Association of State and Territorial
ASTSWMO
Solid Waste Management Officials

Development and Implementation of State Tanks Core Programs

Final Report

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Tanks Subcommittee

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ASTSWMO is an organization supporting the environmental agencies of the States and Territories (States). ASTSWMO's mission is to enhance and promote effective State and Territorial programs for waste and materials management, to encourage environmentally sustainable practices and to affect relevant national waste and materials management policies. ASTSWMO's Tanks Subcommittee includes three Task Forces – the Underground Storage Tank (UST) Task Force, Leaking UST (LUST) Task Force, and the State Fund-Financial Responsibility (SF-FR) Task Force. Members of these Task Forces include State tanks program officials who oversee the prevention and remediation of UST releases, and administer financial assurance activities.

ASTSWMO thanks the following Subcommittee and Task Force members (Core Report Workgroup) for their participation in development of this report:

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EXECUTIVE SUMMARY

The Association of State and Territorial Solid Waste Management Officials (ASTSWMO), in carrying out its mission, collected data on the costs of operating and maintaining the State underground storage tank (UST) programs. In these times of diminishing resources, a detailed picture of the costs and benefits of this program has become increasingly important. The Tanks Subcommittee is responsible for gathering information and providing training to assist the States and Territories (States) and federal government agencies with the operation of the UST program. This report (Core Report) is intended to be a snapshot of operations and not a trend report for the purpose of providing a detailed picture of the costs and benefits of the tanks program.

The Subcommittee commissioned the preparation of this Core Report to examine how States are currently funding the UST programs and how proposed budget cuts might affect the continued operation of the programs. ASTSWMO requested that all States provide data on the dollars spent on personnel, outreach, supplies, inspections, cleanup oversight, and other necessary costs associated with operating the programs. The data was compiled and analyzed to provide a picture of how different States are utilizing both federal and State funds, and how expected budget cuts would impact the programs.

The results of this survey show that there are substantial efforts being made by large and small States to operate a program originally enacted by the federal government. The data reveals the considerable investment (staffing, rules, cleanup funds, equipment, training, and inspections) States have made to support this program. These efforts have resulted in reducing releases, cleaning up groundwater, and protecting public health. Yet with fewer and fewer federal dollars, and more and more demands on limited State dollars, information collected in this report highlights how challenged States would be in effectively managing this program if additional funding cuts are made. Further deterioration of federal support to the States would result in the diminishment of State UST programs to conduct mission critical work. Failure to do this work would likely result in greater petroleum releases from USTs that would lead to future groundwater contamination and other threats to public health and the environment. Not investing in prevention and cleanup costs today will likely result in increased costs in the future. For example, the costs of replacing a contaminated drinking water source are many times greater than the costs to prevent the release. The accomplishments over the past 25 years would soon be forgotten if program resources are cut to ineffective levels.

This report documents the significance of federal funding to the successful implementation of State UST programs. This is especially true for smaller States (defined herein as States with tank populations of less than 10,000 tanks); as the data indicates these States rely more heavily on federal funding. Although large States (defined herein as States with tank populations of more than 10,000 tanks) have been able to invest a larger percentage of State resources to the program, shrinking State dollars make it likely they will be unable to do so in the future as well. The data suggests that any reduction in federal funding would affect all States.

- States cannot absorb any future reductions in federal funding without significant loss in their ability to operate a fully integrated functioning program. The tanks program relies on an important State and federal partnership. Many States would likely divest from this program if there was a perceived loss of federal commitment.

- Future budget reductions will result in a decrease of inspection frequency due to staffing reductions and lack of resources to maintain the cycle.

- Future budget reductions will result in fewer cleanups completed.
- Future budget cuts would result in the reduction or elimination of mission critical work. Mission critical work is defined as those fundamental components that are intrinsic to tank program operation.
- Future groundwater contamination and other threats to public health are likely to increase if State programs are not adequately funded.
- The UST compliance program has made great strides in increasing the number of compliant tanks, which has resulted in fewer releases. Loss of program funding could reverse this trend.

INTRODUCTION

The UST program, from the beginning, has been a partnership between the federal government and the States. While exact dates differ for each State, the partnership between the federal and State regulatory programs is widely considered to have begun after the airing of the *60 Minutes* segment called "Check the Water" in 1983. The report chronicled one town's problems where residents had their groundwater contaminated by a leaking UST (LUST) from the neighborhood gas station. At the time this segment aired, individual States regulated USTs storing gasoline with differing levels of regulation, mostly confined to regulating the danger presented by fire. A large portion of the United States relied on groundwater for drinking, bathing, irrigating crops, etc., and groundwater quality could be impacted by releases from the great number of USTs necessary to fulfill transportation, heating, and other needs requiring storage of fuel.

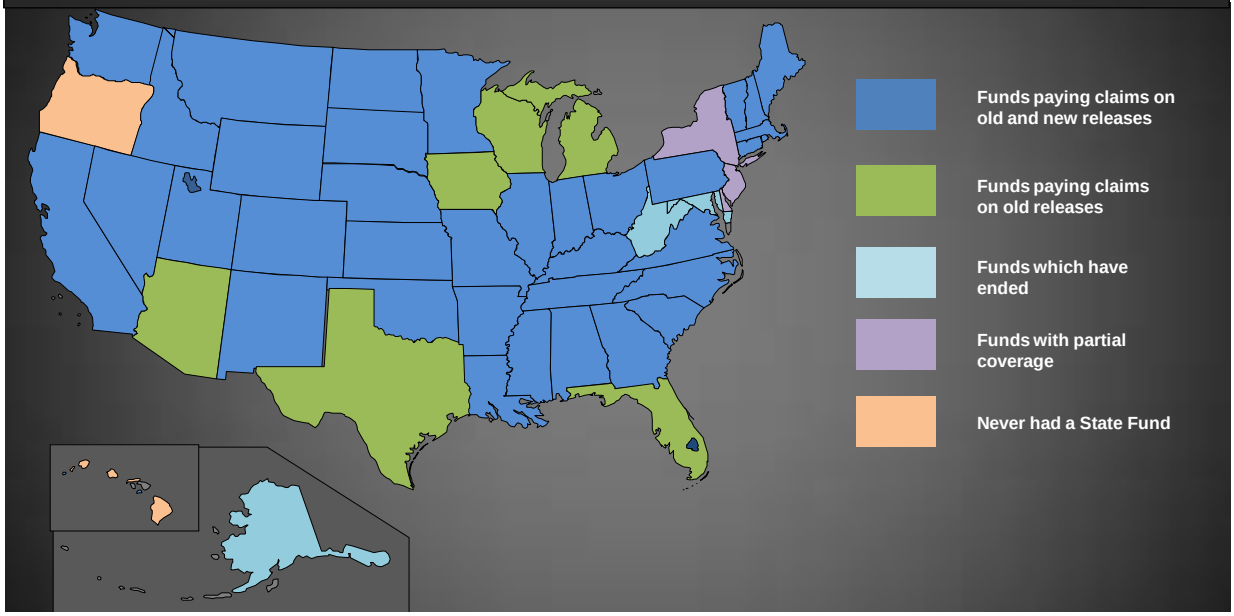
After the *60 Minutes* report aired, the United States amended the Resource Conservation and Recovery Act (RCRA) with the *Hazardous and Solid Waste Amendments of 1984*, which added Subtitle I to RCRA governing USTs. Subtitle I was the first national program to regulate USTs (and other sources of petroleum releases) and was designed to protect the public from dangers to groundwater associated with releases from those tanks. The law anticipated a partnership between federal, States, and tribal governments. When the law was enacted, there were over two million USTs storing gasoline, diesel, and other hazardous substances in the United States. The new law required that the United States Environmental Protection Agency (U.S. EPA) develop a set of regulations to better protect groundwater from releases from these USTs. The development of the federal UST program presented several unique challenges: the immense universe of regulated facilities, a large percentage that utilized bare steel tanks; the overwhelming percentage of facilities owned and/or operated by small businesses, and the number of technical innovations in development at the time. U.S. EPA devised a program based on national standards to encourage the development of new technologies flexible enough to accommodate the capital needs of small businesses, and implemented primarily by the States. The system that the U.S. EPA designed was one where the States could, in cooperation and with assistance from U.S. EPA, adopt a program that reflected the regulatory standards contained in the new regulations. U.S. EPA, in partnership with the States, provided funding for the establishment of the program in the form of grants to State programs. This funding mechanism proved invaluable in establishing the State-federal partnerships. To this day, U.S. EPA has continued to fund States to manage the UST program.

In 1986, Congress enacted a partial funding mechanism for the cleanup of releases from tanks by establishing the LUST Trust Fund. The LUST Trust Fund was funded through a $1/10^{th}$ of one cent per gallon tax on motor fuels, which remains in place today. Congress did not intend for the LUST Trust Fund to provide sufficient funding to cleanup all of the releases from USTs. Over 400,000 sites have been cleaned-up, with nearly 80,000 sites remaining. The 2011 U.S. EPA Backlog Study documents that, generally, State programs have addressed the less complex releases, leaving the more complex remediation sites for future action. This is reflected in the long term trend of rising average clean-up costs per site (Table 1.)

As a "bridge" between prevention and cleanup, and to ensure that releases are cleaned up even if LUST Trust Funds are not available, the U.S. EPA regulations require that owners and operators of USTs demonstrate "financial assurance" as part of the operating requirements for the tank. After the adoption of the regulations requiring "financial assurance" for cleanups in 1988, States discovered that private sources were either unavailable, or unaffordable to small owner/operators of USTs. As a result, many States passed legislation

setting up State Trust Funds. Some of these State fund programs satisfied the requirements for financial assurance for tank owners and provided cleanup funds while some States only established partial programs that did not meet federal requirements (Figure 1).

Figure 1. Status of State Funds, 2013



According to U.S. EPA's *UST Performance Measures Report* through September 30, 2013, 1,797,401 USTs have been closed since the development of the federal UST program.[1] States and tribes have discovered 514,123 releases from USTs (many releases are identified as coming from a Facility, which may contain two or more USTs), and 436,406 releases have been cleaned up.[2] In addition, the State Trust Funds have spent over $19 billion cleaning up releases from USTs.

In 2005, Congress enacted the *Energy Policy Act of 2005* (EPAct), which made changes to the existing UST program in the legislation's "Underground Storage Tank Compliance Act." The EPAct increased the obligations on States and Tribes to operate the UST program. It contained several new requirements for States including: inspections of every UST facility at least once every three years; a formal training program for operators of USTs; additional design requirements on newly installed UST systems including double wall tanks and lines; additional release detection requirements; financial assurance requirements for installers and manufacturers; and corresponding monitoring and enforcement by the States. After an initial increase in funding to assist with the implementation of the requirements of EPAct, States have recently seen a decrease in federal funding to support the requirements of this Act. The EPAct also helped lead to U.S. EPA's annual State fund soundness review.

[1] The cumulative number of Subtitle I regulated petroleum UST systems that have been reported to the state as being closed permanently (according to the closure provisions in 40 CFR Part 280, Subpart G) which are either left in the ground (in-situ closures) or removed from the ground. This measure includes sites where UST systems have been replaced. This measure does not include exempt or deferred UST systems. Do not report temporary closures. If petroleum contamination is found during closure, the site is counted under both the "Closed Petroleum UST Systems" and "Confirmed Releases" categories.

[2] The cumulative number of incidents (not UST systems) where the owner/operator has identified a release from a Subtitle I regulated petroleum UST system, reported the release to the state/local or other designated implementing agency and the state/local implementing agency has verified the release according to state procedures such as a site visit (including state contractors), phone call, follow-up letter, or other reasonable mechanism that confirmed the release.

The UST program partnership between U.S. EPA, States, and tribes has been a tremendous undertaking. With over two million potential sources of groundwater contamination at the beginning of the program, the program acted to protect a significant portion of United States public drinking water supplies. Most United States citizens have a gas station near them. Many small towns have residents living close to the neighborhood gas station. Even in urban areas where groundwater is not directly utilized by households, cities rely on groundwater from municipal water systems.

Data from U.S. EPA's 2011 *Drinking Water and Ground Water Statistics* report states that there are 152,713 public water systems, of which, 138,053 are groundwater systems. According to U.S. EPA's Private Drinking Water Wells website provided by the Office of Water, U.S. EPA does not have authority to regulate private drinking water wells, yet approximately 15% of Americans rely on these wells for their drinking water. Gasoline contains many carcinogenic compounds. The cleanup standards for a number of these compounds are exceedingly low. For example, the health standard for benzene is 5 parts per billion. This means that even a small amount of gasoline released into a drinking water supply can lead to concentrations of benzene above the health standard, which would render the water unsafe for drinking. With such a national reliance on groundwater as a source of drinking water, any slowdown in cleanups threatens this valuable resource.

Historical releases from USTs have contaminated drinking water sources and their cleanup efforts end up being much more expensive than efforts focused on prevention and prompt cleanup. As the old saying goes, "an ounce of prevention is worth a pound of cure." The money spent in preventing and prompt cleanup is money well spent. With decreasing federal support, States have gone to great lengths to continue supporting a program that is essentially a three-way partnership between the federal government, the regulated community, and the States. This report shows the efforts made by the States in maintaining the partnership to protect groundwater and illustrates how continued reductions in federal funding would lead to increased releases from USTs and a slowdown in site cleanups.

SURVEY AND REPORT METHODOLOGY

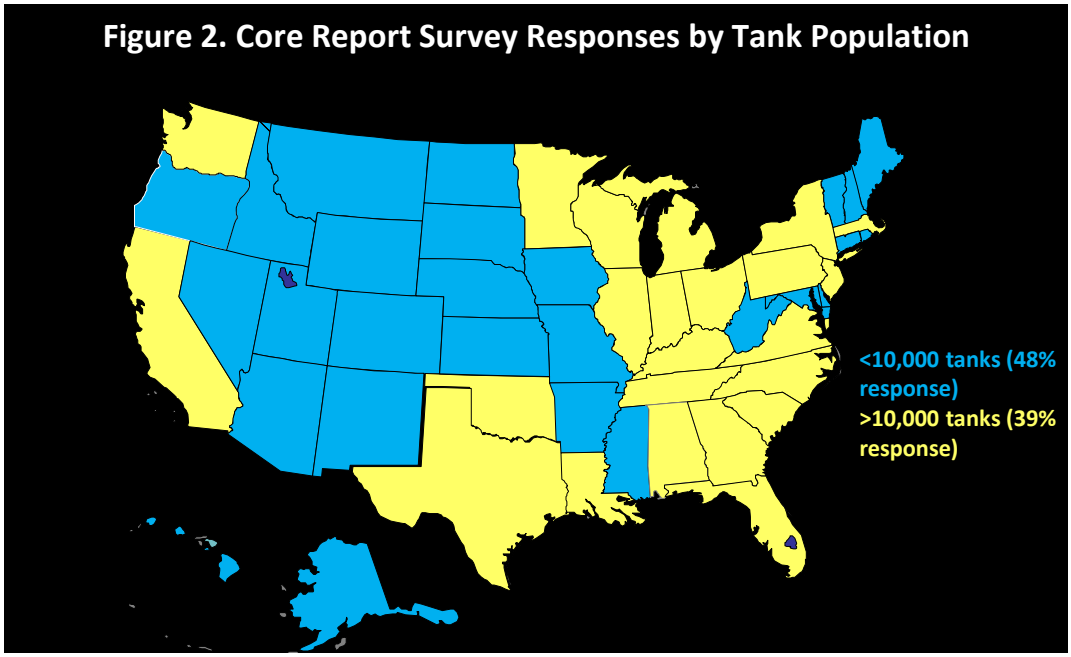
In April 2011, the ASTSWMO Tanks Subcommittee formed the Tanks Core Report Workgroup, which includes members from each of the three active ASTSWMO Tanks Task Forces – UST, LUST, and State Fund-Financial Responsibility (SF-FR). The Core Report Workgroup established a common set of program elements associated with the Tanks Programs.

The survey was broken into four program elements: program operation and implementation, compliance, enforcement, and outreach, and each Task Force developed cost related questions pertinent to these program elements. Program operation and implementation consists of LUST site oversight, budget and grant work, database maintenance, rulemaking, operator training development, staff training, and purchase of supplies, as well as staff time to do any of these activities. Compliance is purely the staff time and travel to conduct inspections or to oversee cleanup work. Enforcement is much the same area, but picks up with the issuance of the first notice of violation (NOV) and follows until all legal actions are complete. Outreach consists of working with the regulated community to understand more what the regulations require to stay in compliance.

The Workgroup organized the survey so that each Tanks program would be asked program-specific questions. These groups of questions were organized as follows: UST Compliance Program, LUST Corrective Action and State Fund Combined Program, State Fund Program, and LUST Corrective Action Program. ASTSWMO distributed the questions to all Task Force representatives and the U.S. EPA Office of Underground Storage Tanks (OUST) in March 2012 for a review and comment period. In April 2012, the Workgroup sent a draft to all ASTSWMO Tanks Task Force representatives for their review, questions, and input, and, after making appropriate modifications to the survey based on these comments, ASTSWMO sent the final survey to all States in July 2012. A copy of this survey is included as Appendix A.

For the purposes of this report, small States are considered to be those with tank populations less than 10,000, while large States have tank populations of greater than 10,000. Figure 2 shows the States with populations of USTs with greater than (large) and less than (small) 10,000 active USTs, and also reports the percentage of the large and small States that responded to the survey.

