



**PROJECT CLOSURES:  
A Wisconsin Success Story!**

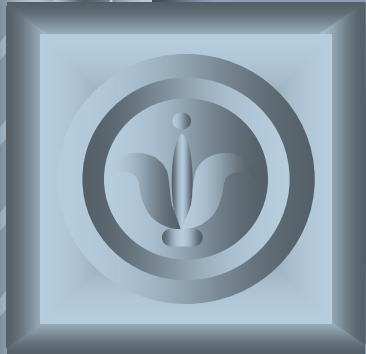


**WISCONSIN DEPARTMENT  
OF  
COMMERCE**

**ENVIRONMENTAL &  
REGULATORY SERVICES  
DIVISION**

**PECFA OSCAR HERRERA BUREAU DIRECTOR**

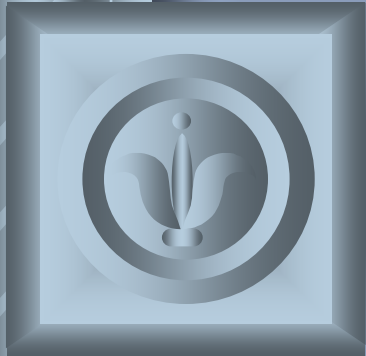
**P E C F A**



**PETROLEUM  
ENVIRONMENTAL  
CLEANUP FUND AWARD**

WISCONSIN DEPARTMENT OF  
COMMERCE

- ✧ **PECFA was enacted in August of 1987.**
- ✧ **The program is funded from a portion of a 2¢ per gallon petroleum inspection fee (3¢ prior to April 1, 2006).**
- ✧ **In brief, PECFA reimburses owners for a portion of the cleanup costs of discharges from the following petroleum product storage systems:**
  - **Underground storage tanks – both marketer and non-marketer**
  - **Aboveground storage tank systems– both marketer and non-marketer**
  - **Farm tanks**
  - **Home heating oil tanks, and**
  - **Public School District and Technical College District tanks**
- ✧ **Commerce administers the financial reimbursement portion of the program and the cleanup of low- and medium-risk petroleum sites (PECFA-eligible and non-PECFA-eligible).**
- ✧ **DNR is responsible for high-risk sites.**

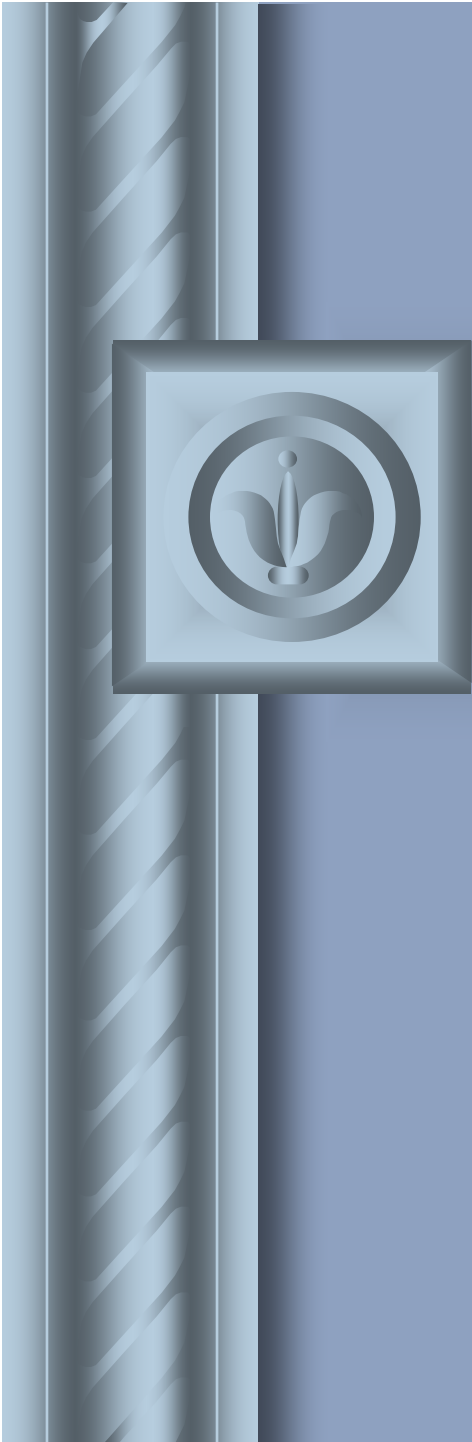


# CLOSURE HISTORY

# Number of Petroleum-Contaminated Sites Commerce and DNR

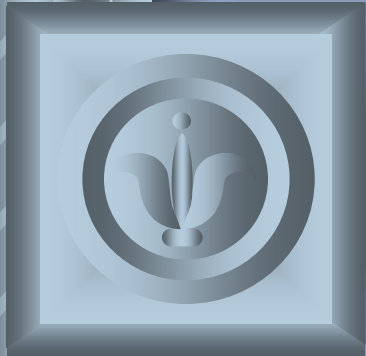
(Wisconsin Informational Paper 62, Legislative Fiscal Bureau, January 2007)

