

Good morning Senator Meyer and Representative Roy and members of the Environment Committee. My name is Larry Ancker and I have been a gasoline retailer in the State of Connecticut for over 42-years. I come here today to support HB-5082 and to oppose SB-375 and ask that the entire SB-375 bill be scrapped and to work with our industry on a much better way to not put Connecticut small business service station owners out of business. If SB-375 were to pass in its present form, local mom and pop service station owners/operators would close their doors because that would not be able to meet the Federal Requirements regarding underground gasoline storage tanks. The resulting closures will also increase unemployment somewhere between 3000 to 4000 jobs.

On April 1<sup>st</sup> 1972 I opened my Mobil station and the retail price for gasoline was \$.379 cents per gallon for regular and \$.419 cents per gallon for premium and we pumped it for you – no such thing as self service. I have had as many as 7 service stations running with family members and I currently have two locations operating with myself and my son. We own the property at one thanks to the Connecticut legislature and we lease the other, but both will be at risk if SB-375 were to pass.

I thought that I had seen it all and survived, from gas shortages, gasoline allocation, self service pumps, 24-hours operations, Costco, BJ's Stop & Shop, highest gasoline tax in the nation, all many said would put me out of business. I managed to survive and purchase the property from Shell Oil in 2000 thanks to the Connecticut legislature passing the first in the nations "**Right of First Refusal**". I have been a member of the Gasoline Retailers Association for most of those 42-years. When I was told that the State was trying to eliminate the Underground Tank Fund, I could not believe when here is the same State Legislature that has helped small service station operators by fixing the highest in the nations gas tax, amending and improving our States Gasoline Franchise Law, Passing the First of its kind "Right of First Refusal" Law so that we could become owners of our locations, rather than tenants and now, with one law will wipe us out! I agree with the Associations position that over 650 local mom and pop owners will need to close or stay open in violation of State and Federal law.

The Connecticut Underground Tank Fund which was started in 1990 was put into effect to address the Federal Governments mandate of gasoline service station owners having insurance, a bond or show proof of enough capitol to self-insure. In Connecticut, since insurance for gasoline tank leaks was not and still is not available in a commercially reasonable manner, Connecticut decide to create the Fund with a dedicated revenue source and placed a tax on the wholesale price of gasoline and created a model that was the "best in the industry" at that time. In 1995 the State received Federal

approval, which was and still is required under Federal Law. The changes made to the fund removing the dedicated source of funding was never approved and even presented by the States DEEP for approval.

With that in mind, we request a minimum of \$30 million dollars per year be allocated to the Connecticut Underground Tank Fund in HB-5082 to restore it to a dedicated revenue fund like originally intended. While \$30 million dollars is a lot of money, it is only 8.7% of the total tax generated which was put into place to fund this program and still allow for the State's General Fund to receive over \$310 million dollars based upon what was collected in the last fiscal year. Since the Gross Receipts Tax (GRT) which is the funding tax for this program is a percentage of the wholesale cost of gasoline, and wholesale gasoline costs continue to rise, the State's General Fund should receive more in the next fiscal year.

Some will ask – how did we get here. The answer to that is very simple, years of tinkering and abuse of the revenues generated by the hidden GRT tax and GASDA has provided the committee with these facts directly from the State. These are NOT industry numbers and the “facts” are undisputed.

Since 2001 until 2010 the State of Connecticut collected \$2 billion, 34 Million 16 thousand 489 dollars and .50cents \$2,034,016,489.50. The State paid out in claims since 1992 the first year after the start of the fund, a total of \$179 million, 988 thousand, 71 dollars and \$.40 cents 179,988,071.41! This means the Underground Tank Fund should have a balance of \$1 billion 854 million, 28 thousand, 418 dollars and \$.09 cents \$1,854,028,418.09. That's \$1.8 Billion gone so we DO NOT as DEEP Commissioner Esty has been publically saying have a revenue problem. Instead, because of constant tinkering, and I think the correct word is robbery, as of the last meeting of the Underground Tank Review Board which I attended, the program has \$16.9 million in “approved” unpaid claims and \$81.6 million submitted but not yet approved claims on the books today!

Mr. Chairman and members of the committee this is a classic example of how the state gets itself into hot water and a \$3 billion dollar budget deficit. There is NO time for blaming one party or the other, one governor or the other, the facts are clear all parties are to blame, some more or less than other, but today we need action, not promises and not political posturing!

If something is not done to fix this problem, over 650 small business service stations owners will be forced to close their doors, the price of gasoline in those stations remaining open will sky rocket,

unemployment would increase, more business would close due to the high cost of gasoline and more unemployment. This is a "Perfect Storm of Disaster"!

If the State had left the money in an account that \$1.8 billion dollars at 3% interest would be generating over \$54 million dollars more than enough to fully fund all the needs of the program and provide revenue to the general fund of approximately \$30 million dollars or more per year. Second, the retail price of gasoline today for all State residents would be approximately \$.27 cents LESS per gallon; small family run service stations would be more competitive with surrounding states selling more gasoline generating additional gasoline tax revenue, additional sales tax and income tax revenue for the State. These gallons are currently being lost to surrounding states with cheaper retail gasoline prices! Those tax revenues are going to those surrounding States as well. Mr. Chairman and members of the committee these are undisputed numbers!

We know this problem will not be corrected overnight, but we ask that we begin the process of fixing these issues for the long term, not just the short term. Real solutions, to real problems! These discussions must begin today, as there is no tomorrow for over 650 service stations in Connecticut.