Figure 2. Core Report Survey Responses by Tank Population



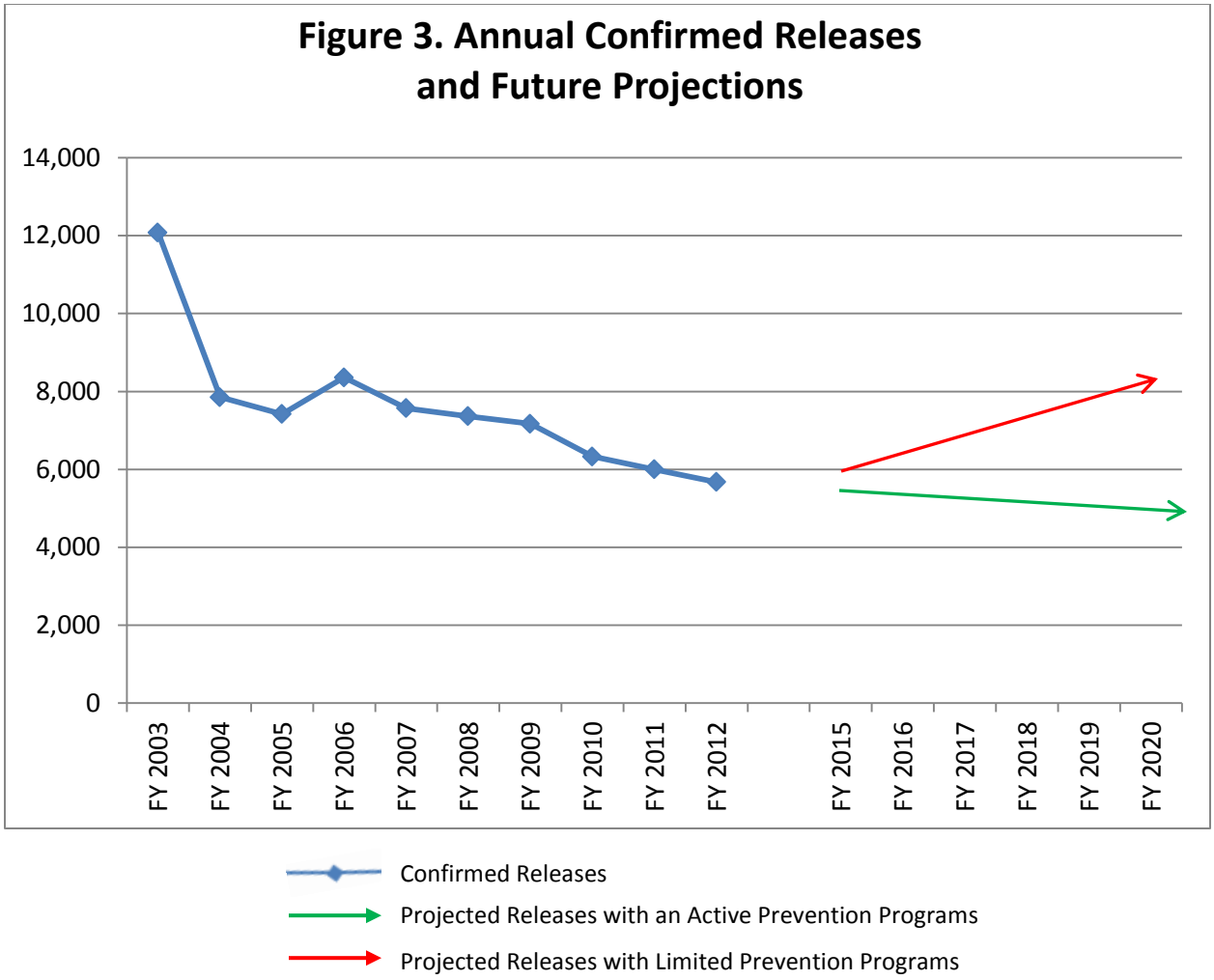
UST RELEASE PREVENTION PROGRAM

Until the mid-1980s, most USTs were made of bare steel with no technical requirements for release prevention and release detection. Leaking USTs were and continue to be a nationwide problem that threatens the drinking water of millions of American households. In the late 1980s and 1990s, efforts to inventory regulated USTs, inspect them for compliance with current standards, and guide them through either the closure process or upgrades drove initial implementation of the UST regulations, to occur no later than December 22, 1998. These upgrades included the installation of equipment designed to prevent spills and overfills during filling, the addition of corrosion protection on bare steel tanks in order to prevent rust that could lead to underground releases, and the use of release detection methods designed to alert owners and operators to underground releases from tanks and piping.

After initial implementation, State programs took diverging paths. U.S. EPA initiated State program approval (SPA) to help streamline the regulatory program so that States could operate the program the way that it worked best in their State, maintaining that they were never less stringent than the federal regulations. Some States adopted regulations more stringent than those required by the federal government and update them on a routine basis. Other States, due to statutory limitations imposed by their individual State legislatures, could be no more stringent than the federal rules and have remained fundamentally unchanged despite continued developments in UST system construction and technology. Federal management of State UST program implementation is largely accomplished through grant commitments made by States in exchange for federal funds, with larger appropriations of funding distributed to States with SPA and larger tank populations.

As challenging as the regulations are for the tanks owners, the intent of the regulations is simply to achieve three goals: prevent, detect, and more quickly clean up releases from USTs. Mission critical items that States identified in the survey as being necessary to maintain a UST Compliance Program are, in decreasing importance, inspections, outreach, enforcement, registration activities, and database management. Inspections, by far, lead the list as most important. States believe that a high quality inspection program with regular frequency of inspections is critical for any effective UST release prevention program. High-quality inspection programs were supported with the EPAct, but are now threatened as constantly shrinking budgets decrease the ability to maintain this frequency.

Differences in individual State programs must be considered when analyzing the compliance data collected as part of this report. At the time of this report's data collection, there were 583,503 active USTs (at approximately 214,000 sites) across the nation with nearly 100,000 annual on-site inspections. (FY12 STARS Report: http://www.epa.gov/oust/cat/ca-12-34.pdf) The UST compliance program has made great strides in increasing the number of compliant facilities, resulting in fewer releases. Overall, the number of confirmed releases has steadily decreased since 1990 (Figure 2), which can be attributed to the tremendous investment of resources into State prevention programs. This has included the three-year inspection rotation for each UST facility and development of operator training programs. As depicted in Figure 3, and supported by discussion with State program managers, this success will likely continue if these programs are supported. In contrast, the right side of Figure 3 shows a projection if reduced investment in this program continues, which demonstrates a likely trend reversal, meaning more confirmed releases to the environment and greater threats to public health.

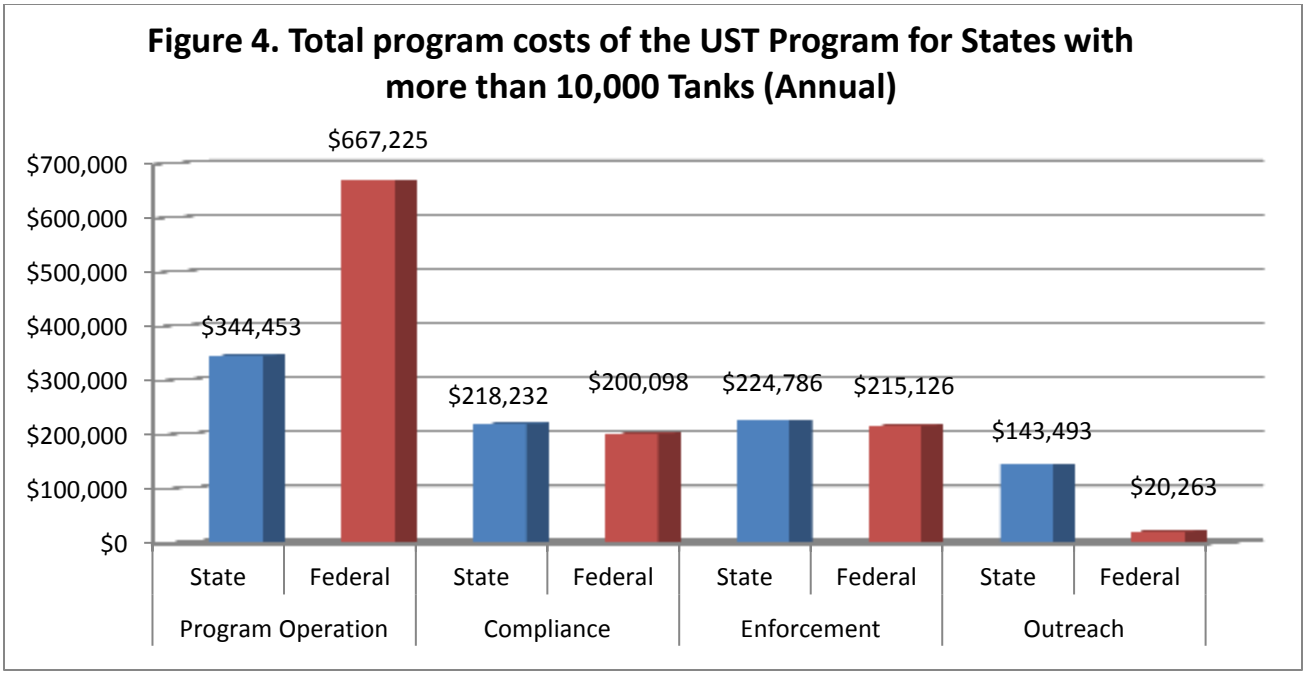


Although reported releases are decreasing and compliance is steadily increasing, the fear is that if funding continues to decrease, States will be required to cut mission critical work, such as frequent inspections, to balance their State budgets. Inspections are the backbone of a State UST Compliance program and without this means of assessing compliance other aspects of the program such as outreach and enforcement become difficult to implement. What will the federal program do if States are unable to handle the increased work load? Will the U.S. EPA have to step in and manage the programs for the States? With increasing pressure from State legislators, these are questions that are being asked with decreasing State budgets, and now decreasing federal budgets.

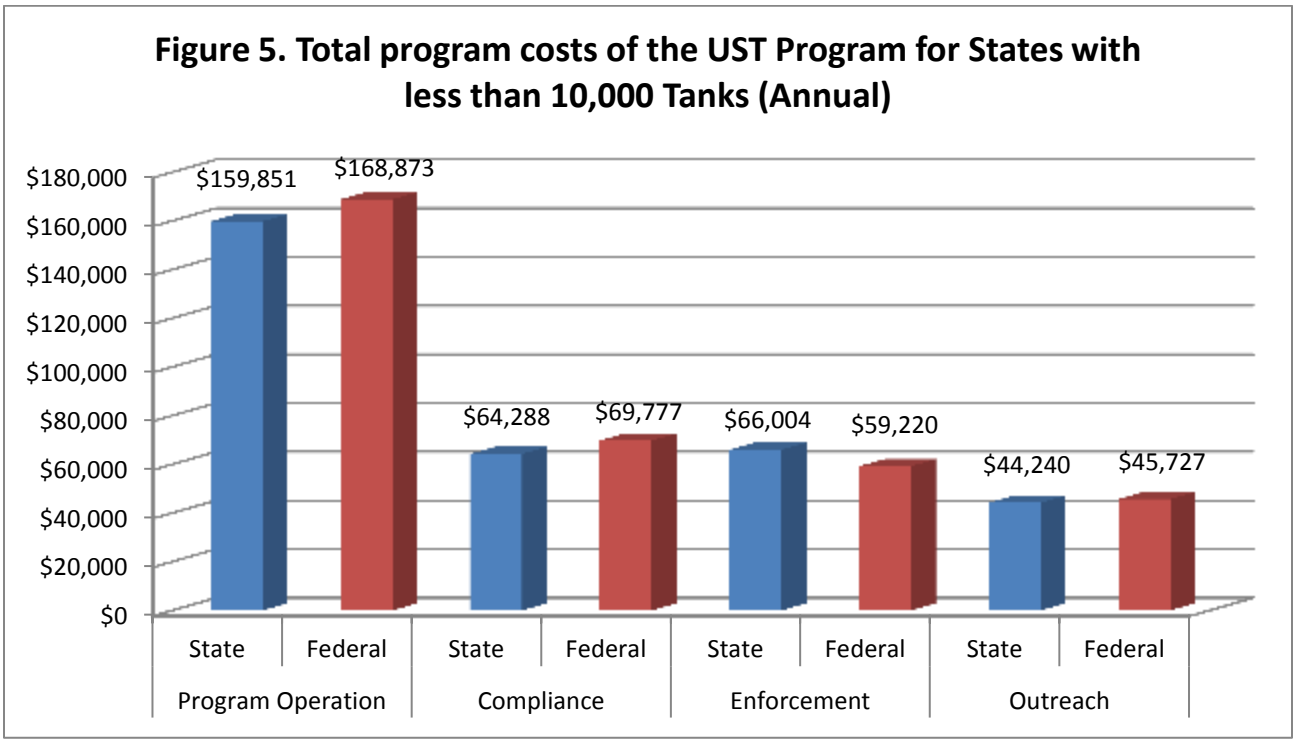
Total UST Compliance Program Costs

The Core Report survey first asked States to report total annual program costs. Seventeen States responded to the survey with sufficiently-detailed information to report on the data. For the purposes of the UST Compliance portion of the survey, four large States responded and 13 small States responded.

The large States that submitted data reported an average total program costs at $2,279,353. Of that average, 47% ($1,069,267) is funded by the States with the remaining 53% ($1,210,086) funded by federal grants (Figure 4). This is almost an even split. However, States rely heavily on federal funds for program operation and rely very little on federal funds for outreach.



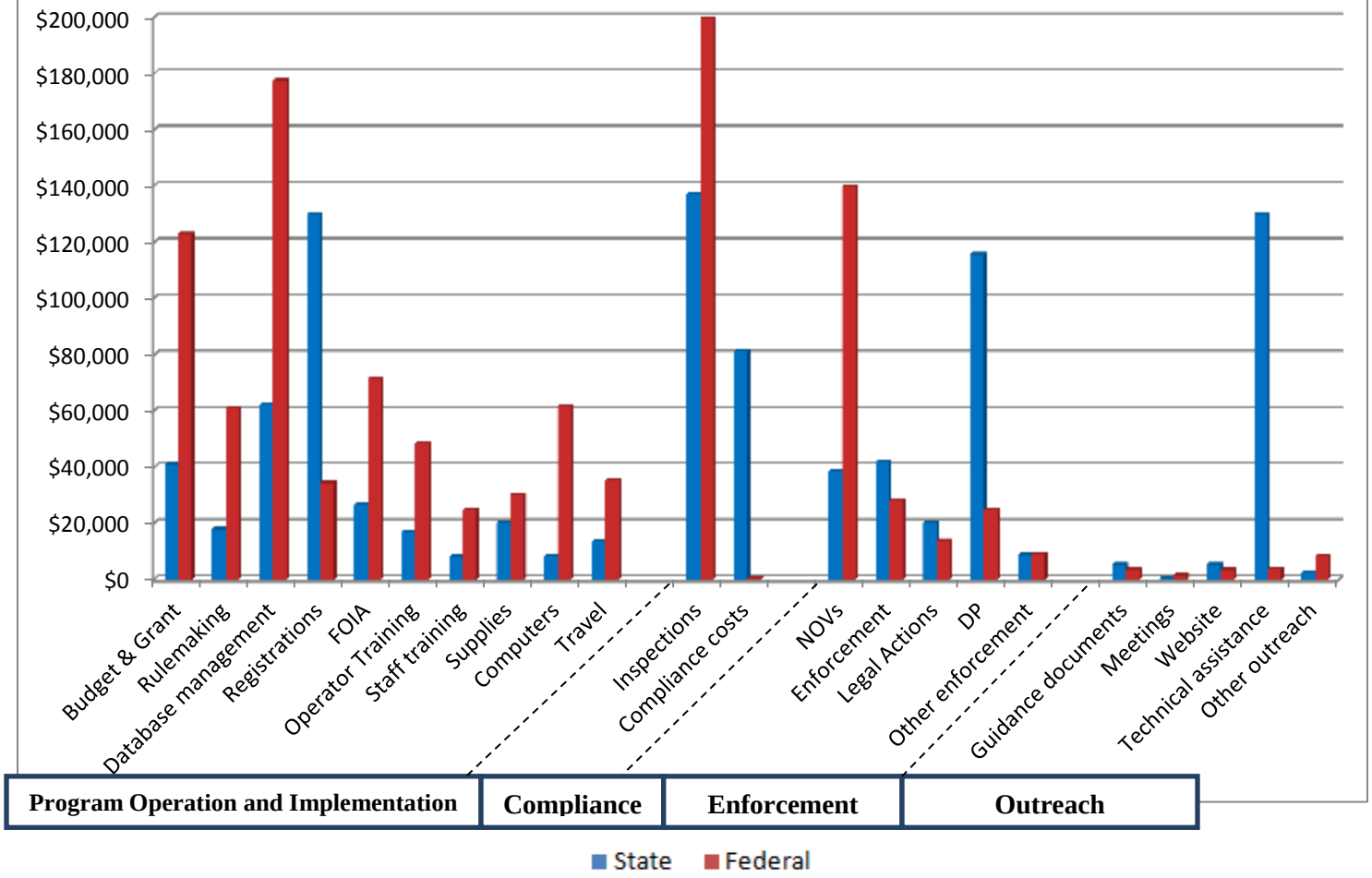
Thirteen small States submitted data indicating average total program costs of $783,411. Of that average, 51% ($401,805) was funded by the States with the remaining 49% ($381,606) funded by federal grants (Figure 5). This is almost an even split, but in contrast to larger States their expenditures are more evenly distributed.



Program operation and implementation captures a large number of ancillary activities that are key to the daily management of a UST release prevention program. As a result, when viewing Figures 4 and 5, this segment of the prevention program appears to be the emphasis of expenditures, although, when each individual activity is weighed against inspections and related compliance costs, as shown in Figures 6 and 7, it becomes clear that inspections are the backbone of a UST release prevention program.

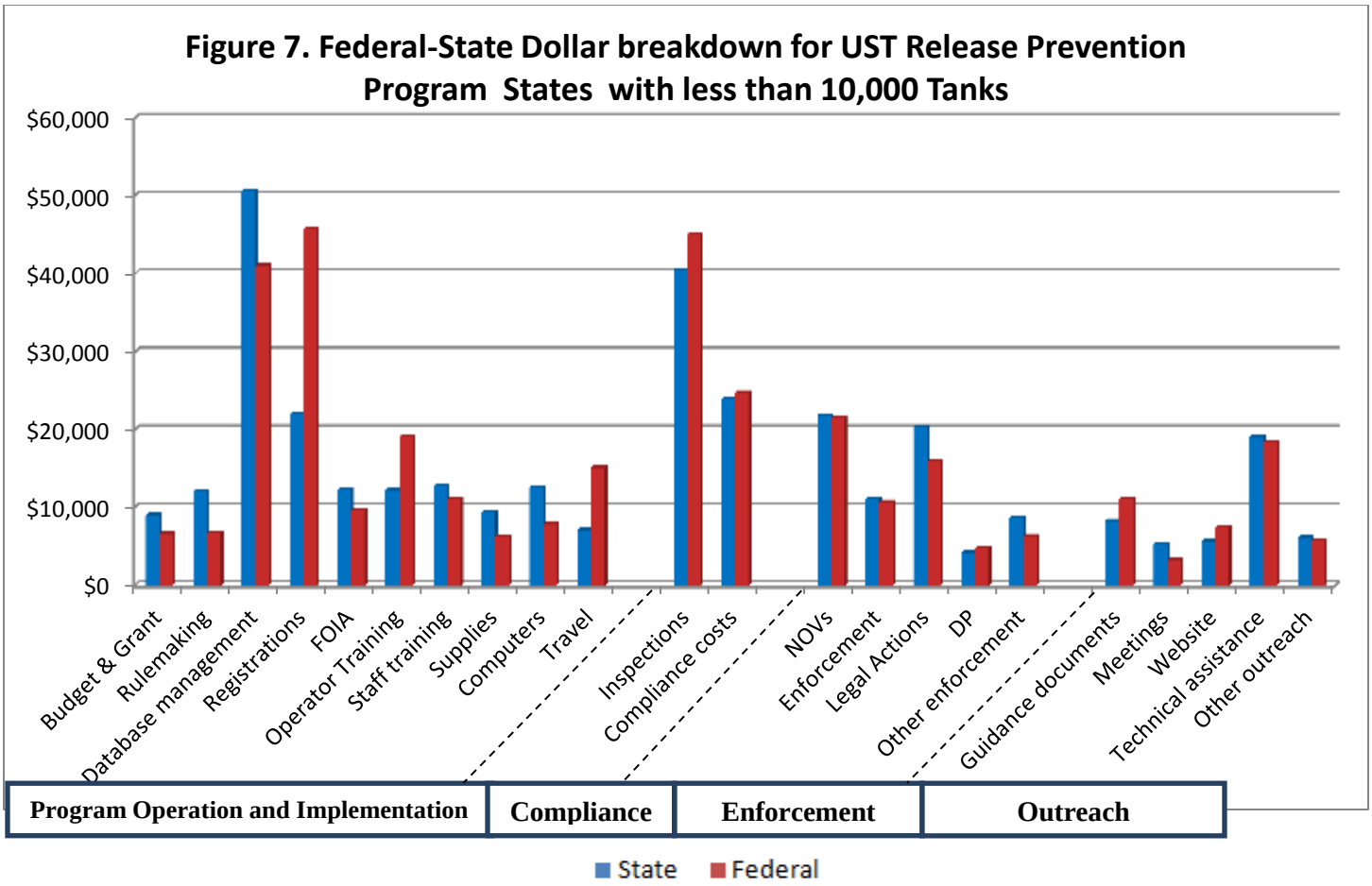
Costs are broken out by specific categories for States with more than 10,000 tanks as shown in Figure 6. In short, from this break down, the data indicates that all of the core program operation and implementation, and compliance and NOV activities are funded by a significant amount of federal dollars. The majority of State dollars are shown to be used for achieving and maintaining compliance through registrations processed, inspections conducted, and enforcing delivery prohibition and technical assistance, in the hope of preventing future releases.

