire purpose of the Underground Storage Tank Petroleum Clean-Up Program is to ensure that retail petroleum distribution companies have access to funds, which we contribute to through taxes, to allow the reimbursement of activities associated with the cleanup of leaking underground storage tanks. You must ask yourself how this proposed change and a lack of funding will affect the environment. Will retail petroleum operators/owners report more releases knowing that they will not receive reimbursement from a fund that they contributed to for years and that they have fought so hard to obtain? Will it promote more environmental cleanup activities or will it drive small business out of Connecticut and cause operators to walk away from their underground storage tanks? Will it allow the individually owned retail petroleum business to successfully thrive or will it make them more fearful of the regulated community? I don't want to believe the intent of the language as proposed was any of those.

We implore you to carefully evaluate the consequences of eliminating reimbursement funding of environmental cleanups to underground storage tank owners. As such we respectfully request that the Environment Committee **oppose S.B. 375, AN ACT CONCERNING REIMBURSEMENT UNDER THE UNDERGROUND STORAGE TANK PETROLEUM CLEAN-UP PROGRAM.**

Sincerely,

Drake Petroleum Company, Inc.



Michele A. Alabiso
Director of Environmental Affairs