

# STATE OF CONNECTICUT

OFFICE OF POLICY AND MANAGEMENT

TESTIMONY OF BENJAMIN BARNES  
SECRETARY OF THE OFFICE OF POLICY AND MANAGEMENT  
TO THE  
ENVIRONMENT COMMITTEE  
MARCH 13, 2012

IN SUPPORT OF

SB 375 – AAC REIMBURSEMENT UNDER THE UNDERGROUND STORAGE TANK  
PETROLEUM CLEAN UP FUND

Thank you for the opportunity to comment on this important legislation.

S.B. 375 would:

- Restructure reimbursements from the Underground Storage Tank Petroleum Clean Up Fund to target reimbursements to small business, municipalities and innocent landowners;
- Give responsibility for decision-making concerning reimbursements to DEEP, rather than the current board, which is dominated by groups that benefit from the Fund; and
- End the program.

As presently constituted, the Underground Petroleum Storage Tank Clean-Up Fund is not affordable for the taxpayers of Connecticut. It has unfunded liabilities of approximately \$100 million – given the cuts and other tough decisions made by the State of Connecticut over the last year it is simply not feasible to set aside that amount of money for claimants – certainly not in the short term.

After being contacted by constituent groups in Connecticut, the US EPA wrote to the Department of Energy and Environmental Protection and urged that the program be overhauled in a way in which it could be sustainable. EPA has said it may withdraw its approval of the program as a way by which tank owners can demonstrate financial assurance, leaving tank owners without another insurance option.

SB 375 provides the only balanced and affordable way to make sure that option continues to exist. Governor Malloy's bond package proposed \$5 million to get this program on track.

Under the proposal in SB 375 applicants most in need – small businesses, municipalities and innocent landowners – can be expected to be paid in full in three years. Others, such as big oil companies, would be able to receive payments quickly if they choose to accept less than 100% reimbursement.

--over --

*Contact Person:* Gian-Carl Casa  
OPM Capitol Office     Hartford, Connecticut 06106  
*Telephone:* (860) 478-1756

Ending the program as proposed in SB 375 would not be unique – there are states that never created reimbursement programs as Connecticut did. Iowa is making a similar transition away from a state-run assurance program. It is time we get out of the business, too.

The proposal in SB 375 is the only affordable way to provide reimbursement to those who have already expended funds for clean-up. Proposals that greatly increase the price are unrealistic and unacceptable. We will not support a program that moves a hundred million dollars away from other public services into the pockets of big oil companies - period.

Lastly, certain advocates have claimed that the revenues from the Petroleum Gross Receipts Tax are “intended” to be used to give money to beneficiaries of this program. For the last several years actions of the General Assembly and at least two governors have directed those revenues towards funding major transportation improvements and supporting the General Fund – their intentions are clear in the budgets you passed and the governors made law. Claims to the contrary are based on a misunderstanding of the law-making process and they are just wrong.

I urge you to work with the Department of Energy and Environmental protection to address any language problems in the bill, and support SB 375.