Figure 6. Federal-State Dollar breakdown for UST Release Prevention Program States with more than 10,000 Tanks



The majority of federal dollars for States with less than 10,000 tanks, detailed in Figure 7, is used to achieve and maintain compliance through inspections, registrations and database management for tracking tanks and inspections, and being able to report the requirements of EPAct and to obtain federal grants. It should be noted that small States are highly dependent on federal funding and funding is spent more evenly across all portions of the program compared to large States.

These areas of funding focus remain consistent both in the small and large States. Due to variations in available funding sources, some States have fewer viable options for funding outside of their federal grants. Some States use federal dollars to pay for staff, whereas other States use them to pay for program costs. That being said, the data still documents the significance of federal funding to the successful implementation of State UST programs.



Even though the UST program is a mature program with a 25-plus year history, EPAct requirements and potential future changes to the federal UST regulations will require States to stay abreast of the latest UST spill prevention and monitoring technologies. These changes could necessitate modifications to individual State regulations to implement. Without adequate funding, State programs may not be able to meet these new challenges, which could lead to increased releases from USTs and greater contaminant exposure to US citizens.

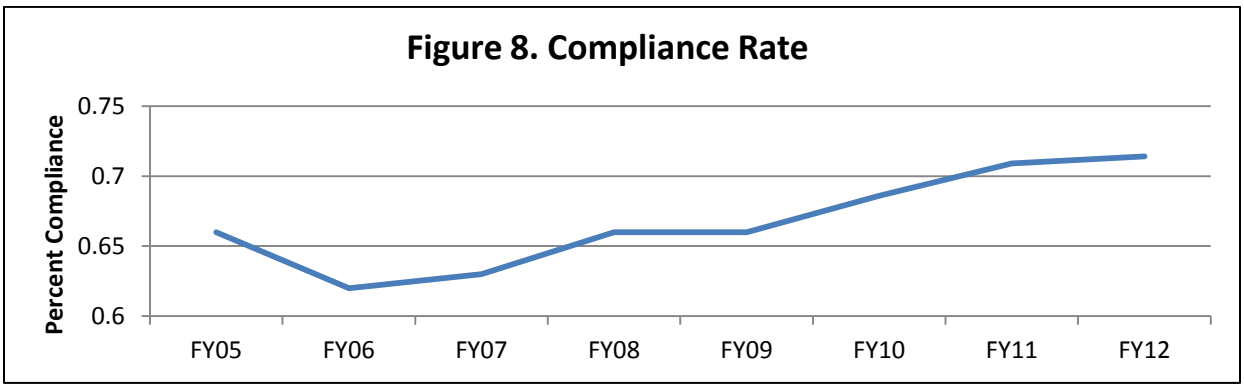
Program Operation and Implementation

The federal UST program did not undergo significant changes in requirements until Congress enacted EPAct in 2005. EPAct marked the first significant overhaul to the federal UST program and, by virtue, the State UST Programs in more than 15 years. Substantial changes included requirements for inspection of federally regulated USTs every three years; operator training; secondary containment of newly-constructed UST systems and those requiring substantial repair; financial responsibility for installers; and provisions for delivery prohibition as an additional enforcement mechanism.

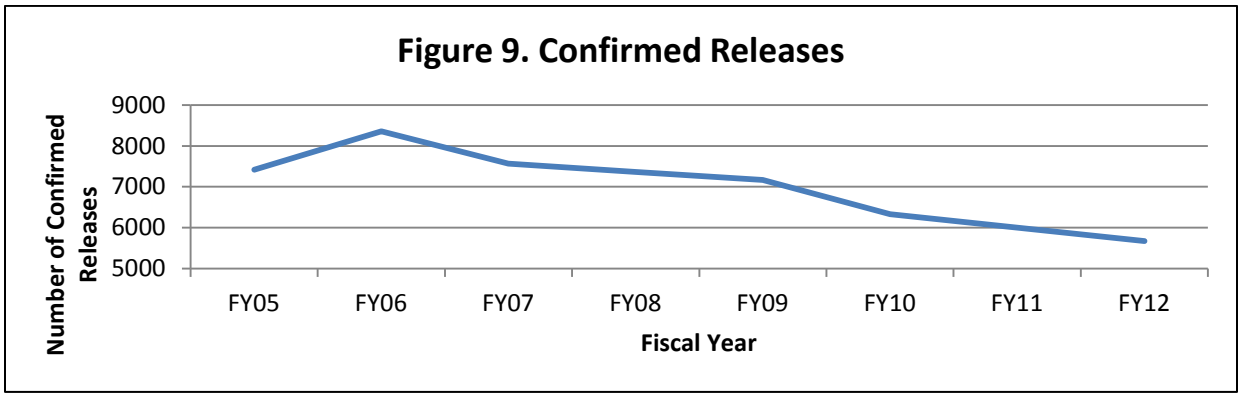
All of these new requirements add additional data collection and analysis requirements that require additional resources during a time of decreasing prevention budgets. Program operation and implementation consists of the bulk of the UST prevention program including the staff time used to apply for grants, maintain and justify budgets, rulemaking, development of operator training, database management, staff training, supplies, and time for all of these staff to implement the program. This does not include staff time to conduct

inspections or travel related to inspections, which are provided below under the compliance section. This also does not include any aspect of operator training, other than the initial development of the program.

The overwhelming benefits of EPAct have been the improvement in compliance rates and the reduction in reportable releases. Figure 8 includes data collected from recent U.S. EPA reports, which shows compliance rates with the implementation of the EPAct have steadily increased (Figure 8).



And in turn, confirmed releases have steadily decreased (Figure 9).



Owners and operators are being better educated about UST requirements, releases are being discovered before they enter the environment, and non-compliant facilities are prevented from accepting product deliveries due to the EPAct requirements for increased frequency of inspections, delivery prohibition, and operator training. However, all of these improvements come at a cost. Initial funding for expansion of State UST programs was made available by expanding the list of eligible uses of the LUST Trust Fund to include certain compliance activities during the peak of the U.S. economic downturn from 2008 through 2012. While States received more federal funding to implement the EPAct requirements, the State UST Programs' respective administrations and legislatures tasked these programs to reduce expenditures of general funds and transfer costs to these grant funds. As a result, current operating expenses are funded largely by federal dollars. Due to State budget cuts, States are unable to transfer these expenses back to general funds to make up the shortfall resulting from decreased LUST Prevention grant allocations.

One of the consequences of such shortfalls is the potential loss of State program staff, putting greater pressure on States to meet the additional ongoing requirements of EPAct, including three year inspection rotation and maintaining operator training. The results of this survey show that costs are evenly divided between State and federal dollars in the smaller States, yet the larger States are relying more heavily on federal funds

(Figures 10 & 11). Because program operation and implementation requires the largest percentage of funding for overall program support, it is the first area to be affected as federal funding decreases. When States cannot maintain budgets and databases in a timely manner due to staffing shortages or registrations are delayed from being processed, the "trickle down" effects the inspection cycles and efficiency, as well as, the regulated community.

Figure 10. Average Program Operation and Implementation Costs for 4 States with more than 10,000 Active Tanks

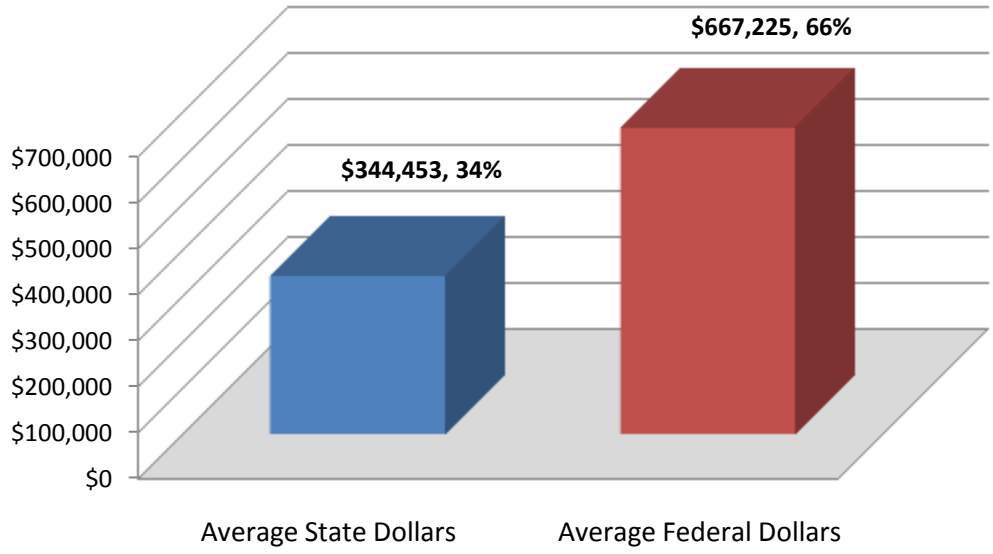
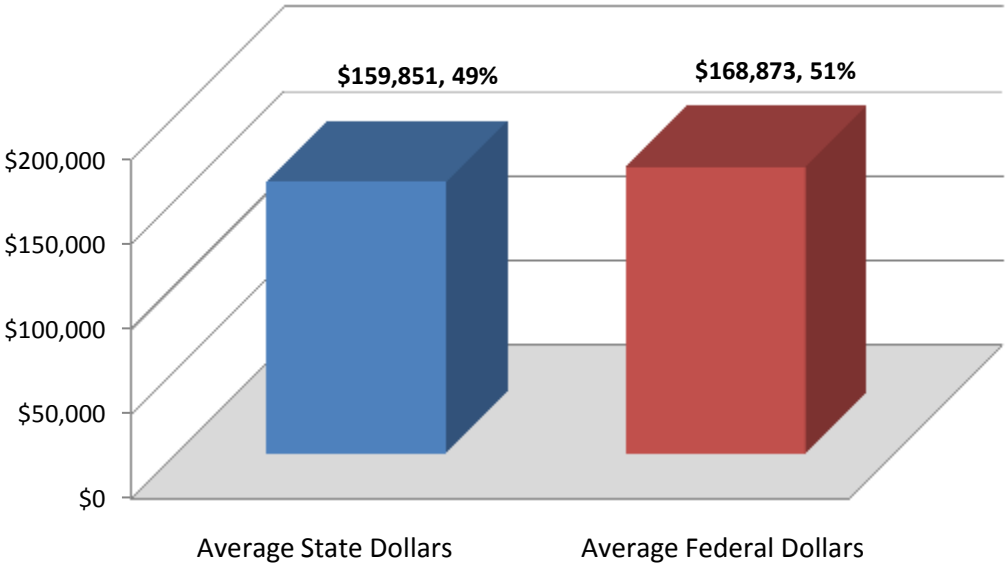


Figure 11. Average Program Operation and Implementation Costs for 13 States with less than 10,000 Active Tanks



As Figures 12 and 13 indicate, program operation and implementation make up almost half of the State UST program's budget, no matter what the size of the tank population. Without federal dollars to assist, the cuts the State programs would be forced to make would immediately affect staffing and interaction with the regulated community.

Figure 12. Program Operation and Implementation Costs as a Percentage of Total Program Costs for States with more than 10,000 Tanks

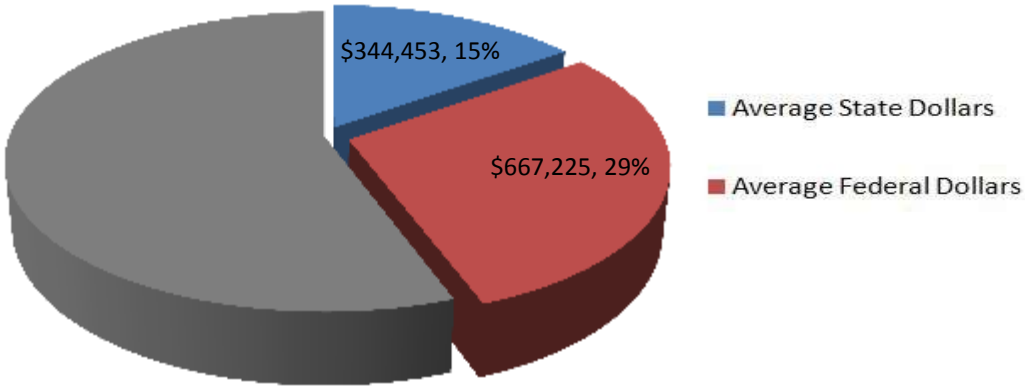
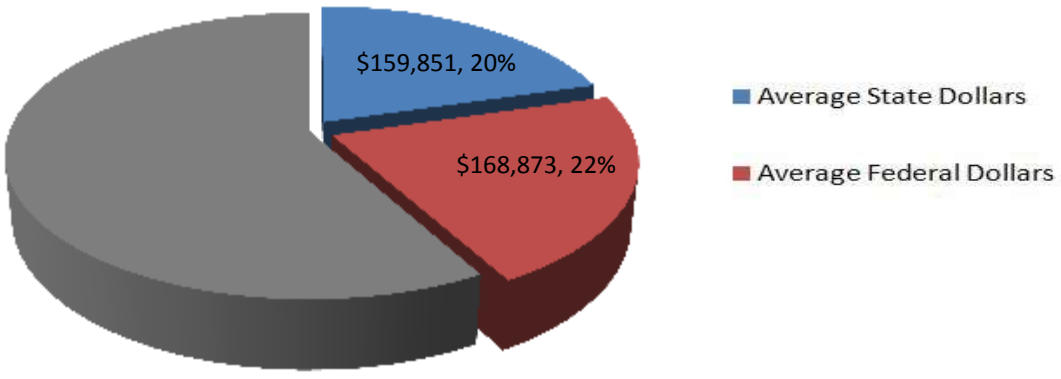
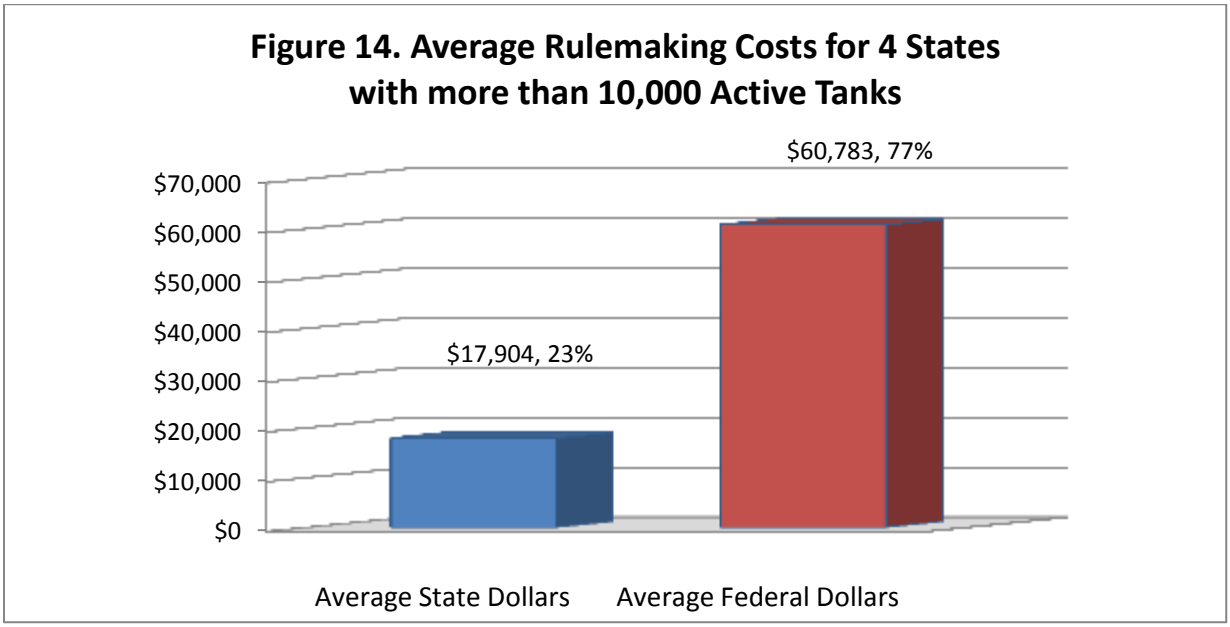


