



February 19, 2013

Memorandum:

To: House Energy and Environment Committee

From: Thomas M. Palace
Petroleum Marketers and Convenience Store Association of Kansas

Leslie Kaufman
Kansas Cooperative Council

Re: Comments regarding House Bill 2305

Mr. Chairman and Members of the House Energy and Environment Committee:

My name is Tom Palace. I am the Executive Director of the Petroleum Marketers and Convenience Store Association of Kansas (PMCA of Kansas), a statewide trade association representing over 300 independent Kansas petroleum distribution companies and convenience store owners throughout Kansas. I am also providing comments today on behalf of the Kansas Cooperative Council. The Co-op Council represents all types of cooperative business in Kansas including ag/farm supply, utility, consumer and financial cooperatives. Several of the KCC members are joint members with PMCA of Kansas, as well.

Thank you for allowing me to make comments in support to HB 2305.

PMCA has worked closely with the Kansas Department of Health and Environment on many issues related to the Underground Storage Tank (UST) program that was established in 1992. Our working relationship requires both KDHE and PMCA to be flexible when a federal mandate is passed down from the Environmental Protection Agency.

In 2007 the Kansas Legislature passed SB 190 to comply with the 2005 Federal Energy and Policy Act. EPA offered states two options to improve protection of groundwater from releases of regulated substances from USTs: 1) require that all new UST systems have secondary containment or 2) require installers and manufacturers of USTs to maintain pollution liability insurance. Kansas and Missouri were the only two states that implemented the insurance option. EPA policies and regulations developed since 2005 have made implementation of the insurance

option very difficult, and new regulations proposed by EPA do not include an insurance option for states to follow.

Currently, the program is working fine. Installers of USTs have increased their insurance coverages to be in compliance with the Energy Act however, EPA is not satisfied with the option Kansas and Missouri selected and has the power to change how KDHE administers the federal UST program.

As such we appear before you today to change how KDHE administers the UST Act in efforts to comply with EPA requirements.

The committee should be made aware Kansas has one of the best run Underground Storage Tank Programs in the country. Several states have privatized their UST program and most have gone bankrupt. Kansas has a solid program, financially sound and under the supervision of Gary Blackburn and Randy Carlson, Kansas has a UST program that is second to none.

Mr. Chairman and committee members we urge your support of HB 2305.

Thank you.