<b>Date</b>	<b>Open Sites</b>	<b>% of Sites</b>	<b>Closed Sites</b>	<b>% of Sites</b>	<b>Total Sites</b>
<b>Sept, 1998</b>	<b>5,970</b>	<b>54.7%</b>	<b>4,946</b>	<b>45.3%</b>	<b>10,916</b>
<b>June, 1999</b>	<b>6,139</b>	<b>50.1</b>	<b>6,121</b>	<b>49.9%</b>	<b>12,260</b>
<b>Aug, 2000</b>	<b>5,531</b>	<b>40.5%</b>	<b>8,132</b>	<b>59.5%</b>	<b>13,663</b>
<b>June, 2001</b>	<b>4,611</b>	<b>31.9%</b>	<b>9,851</b>	<b>68.1%</b>	<b>14,462</b>
<b>June, 2002</b>	<b>4,126</b>	<b>26.7%</b>	<b>11,302</b>	<b>73.3%</b>	<b>15,428</b>
<b>June, 2003</b>	<b>3,604</b>	<b>22.9%</b>	<b>12,166</b>	<b>77.1%</b>	<b>15,770</b>
<b>June, 2004</b>	<b>3,034</b>	<b>18.9%</b>	<b>12,994</b>	<b>81.1%</b>	<b>16,028</b>
<b>June, 2005</b>	<b>2,638</b>	<b>16.2%</b>	<b>13,646</b>	<b>83.8%</b>	<b>16,284</b>
<b>June, 2006</b>	<b>2,240</b>	<b>13.6%</b>	<b>14,227</b>	<b>86.4%</b>	<b>16,467</b>



# **MEASURES WE HAVE TAKEN TO IMPROVE CLOSURE NUMBERS**

- 1. Risk-Based Closures**
- 2. Creation of a Commerce Technical Review Section**
- 3. Bonding**
- 4. Maximum Reimbursement Reduced to \$190,000**
- 5. Combination of Public Bidding and Classification & Prioritization of Sites by Risk**
- 6. Usual & Customary Cost Schedule**
- 7. Deferment and, in some cases, Reduction of the Deductible**
- 8. Invoice Pre-review**
- 9. Loan Interest Penalties**



# DOWN THE ROAD

WISCONSIN DEPARTMENT OF  
COMMERCE

# LIABILITY

**Number of Open Activities with PECFA Liability -- 4,632**

<b>Risk (Activities)</b>	<b>Dollars (Millions)</b>	<b>Time To Closure (Years)</b>
<b>High (2,368)</b>	<b>\$252.3</b>	<b>6.2</b>
<b>Medium (1,023)</b>	<b>\$56.2</b>	<b>4.7</b>
<b>Low (185)</b>	<b>\$14.7</b>	<b>2.3</b>
<b>Unknown (1,056)</b>	<b>?</b>	<b>?</b>

**Total Estimated Liability: \$323.2 Million**

# PECFA: CURRENT ISSUES

- **Direct Pay Option Instead of Reimbursement Only.**
- **New Releases, especially those commingled with old releases.**
- **Financial Responsibility:**
  - **As of December 22, 2001, PECFA effectively ceased to function as an FR mechanism all together. The maximum reimbursement award dropped to \$190,000.**
  - **Stockholder owned private insurance is the most common form of FR utilized in Wisconsin.**
  - **The Bureau has concluded that the business model for stockholder private insurance is not fulfilling the intent of FR and that our procedure for protecting human health & the environment (Wait & See approach) is flawed.**

# PECFA PAYMENTS

- **How Much is One Billion?**
  - A billion seconds ago it was 1959.
  - A billion minutes ago Jesus was alive.
  - A billion hours ago our ancestors were living in the Stone Age.
  - A billion days ago no-one walked on the earth on two feet.
- **PECFA has spent \$1.5 billion in cleanup costs.**
- **PECFA reimbursement budgeted for 2006 – 2007: \$78 million.**



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