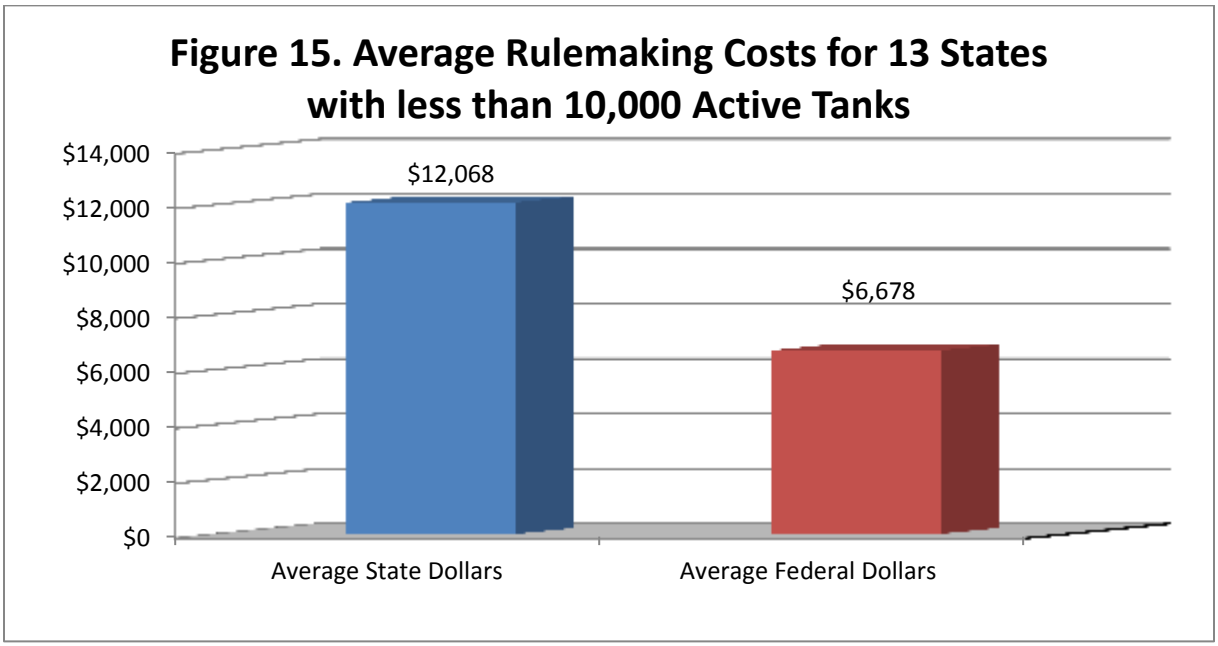
Figure 13. Program Operation and Implementation Costs as a Percentage of Total Program Costs for States with less than 10,000 Tanks



One of the hurdles to implementation of the EPAct is the length of time needed to develop and publish new federal regulations, which began in 2008 and are still not complete. Because of the relatively-short deadlines set forth in the statute, U.S. EPA elected to implement the provisions of EPAct through the use of grant guidance documents that spelled out the minimum requirements for a State receiving federal grant funding. The downside to this approach is that there are States that have programs that can be no more stringent than the federal

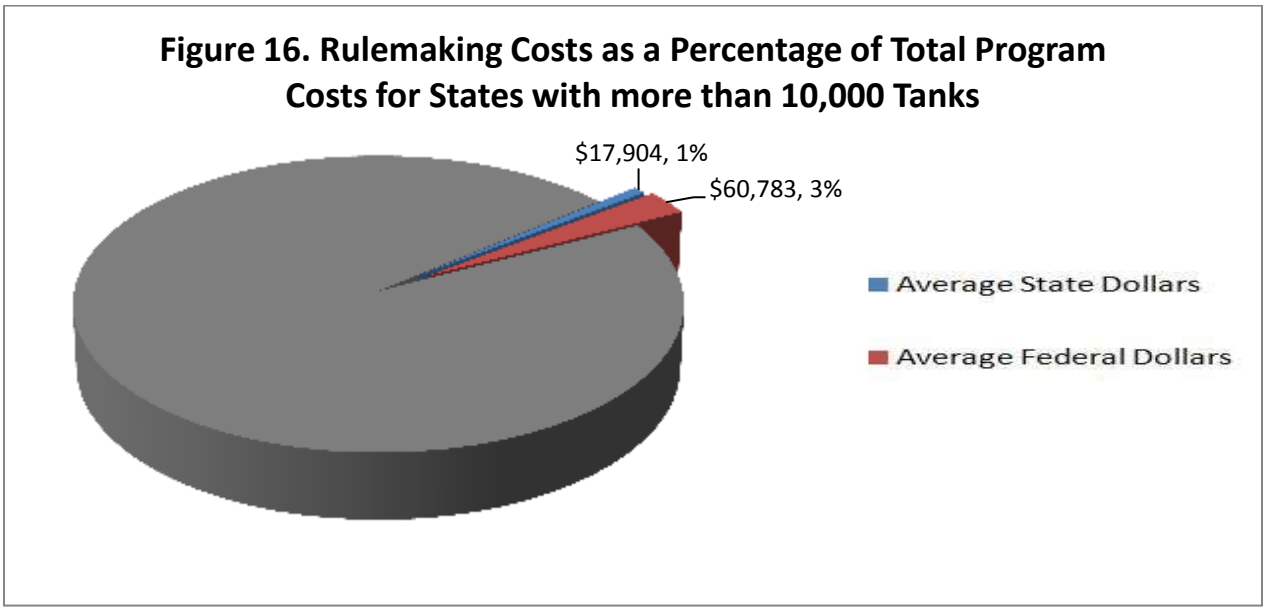
program. These States have the dilemma of attempting to preserve their federal funding while simultaneously not violating their own State's statutes. Fortunately for these States, U.S. EPA is working to promulgate updated federal UST regulations and remove this hurdle. However, updated regulations present their own financial and temporal burden as States are required to update their own regulations in order to be at least as stringent as the federal UST program (Figures 14 & 15)

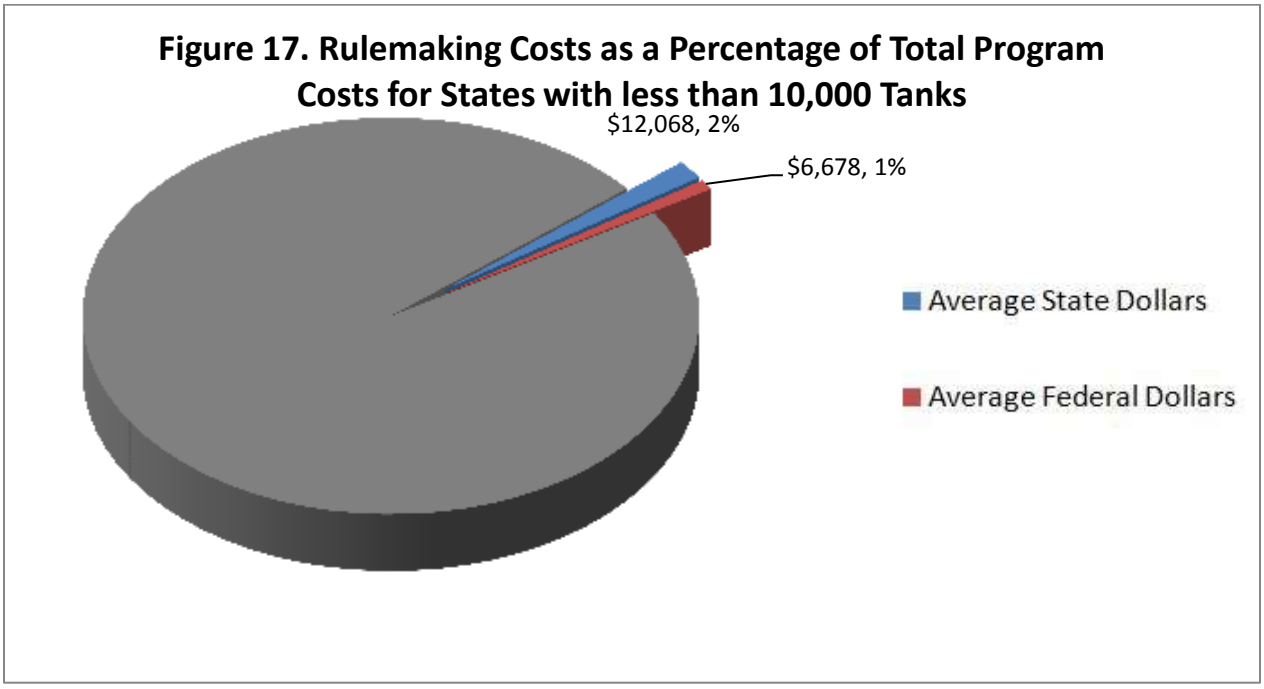




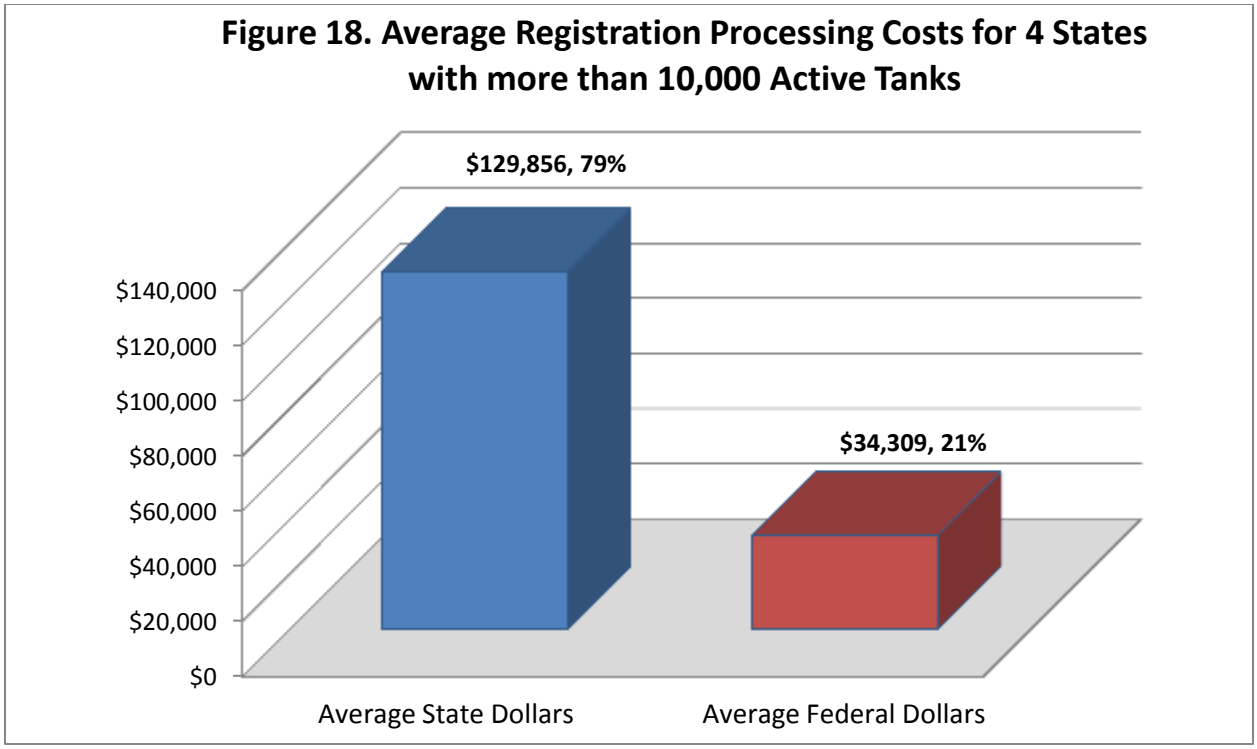
Although the cost of rulemaking is a small percentage of the total budget, the federal dollars needed to promulgate these rules are a large percentage of the rulemaking dollars (Figures 16 & 17). This survey was sent to States during a time when many were waiting for federal regulations to be promulgated, and, as a result, overall State rulemaking costs were low. These costs are expected to substantially increase once new federal regulations are promulgated.

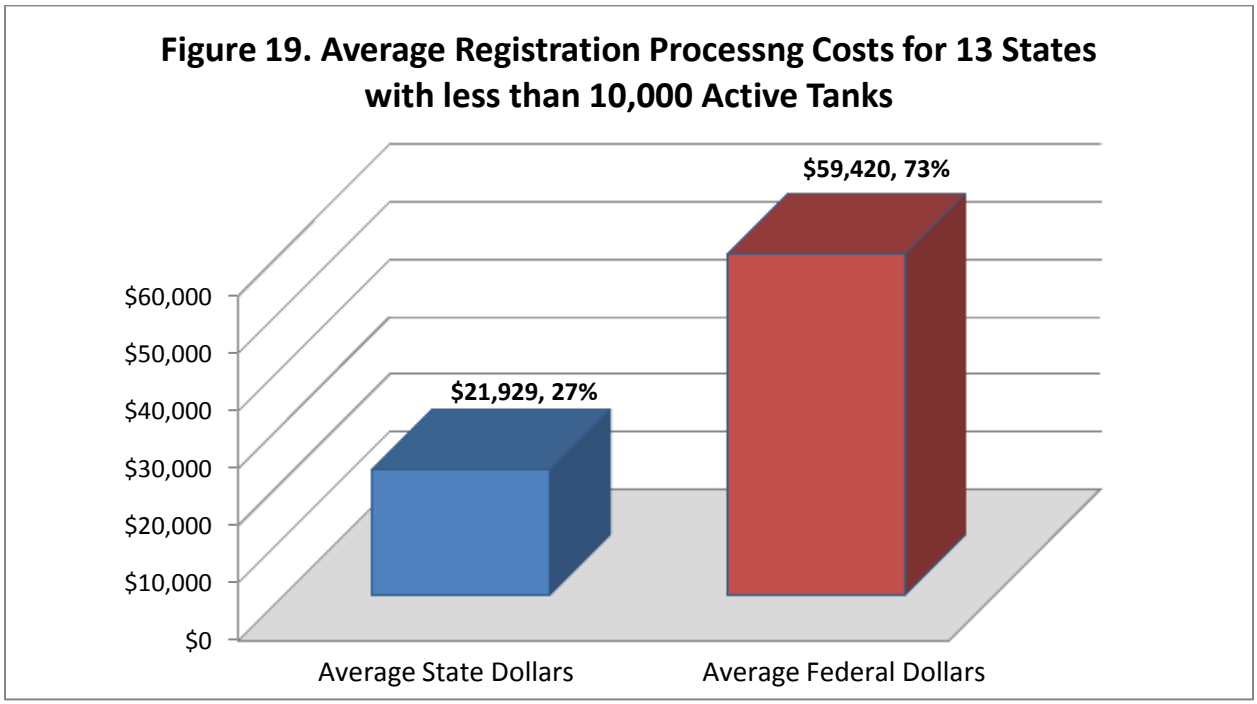
If sufficient federal dollars are not available to support State efforts to incorporate and enforce the new regulations, States will be unable to meet the required timeframes. Some States are able to regularly update regulations in order to stay current with industry changes but most are not. In the coming years, rulemaking is expected to necessitate a much larger percentage of funding, forcing States to cut other parts of the program to compensate.





The cost of processing registrations is primarily covered by State dollars in larger States (Figure 18) but the smaller States must rely heavily on federal dollars for this process (Figure 19).





States have made significant UST program improvements due to the EPAct implementation, one of which is the enhancement of the inventory of UST systems. Many States had incomplete and inaccurate UST inventories prior to EPAct. In most States, there were UST owners who did not keep up with records of installed tanks and equipment, and others who simply failed to report information regarding installation to the States. Without State knowledge of these systems, inspections cannot be properly conducted and releases from these USTs may have occurred that were not reported or detected.

Improving UST inventory helps States work with facilities to bring them into compliance and reduce releases, thereby improving the quality of groundwater. With the large influx of funding to implement the EPAct, States have used some funding to improve databases used to track UST systems and report data to U.S. EPA. Without the funds necessary to maintain these UST inventory databases, inspections and other compliance activities, these activities may not continue to be tracked accurately and report data will be skewed, resulting in the return to operating high risk UST systems.

For many States, installation inspections and closure oversight activities are a critical piece of the program that requires staffing and funding. These activities, currently tracked in databases, ensure that new systems are properly installed and contamination is properly reported and corrective action taken. As with inspections, if these activities are eliminated or reduced, there is the risk that a release could occur from a poorly installed system or that contamination is not reported and subsequently allowed to spread to groundwater before it is detected.

Database management is a key component of all UST compliance programs and represents a large expense for the States (Figures 20, 21, 22 & 23). States are using a substantial percentage of both State and federal funding to cover the expense of database management (Figures 22 & 23) in order to ensure accurate grant reporting, timely communication with owners and operators, compliance assistance to the regulated community and programmatic transparency. This is a consistent, long-term expense, as databases must be constantly updated to remain current with evolving program requirements. The database figures are used to gather information for work plans submitted when applying for grants, as well as budgeting on both the State and federal level. They are used to determine how inspections are completed, what compliance rates the States have at a given point in time, and what inspection frequency the State is on to maintain the three year rotation. Once again, there would be a trickle-down effect to the most essential part of the program, inspections, if additional cuts to the program continue. The cuts will also largely affect how States report to U.S. EPA information about federal money expenditures and if States are maintaining compliance with the EPAct requirements. While reporting is an aspect that must be considered, the ability to keep the regulated community informed about their regulatory requirements through inspection data and compliance assistance programs would be the biggest loss should funding cuts affect database management.

Figure 20. Average Database Management Costs for 4 States with more than 10,000 Active Tanks

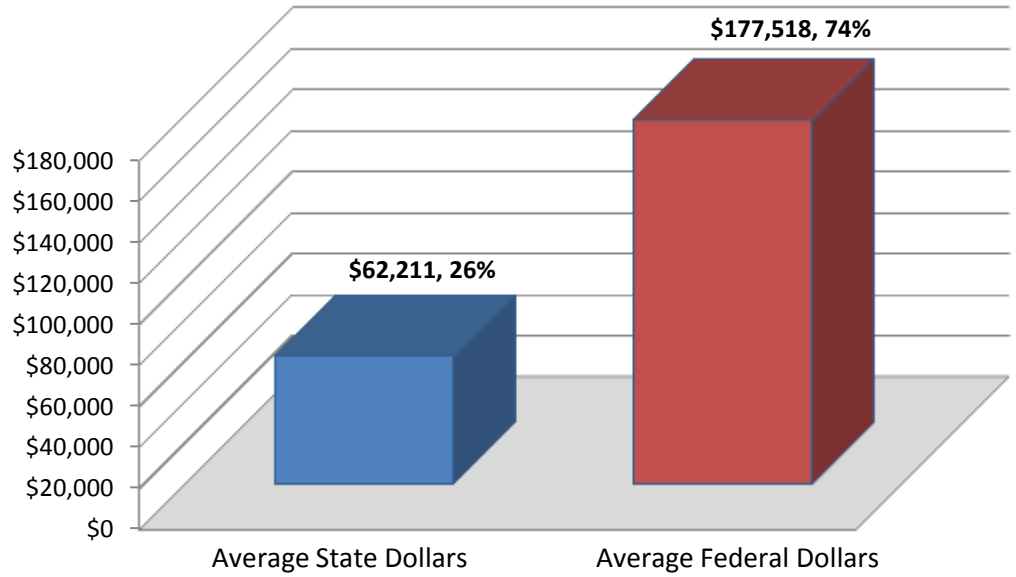


Figure 21. Average Database Management Costs for 13 States with less than 10,000 Active Tanks

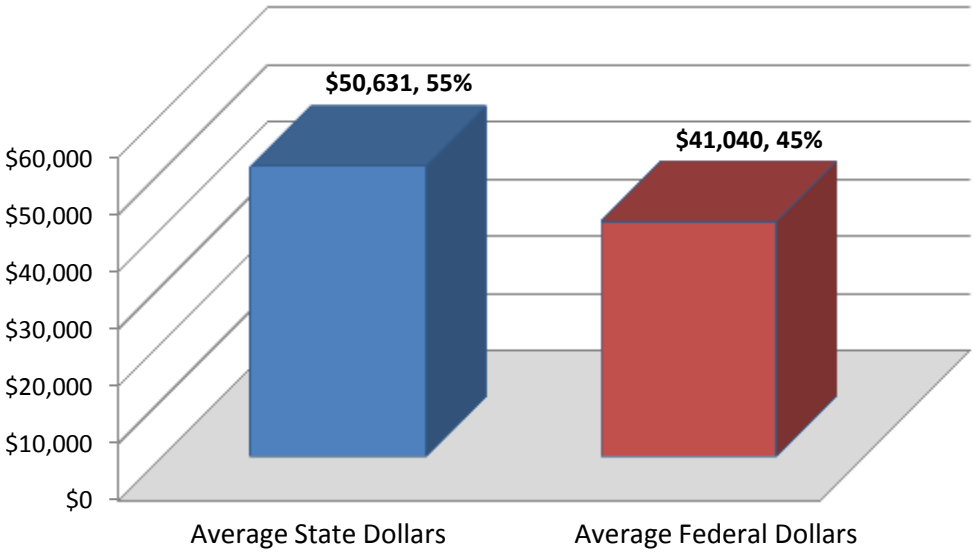


Figure 22. Database Management Costs as a Percentage of Total Program Costs for States with Less than 10,000 Tanks

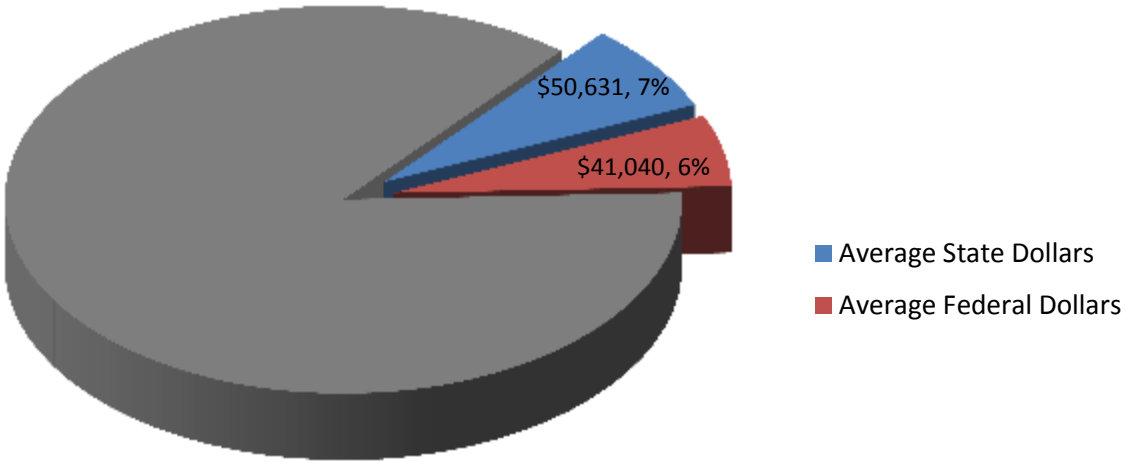
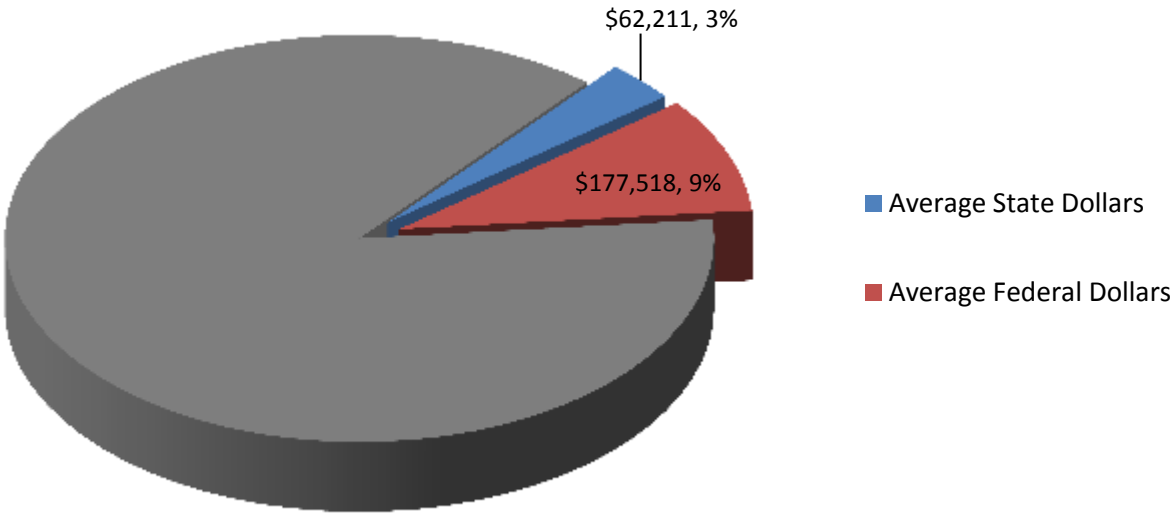


Figure 23. Database Management Costs as a Percentage of Total Program Costs for States with More than 10,000 Tanks



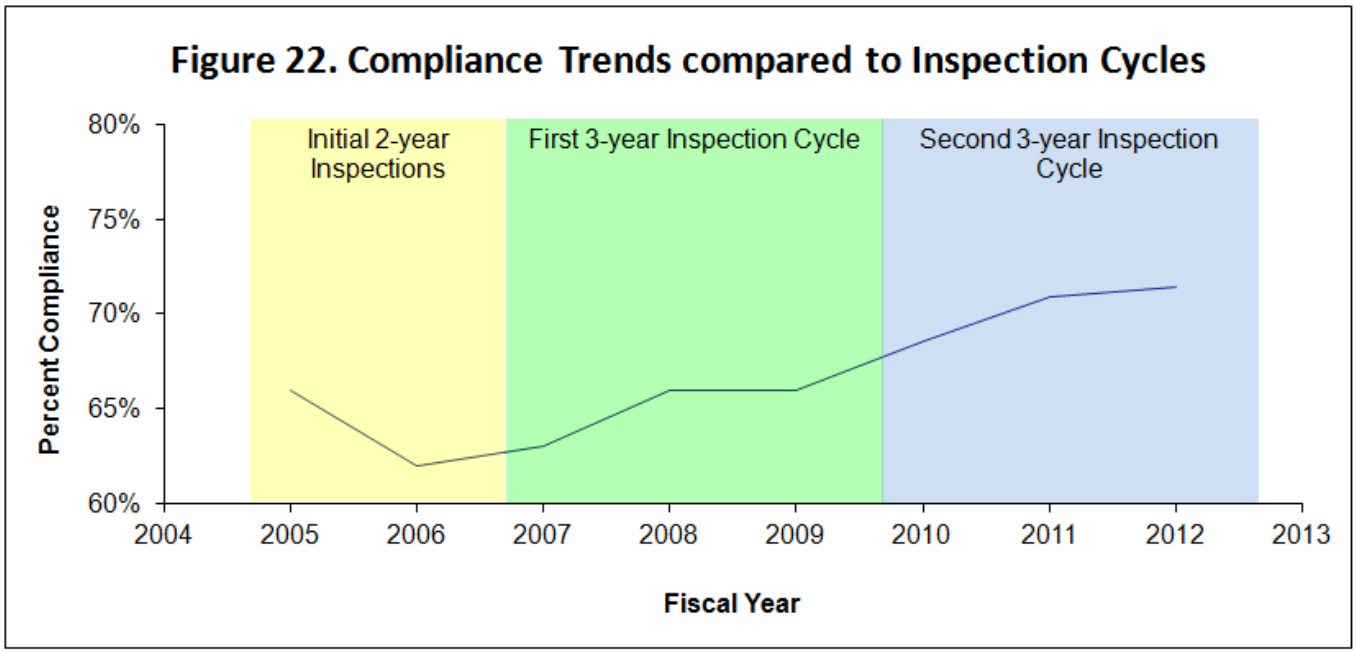
Compliance

Compliance budgets consist of the dollars spent to inspect facilities, travel to UST sites to conduct these inspections, and all activities up to the issuance of the first NOV. Compliance activities form the foundation of the UST compliance program. They are the means to document State progress, demonstrate achievement of grant goals, and direct both enforcement and outreach activities. One of the most significant requirements of the EPAct is that federally regulated USTs must be inspected once every three years. Many States used additional EPAct funding to implement aggressive inspection programs that have jointly increased compliance rates and decreased the number of release events. Inspections alone represent one of the largest single expenditures of combined (State and federal together) UST funds, regardless of tank population. They are truly a mission critical activity for the States surveyed for this report and their importance cannot be overstated.

It has been established in several States, as reported by U.S. EPA, that increased inspection frequency is having a positive impact on compliance rates. (http://epa.gov/oust/cat/camarchv.htm) States use their inspection programs to determine compliance at UST facilities (Figure 24) and report these results to U.S. EPA as required by EPAct. The economic effect of federal funding reductions is the elimination of positions and contracts for third party inspections. This loss of staff, potentially for some States but already occurring in others, jeopardizes the improvements that resulted initially from increased inspection frequency.

For States that rely on third party contract inspections, the reduction in grant dollars will result in a direct correlation to a reduction in the number of inspections performed. Some programs may not have to cut positions, but as States struggle with reduced resources, and more experienced inspectors and staff with the most program knowledge retire or leave their positions, the ability to maintain a successful prevention program is diminished. In an attempt to minimize costs, States are backfilling vacant positions previously held by experienced individuals with entry-level staff who do not possess the same degree of technical knowledge of USTs and lack the historical knowledge of the Tanks program. To compound the problems that come with loss of program knowledge, lack of funding means that inspector training will also be reduced to balance budget cuts, resulting in new staff not having the opportunity to learn the program and technology. Appendix B includes copies of letters from State UST Programs highlighting the impact of federal budget cuts.

There is a high degree of turnover amongst UST owners and operators. State inspectors report that owners and operators frequently indicated they are unaware or unsure of what they must do to remain in compliance, especially when they first assume control of USTs. Inspections are a vital means of providing education and compliance assistance to well-intentioned owners and operators. This, perhaps more than measuring compliance, is the most valuable aspect of frequent inspections.



As shown previously in Figures 8 and 9, since compliance inspections have a tangible effect on the number of suspected and confirmed releases investigated every year, the inverse would seem to be true, a reduced number of routine compliance inspections would increase the number of or severity of these releases, as noted in Figure 3. Most States prioritize these types of issues – release investigations and root cause analysis – above routine activities due to the more immediate impact to human health and the environment. By reducing the number of routine compliance inspections conducted, the number of site visits identifying such releases will likely increase. This will divert compliance staff from their routine inspections to follow-ups and/or enforcement. This results in a continuing cycle of noncompliance and negative environmental impact.

The history of the UST program clearly demonstrates that industry would have difficulty self-regulating. Public health and the environment are threatened by releases from leaking USTs. If future budget reductions result in State inspection programs being curtailed, it is reasonable to project that there will be an increase in the number and severity of petroleum releases. Ultimately, this trend will result in an unacceptable increase in the risk to public health and the environment.

Compliance costs are spent almost equally between State and federal dollars (Figures 25 & 26), although as a whole, it makes up less than one quarter of the overall budget of State UST programs (Figures 27 & 28). One would assume by these figures that the Compliance portion of the program is not that important, but as noted previously in the report, program operation and implementation captures a large number of ancillary activities that would require several portions of money. When each individual activity is weighed against inspections and related compliance costs, as shown in Figures 6 and 7, it becomes clear that inspections are the backbone of an UST release prevention program.

Recent discussions with States reveal that they have already cut as much as they can in this area of the UST program and will likely be unable to continue the three year inspection cycle if additional cuts are made.

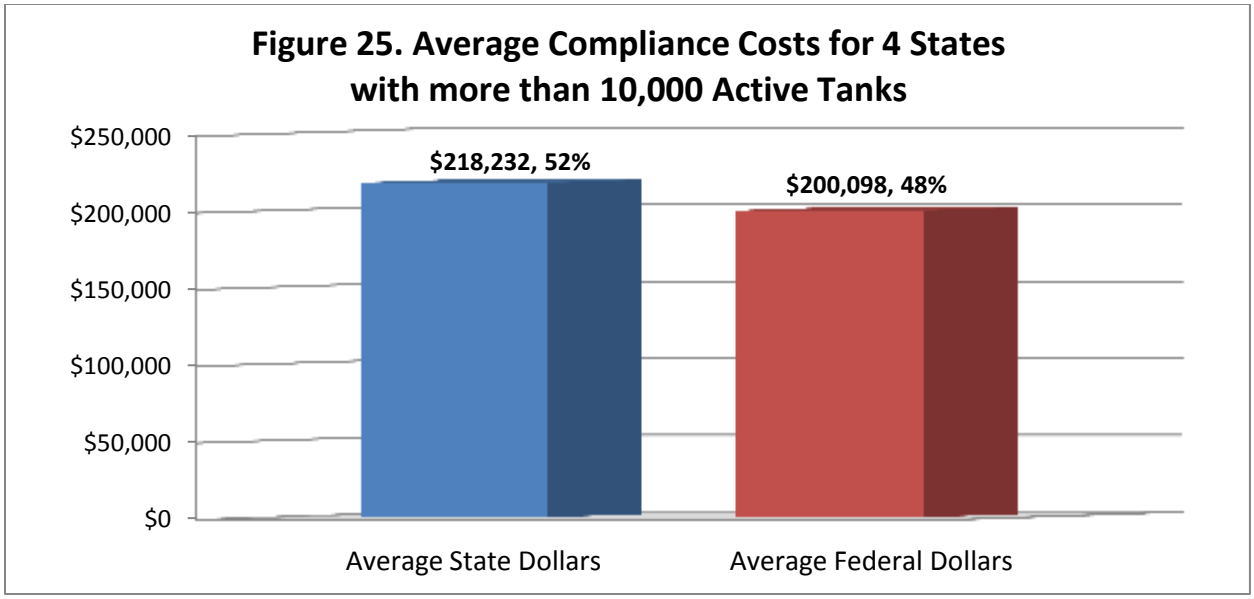


Figure 25. Average Compliance Costs for 4 States with more than 10,000 Active Tanks
$250,000
$200,000
$150,000
$100,000
$50,000
$0
$218,232, 52%
$200,098, 48%
Average State Dollars
Average Federal Dollars

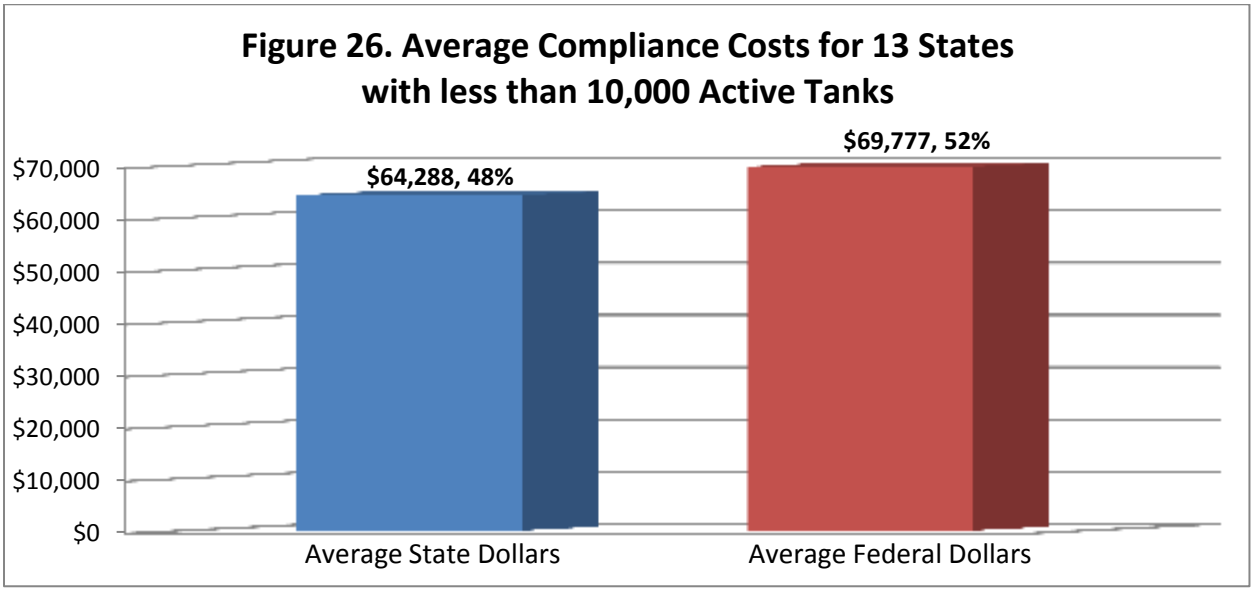


Figure 26. Average Compliance Costs for 13 States with less than 10,000 Active Tanks
$70,000
$60,000
$50,000
$40,000
$30,000
$20,000
$10,000
$0
$64,288, 48%
$69,777, 52%
Average State Dollars
Average Federal Dollars

Figure 27. Compliance Costs as a Percentage of Total Program Costs for States with more than 10,000 Tanks

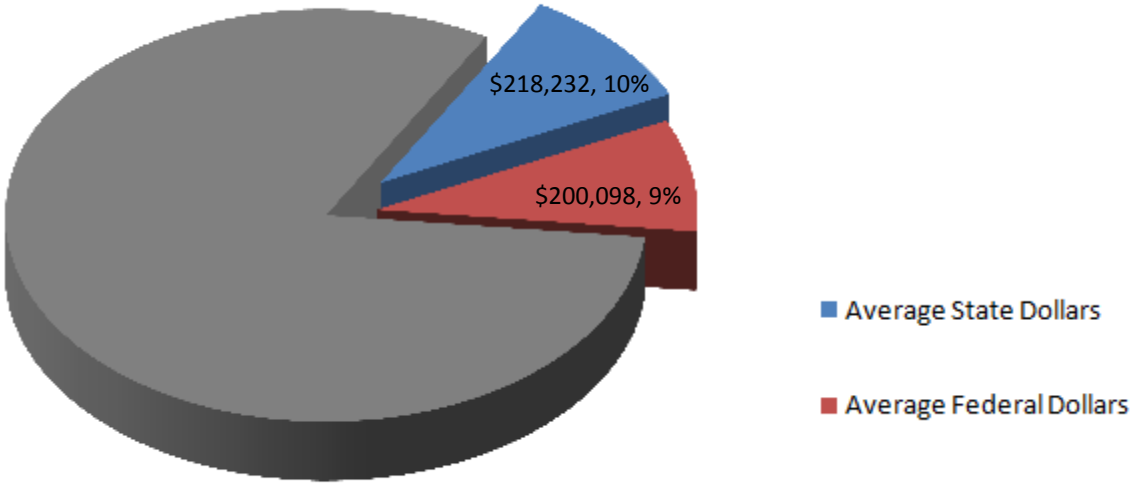
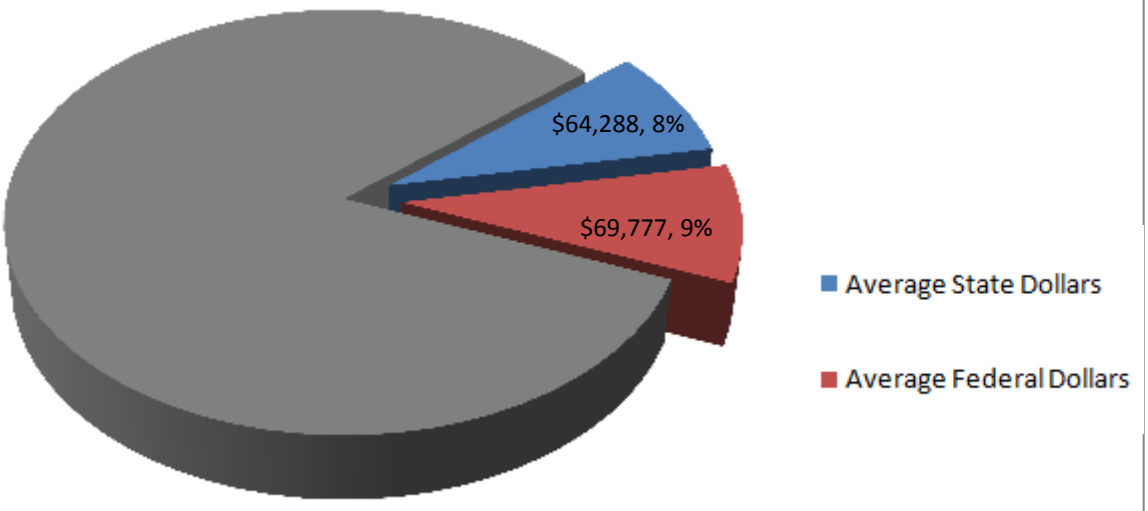


Figure 28. Compliance Costs as a Percentage of Total Program Costs for States with less than 10,000 Tanks



Enforcement

The UST program is enforced primarily at the State level due to the size and nature of the entire community of tanks. States are responsible for inspecting UST facilities, at a minimum, once every three years (1,095 days) to determine significant operational compliance (SOC) with the federal and State regulations. Enforcement for the purposes of this report consists of the issuance of the first NOV through the end of any legal proceedings or implementation and follow-up of delivery prohibition.

Enforcement is the tool used by States to seek resolution to violations from UST facilities that either refuse to comply or are habitual offenders, and in turn endanger public health and the environment. Enforcement efforts have increased as inspection frequency increases initially. More violations are typically found at the beginning of a compliance program, and as the compliance program matures and the inspection frequency continues, UST facility owners come to expect the inspection and keep their facilities in compliance to reduce their violations. In addition, the ability of a State to invoke delivery prohibition can also increase compliance. Having a facility in compliance generally means the tank owner does not have to spend additional funds to get back into compliance and/or pay a penalty.

Decreased funding for UST programs may lead to fewer inspections, which generally could equate to tank owners taking fewer efforts to remain in compliance, thereby leading to more violations and enforcement referrals. Cuts in funding would also likely require cuts in staffing of enforcement agents, and therefore fewer UST facilities brought into compliance via successful completion of enforcement cases. With less enforcement and its deterrent effect, some owners may determine there are no consequences for being out of compliance. Noncompliant facilities will increase and the program runs the serious risk of a return to the compliance rates of the late 1980s when LUST facilities routinely contaminated groundwater. Without the increased inspector presence and follow-up enforcement, the increased risk of leaks in USTs still exists despite the modern day improvements in UST system technology.

Delivery prohibition is a core component of EPAct, and a powerful enforcement tool used to draw an owner's prompt attention to violations that pose a danger to safety, human health, and the environment. Delivery prohibition is most effective at operating facilities, where a delivery ban actively impacts a business's operations or profit. It has far less impact on abandoned or out of service facilities.

At a minimum, States are required to use delivery prohibition for non-compliance with the 1998 upgrade requirements, including failure to install spill protection, overfill prevention, release detection, and cathodic protection. As with other EPAct provisions, the use of delivery prohibition hinges on having State authority to enact this program and adequate staffing to implement and enforce its use. For the States responding to this survey, delivery prohibition requires a number of field visits to initiate, from the first inspection to red tag placement and subsequent removal. Loss of funding and its corresponding loss of staff will delay the implementation of the delivery prohibition and the subsequent release of the prohibition due to the inability to inspect and verify the return to compliance.

Enforcement tools are a critical part of the UST program and help to enhance compliance and ensure timely cleanups. As with compliance, enforcement shows that the same costs are spent almost equally between State and federal dollars (Figures 29 & 30), although as a whole, it makes up less than one quarter of the overall budget for UST Programs (Figures 31 & 32). As with cuts to funding for compliance, since the amount of funding for enforcement is a small amount of the overall budget, any cuts will affect mission critical work.

Figure 29. Average Enforcement Costs for 4 States with more than 10,000 Active Tanks

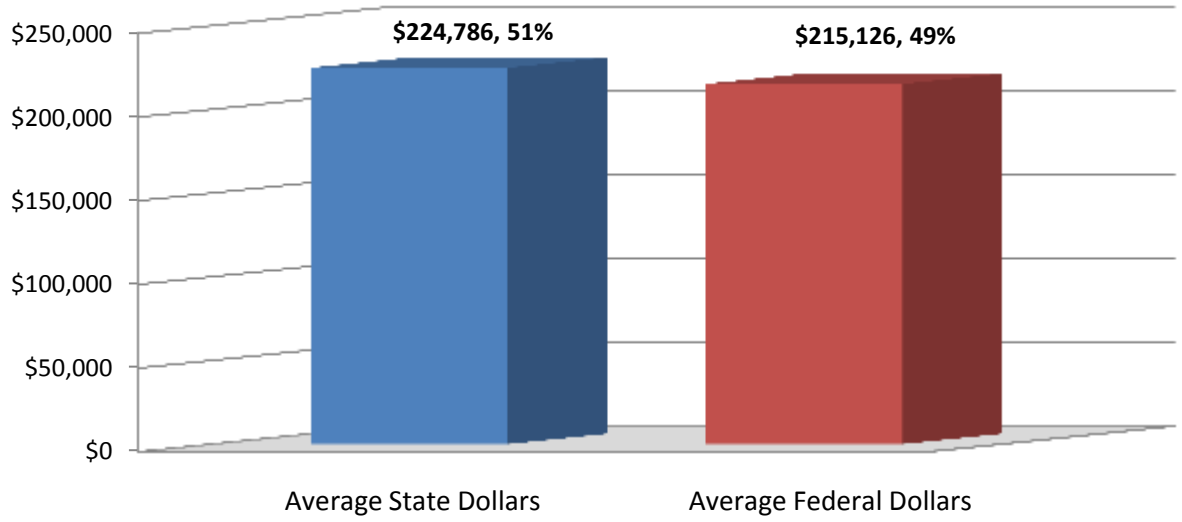


Figure 30. Average Enforcement Costs for 13 States with less than 10,000 Active Tanks

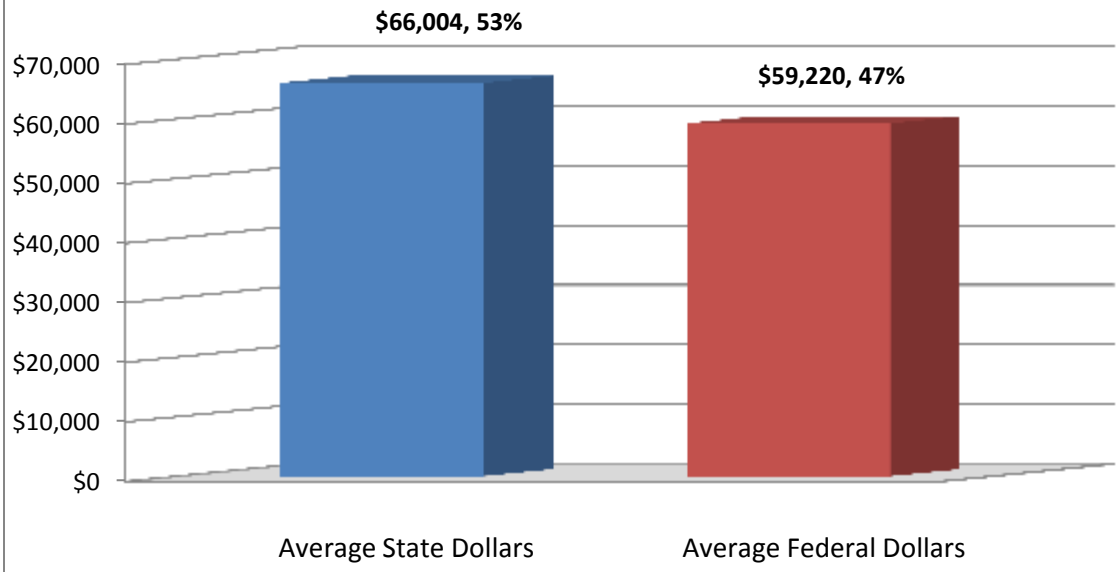


Figure 31. Enforcement Costs as a Percentage of Total Program Costs for States with more than 10,000 Tanks

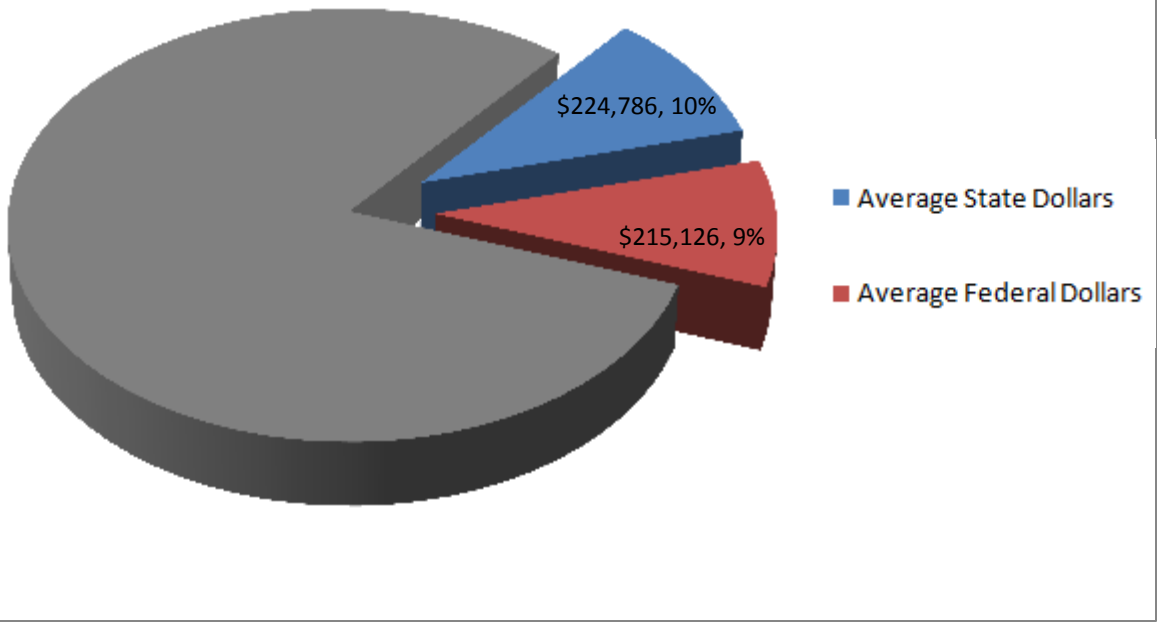
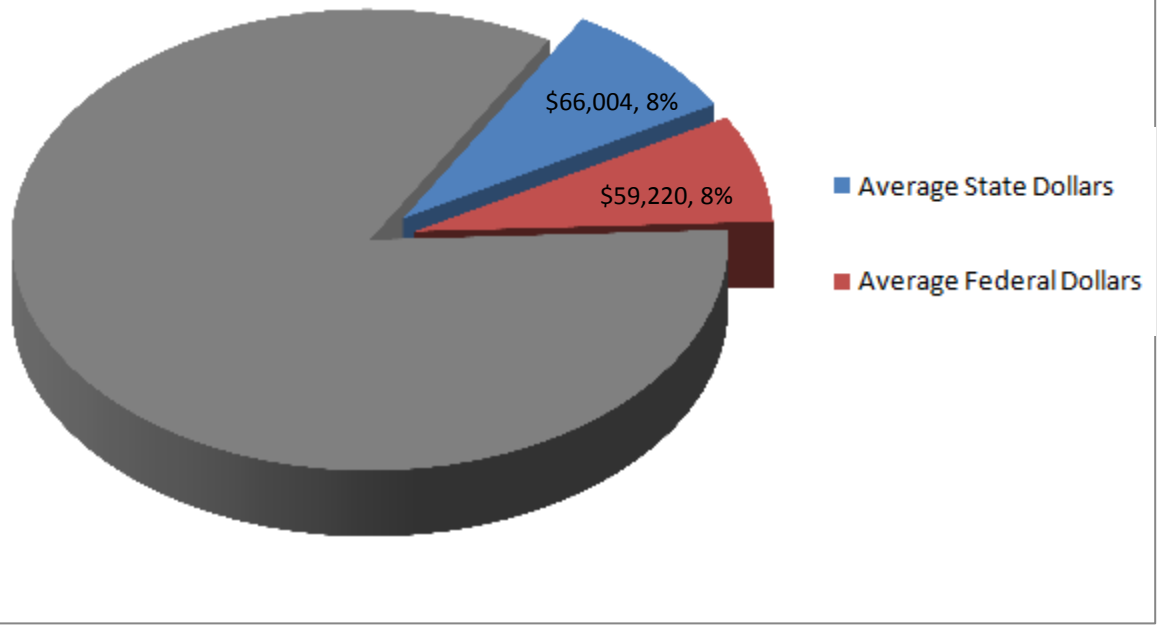


Figure 32. Enforcement Costs as a Percentage of Total Program Costs for States with less than 10,000 Tanks

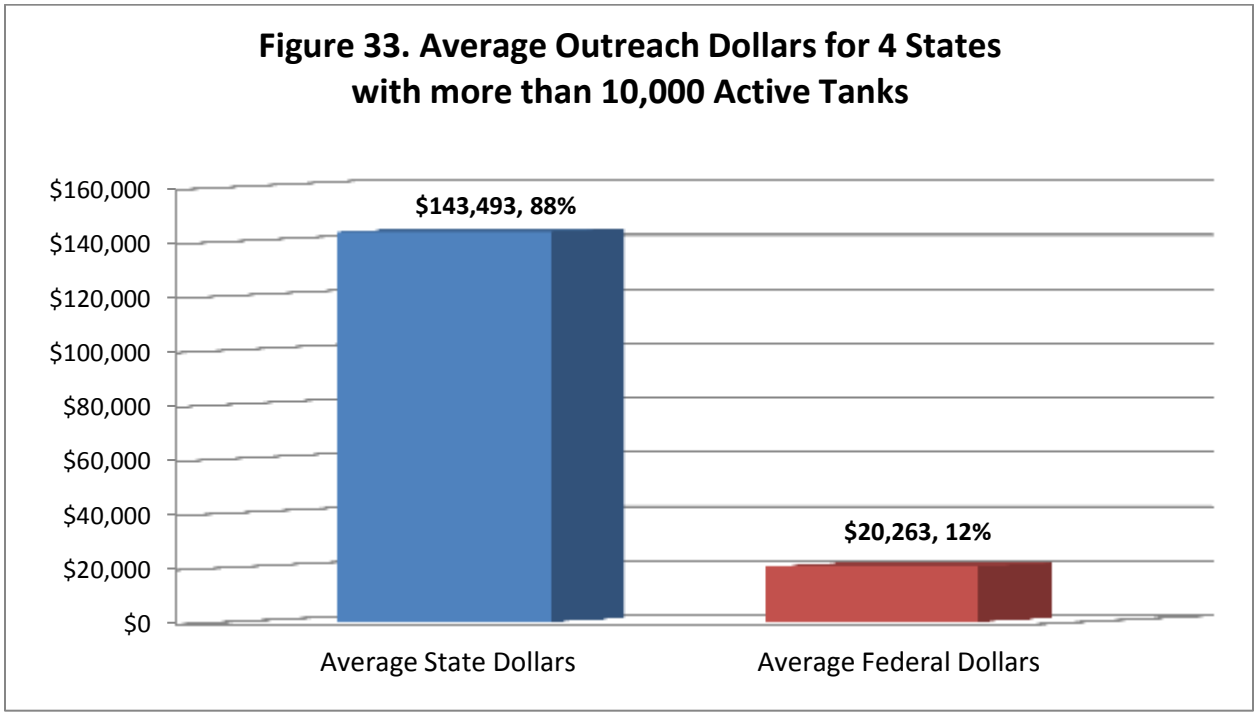


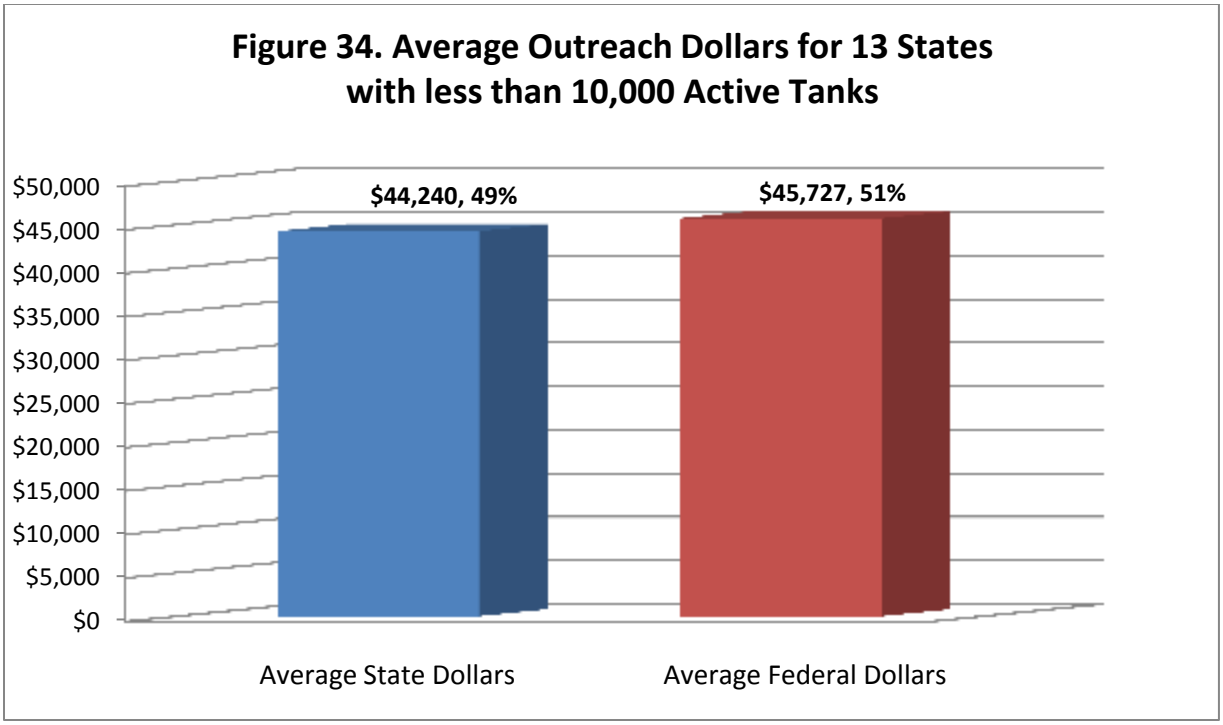
Outreach

States encourage voluntary compliance through the use of compliance assistance and education as a means of addressing violations, and will often partner with those in the regulated community to increase compliance through education. This outreach may include regular newsletters, guidance documents, fact sheets, posters or reminder postcards. In addition, States hold public meetings, conduct public service announcements, and provide information in local newspapers to inform affected third parties and local communities.

The use of a State's website has become a significant tool in the dissemination of important regulatory changes and updates, as well as a consolidated storehouse of useful documents and forms. Providing readily accessible and understandable compliance information is essential for a successful program.

Effective outreach makes information about UST requirements available to the regulated community. Not only is outreach an integral part of a successful tanks program, it is required by the EPAct. The EPAct requires that petroleum release information be posted annually on States' websites and, as regulations are developed to adopt the EPAct requirements, that the States involve stakeholders. Outreach activities are mostly funded with State dollars in large States, but as with all other funding, about half the dollars used in small States (Figures 33 & 34).





The costs to perform outreach activities may be small percentages of the total budget (Figures 35 & 36), but as budgets decrease they are likely to be the portions that will have to be disproportionately cut or removed completely. As documented in the graphs here, the larger States are already conducting outreach activities primarily with State dollars, whereas smaller States are splitting the costs between State and federal funding. Continued cuts to this area will result in States simply doing the minimum to comply with notifications to the regulated community, rather than the increased regulated community involvement that has occurred with Operator Training, technical assistance, and community outreach activities.

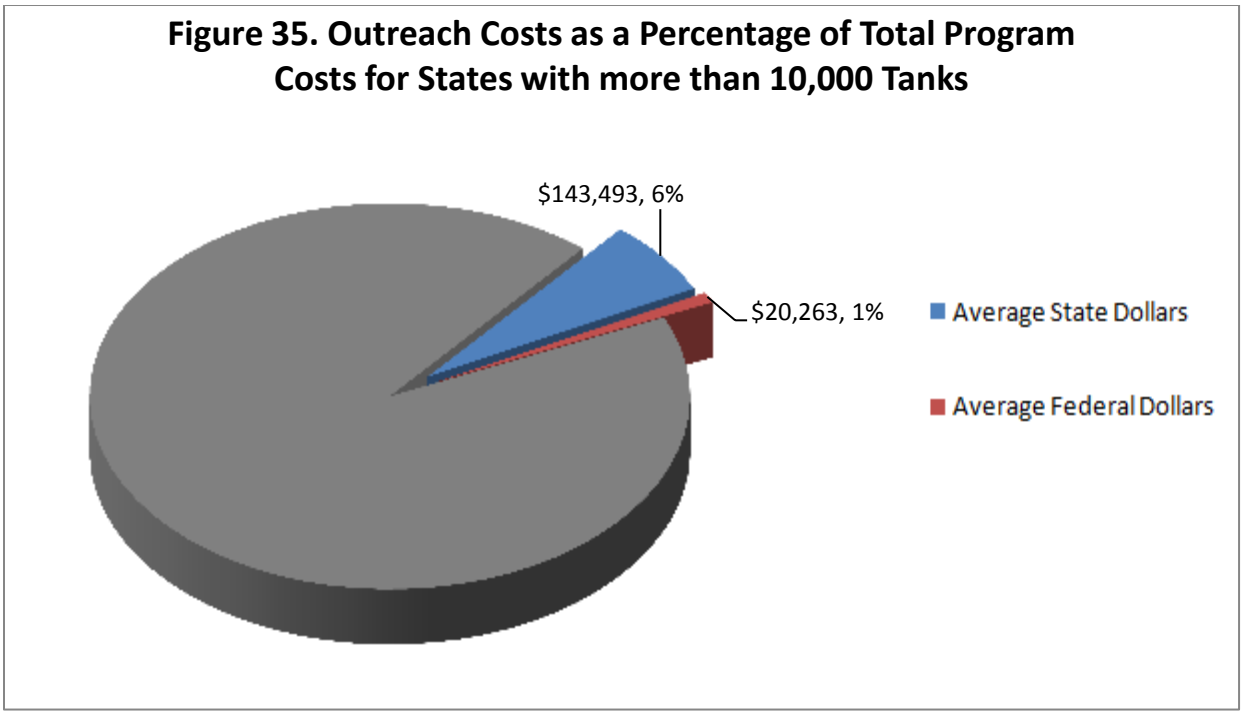
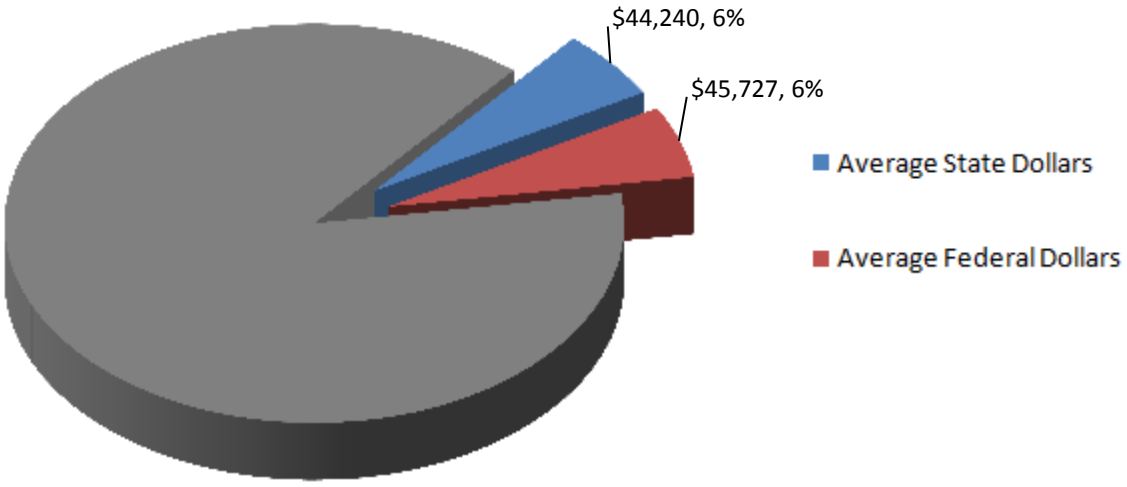


Figure 36. Outreach Costs as a Percentage of Total Program Costs for States with less than 10,000 Tanks



EPAct included Owner and Operator education by way of Operator Training and federal mandates that the training include A, B and C operators.[3]. Each State is required to develop a training program to ensure that all owners and operators of UST facilities and their employees were trained on the UST regulations. States are allowed to use a variety of mechanisms to reach this end goal. Some of them choose to do online training, some choose to have third parties offer approved programs in their States, and others choose to have inspectors test the knowledge of staff while on site during inspections.

To reduce the impact of the training costs on owners and operators, many States use federal and State dollars to develop and maintain these programs (Figures 37 and 38). These programs require either annual retraining or tracking of violations so that retraining can occur when a violation is noted. Tracking violations and retraining is a significant drain on resources and difficult to maintain with limited budgets. Annual retraining has a cost all its own. Although States with established programs are noticing improved compliance with the implementation of operator training, if funding is cut and the training cannot be maintained, these improvements will likely be lost.

[3] A, B, and C operators are based on the responsibility of the operator over the UST system, with personnel with greater amounts of responsibility requiring a greater level of training and knowledge about the UST systems.

Figure 37. Average maintenance of Operator Training for 4 States with more than 10,000 Active Tanks

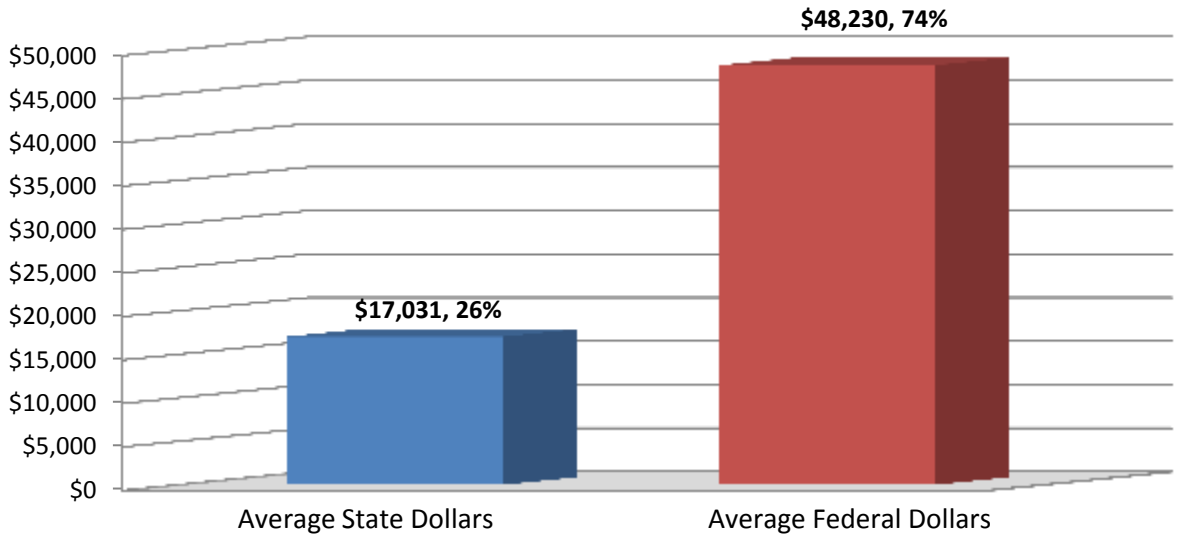
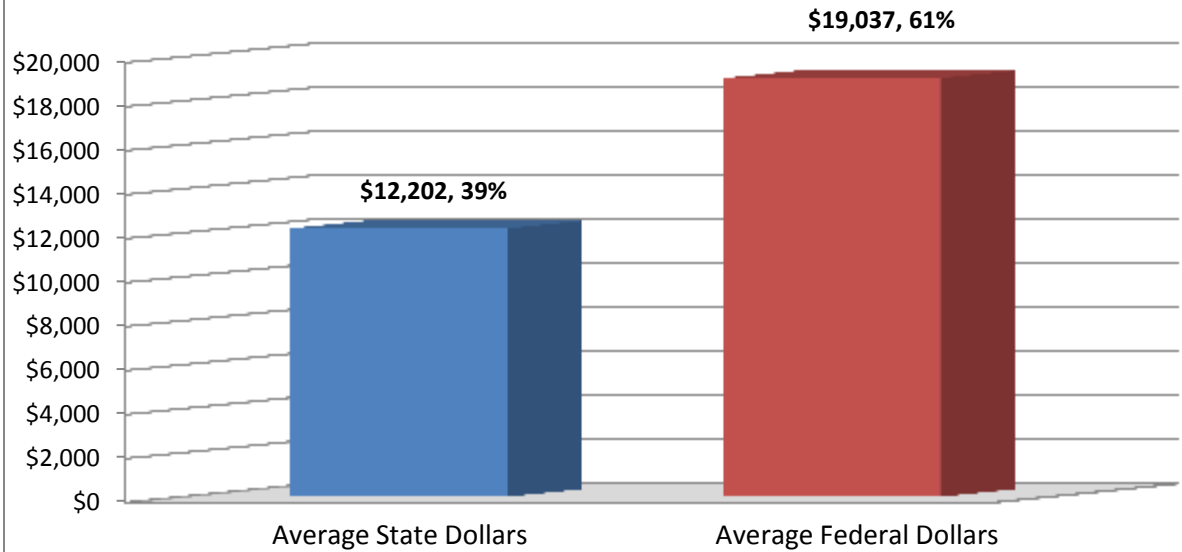


Figure 38. Average maintenance of Operator Training for 13 States with less than 10,000 Active Tanks



Figures 39 and 40 illustrate that operator training costs in the overall budget is a small amount, but a large percentage is being funded with federal dollars. Several States reported in the survey that the expense to maintain operator training is an item that is covered under other expense categories, such as, database management. This suggests this cost is likely a higher percentage of the overall budget than indicated in these figures.

Figure 39. Operator Training Costs as a Percentage of Total Program Costs for States with more than 10,000 Tanks

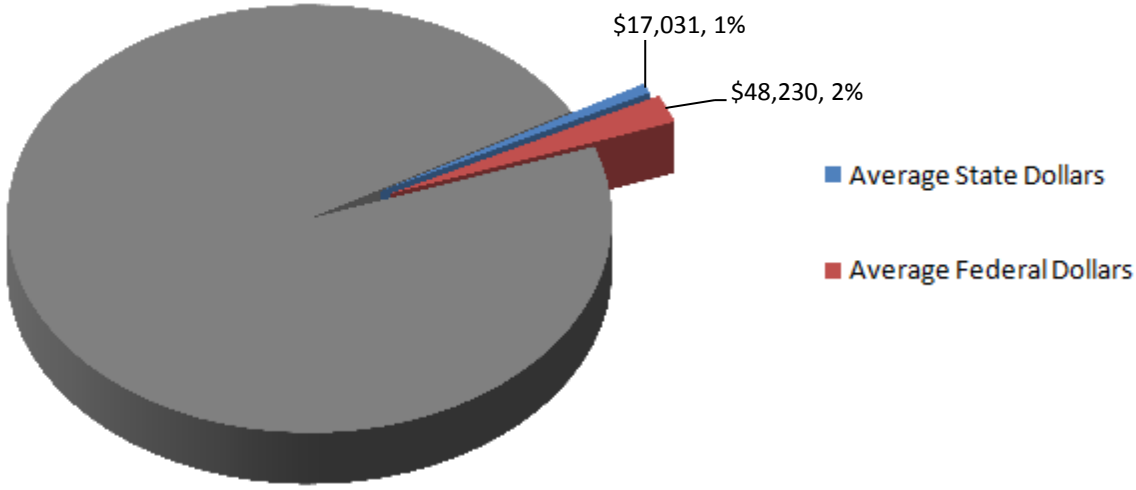
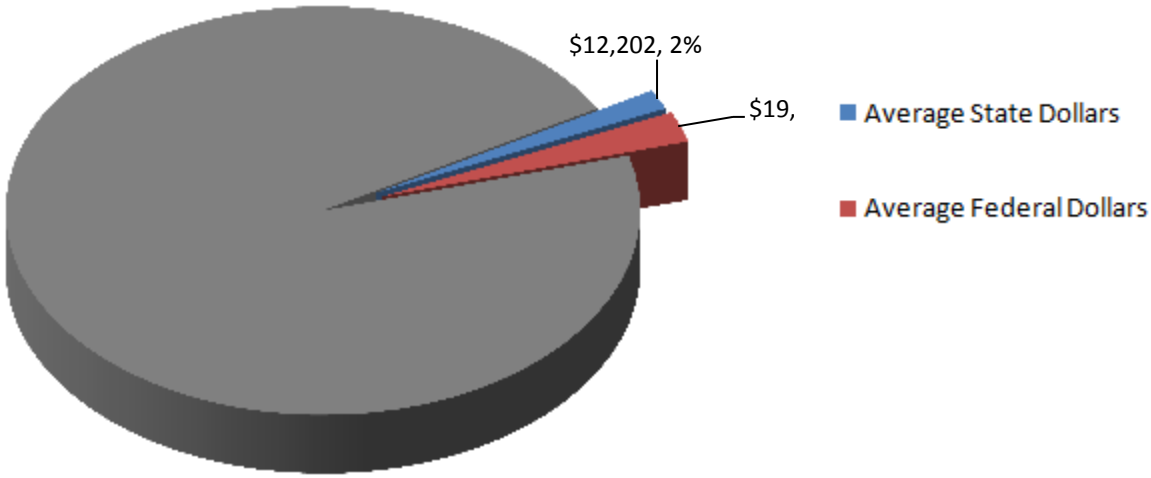


Figure 40. Operator Training Costs as a Percentage of Total Program Costs for States with less than 10,000 Tanks



LUST CLEANUP PROGRAM

In the late 1980s, the U.S. EPA and the States faced an unprecedented number of LUSTs from gas stations, convenience stores, public works facilities, and other locations. Over the next several years, States reported that hundreds of thousands of tanks had released petroleum into the ground, contaminating drinking water supplies, groundwater, surface water bodies, and indoor air.

To address this enormous problem, U.S. EPA established a framework for State-run cleanup programs that allowed for State flexibility. States responded to the challenge by establishing formal cleanup programs. Some of these programs merged with established State Superfund cleanup programs while other States developed separate LUST programs. Each State developed a unique approach within its program in terms of cleanup requirements and site closure standards. To address the need for funds for cleanup and to assist tank owners to meet federally required financial assurance, many States developed State cleanup Trust Fund programs. At present, 36 States continue to use cleanup Trust Funds (see Figure 1). At the peak of State Trust Fund activity, 45 States established some form of a State fund. Over $19 billion has been invested collectively by States in site assessment and cleanup. This has resulted in the revitalization of a significant number of properties.

States consider the following mission critical items as necessary to maintain a LUST Cleanup Program in increasing importance: outreach, reporting and database management, enforcement, reviewing technical documents, and site visit/project oversight. Site visits/project oversight combined are the two most important. For the States to maintain successful programs it is vital to support all of these mission critical tasks. Failure to provide adequate funding will likely result in reducing the number and effectiveness of these tasks, which will greatly reduce the success of the program and ultimately result in greater risks to public health.

Table 1 below provides detailed information about the investment State Trust Fund programs have made in staffing and property cleanups.

Table 1. ASTSWMO State Fund Survey Summary 2012[1]

	2007	2008	2009	2010	2011	2012
Approximate Annual Revenue (billions)	$1.5 B	$1.47 B	$1.38 B	$1.43 B	$1.71 B	1.33 B
Approximate Current Balance (billions)	$1.74 B	$1.42 B	$1.26 B	1.22 B	$1.16 B	1.15 B
Fund Staff Tech/Fin/Total	633/213/894	696/213/919	641/210/839	675/199/951	720/225/945	705/217/794
Approximate Total amount Paid (billions)	Total: $15.453 B Annual: $1.01 B	Total: $16.260 B Annual: $995 M	Total: $17.240 B Annual:$874.62 M	Total: $18.219 B Annual: $920 M	$18.562 B	Total: $19.78 B Annual: $754.4 M
Average cost/site	$115,744	$128,023	$127,216	$133,222	132,908	AST:$100,175 UST:$124,488

[1] http://www.astswmo.org/Files/Policies_and_Publications/Tanks/2012_State_Funds_Survey/2012-SummaryTable.pdf

Some State Trust Fund programs are combined with their cleanup program while others are implemented by a separate agency. Owners and operators in States without a State Trust Fund rely on private insurance and other financial assurance mechanisms to cover the costs of cleanup. Data from non-Trust Fund States is difficult to obtain due to the non-public nature of the source and amount of the funds expended. These differences in cleanup programs throughout the nation must be considered when analyzing the cleanup cost data collected as part of this report.

In the 25 years of the national LUST cleanup programs, there have been 514,123 confirmed releases from federally regulated USTs (End of FY 2013 UST Performance Measures: http://www.epa.gov/swerust1/cat/ca-13-34.pdf). Eighty-five percent of these releases have resulted in cleanups satisfying specific State closure criteria. However, 77,717 LUST sites still remain where cleanup needs to be completed. This includes 6,128 releases discovered during FY 2013.

These sites present considerable challenges to the States. Many of the remaining LUST sites are the most difficult sites to address, such as sites with contamination that extends to bedrock drinking water aquifers and sites with recalcitrant owners that subsequently require State enforcement resources. Despite considerable advancements in UST spill and release prevention measures, due in large part to State programs implementing and enforcing the 1998 upgrade requirements, some of the new sites are the result of catastrophic releases requiring resource-intensive emergency response. The States cost to fund emergency response was likely not accurately reported in this survey as many States fund their emergency response programs outside of the UST program.

A major focus of State tank program implementation nationwide has been concerted efforts to reduce the "backlog" of State LUST sites. In September 2011, U.S. EPA OUST published the results of its study titled "*The National LUST Cleanup Backlog.* The study evaluated State efforts in addressing LUST sites and sought to quantify sites that were not closed, had not begun remediation, or, in some cases, had not yet been investigated. Discussions with States experiencing significant backlogs have identified lack of funding as one of the causes of a State's backlog.

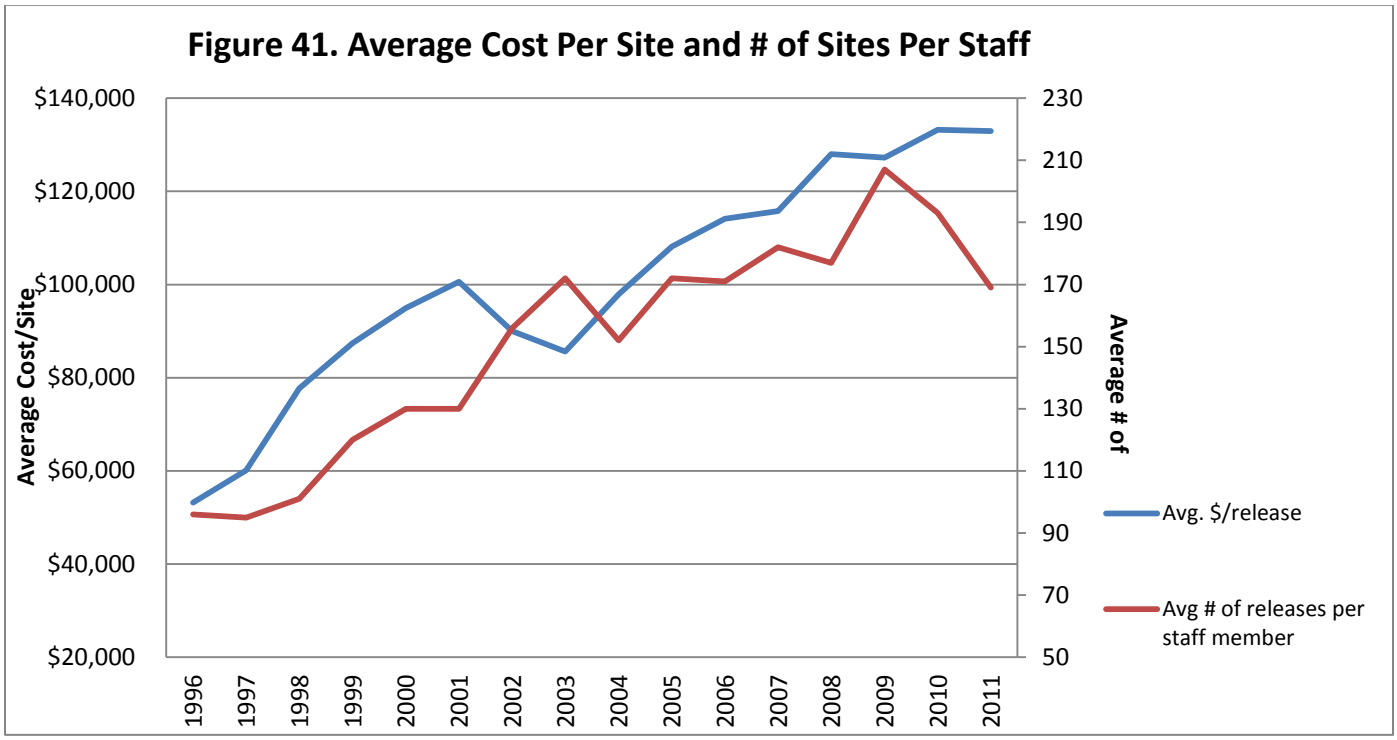
Core Report data demonstrate that State LUST programs are already expending a majority of their financial resources to conduct the essential functions necessary to fulfill the mission of protecting public health and the environment. It is readily apparent that any reduction in available federal funding to State programs experiencing significant LUST site backlogs will be counter-productive to the national LUST backlog reduction strategy being advanced by U.S. EPA. In fact, key conclusions of the backlog report highlight the increasing costs of LUST cleanup and significant caseloads for State technical staff (Figure 41) as factors limiting States' ability to address LUST backlogs.

In addition to hampering State backlog reduction efforts, reduced funding to all State programs could result in a decline in other critical program functions, such as outreach, enforcement, and regulation development. States continue to commit substantial State funding to clean up these sites while federal LUST Trust Funds for corrective action programs have actually been reduced.

As part of early State Fund Soundness data collected, U.S. EPA projected a gap in funding necessary for cleaning up open LUST releases. Based on FY 2006 data from 24 States, U.S. EPA concluded that an additional

$2.3 billion was needed to fund unfinanced cleanups (from Appendix B: Phase 1 Analysis of the Backlog of Open LUST Releases As of November 2006).

Another way to determine a projection of future costs is to use the number of open LUST sites reported to U.S. EPA (End of FY 2013 UST Performance Measures, http://www.epa.gov/swerust1/cat/ca-13-34.pdf) and the average cost to clean up a LUST site from the FY 2012 State fund survey. When you multiply 77,717 sites by $125,000 (rounded) the result is $9.7 billion. Note that this does not include any future reported releases or some of the sites where a portion of the $125,000 has already been spent. Clearly, a significant amount of work lies ahead for State LUST Programs.



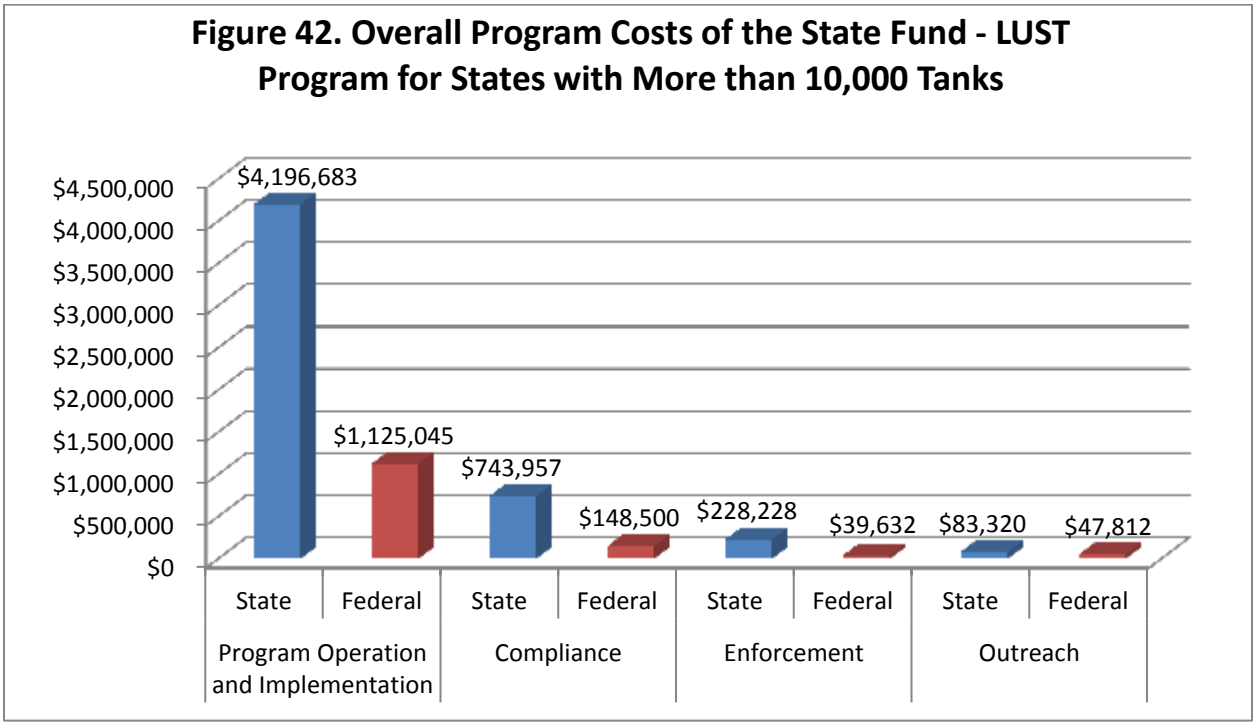
Total LUST Program Costs

The Core Report survey asked States to report total annual program costs. These costs were not to include actual cleanup costs reimbursed under State Trust Funds as shown above in Table 1. Ten States with combined LUST and State Trust Funds responded to the survey while eight States with State Trust Fund Only programs and nine States with LUST only programs responded to the survey. Recognizing that there are considerable differences in program costs for larger States versus smaller States, as documented in this Core Report, the data was separated by States with active tank populations greater than 10,000 tanks (large States) versus States with tank populations below that level (small States).

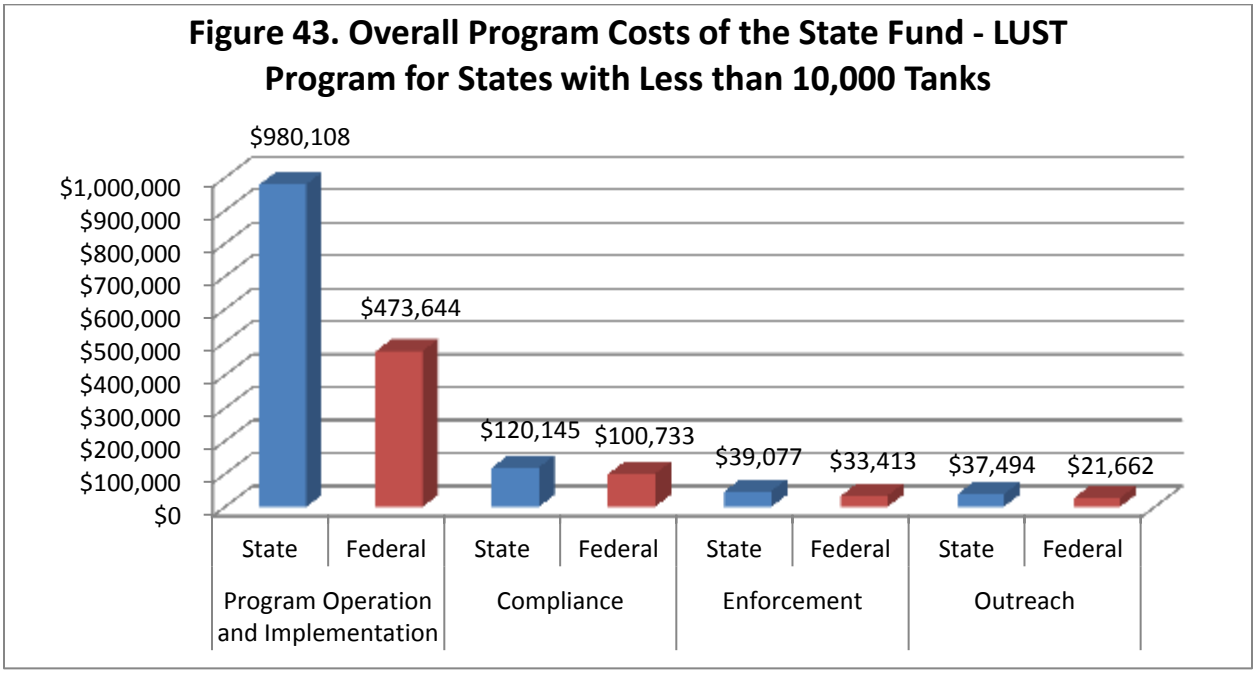
Total Program Costs - LUST/State Fund Combined Programs

For the 10 States that responded for the LUST and State Trust Funds combined programs, States spend approximately 80% on program operation and implementation, 12.5% on compliance, 4% on enforcement, and 2% on outreach. Program operation and implementation is where most of the mission critical work is being done. For the three States with tank universes larger than 10,000 tanks (large States), the average program costs

for these States are $4,744,787 (Figure 42). Of that average, 74% ($3,520,706) is funded by the States with the remaining 26% ($1,224,081) funded by federal grants.

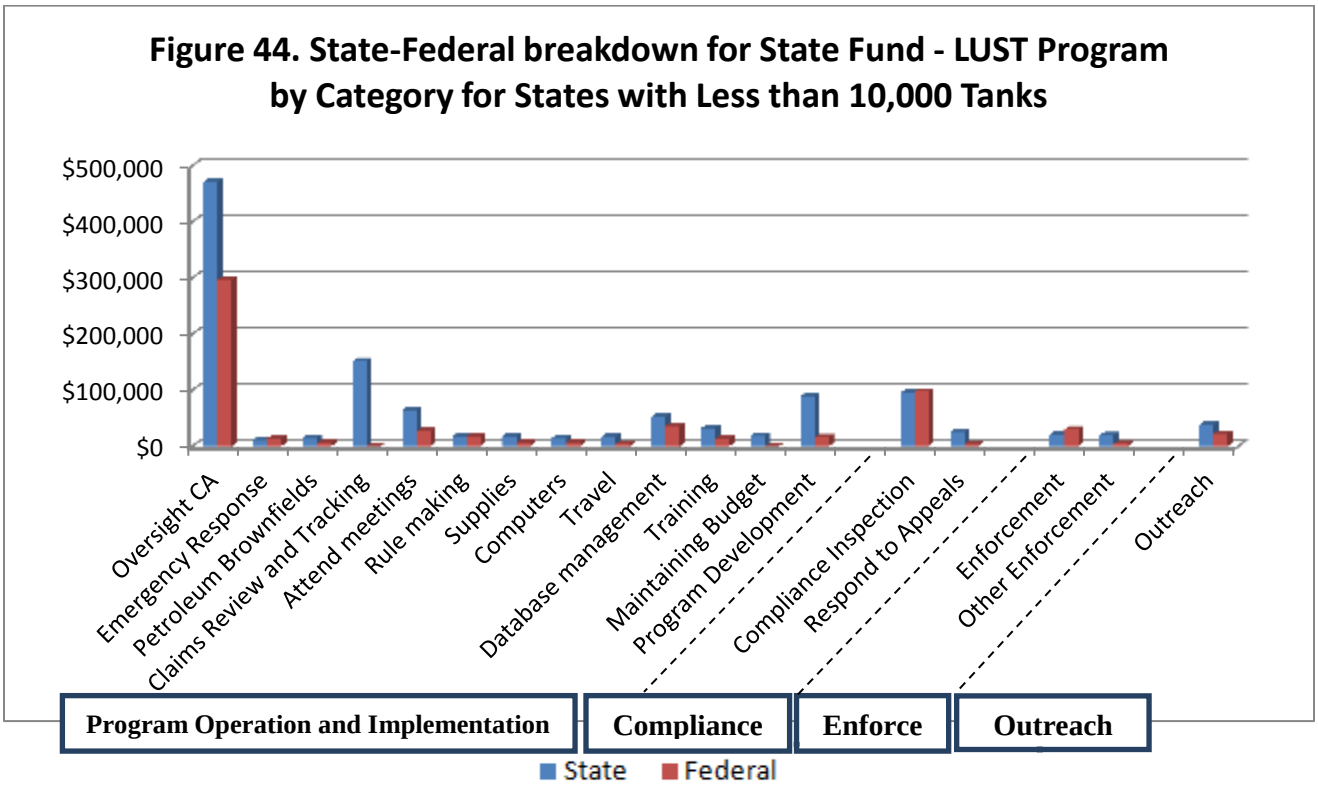


For the seven States with tank universes smaller than 10,000 tanks (small States), the average program costs for these States are $1,820,841 (Figure 43). Of that average, 65% ($1,186,175) is funded by the States with the remaining 35% ($634,666) funded by federal grants.



The data represented by Figure 44 below show the breakout of costs per category for small States. These figures demonstrate that the majority of State and federal funds are devoted to critical program functions such as State oversight of corrective action, claim tracking and review (State funded only) and compliance

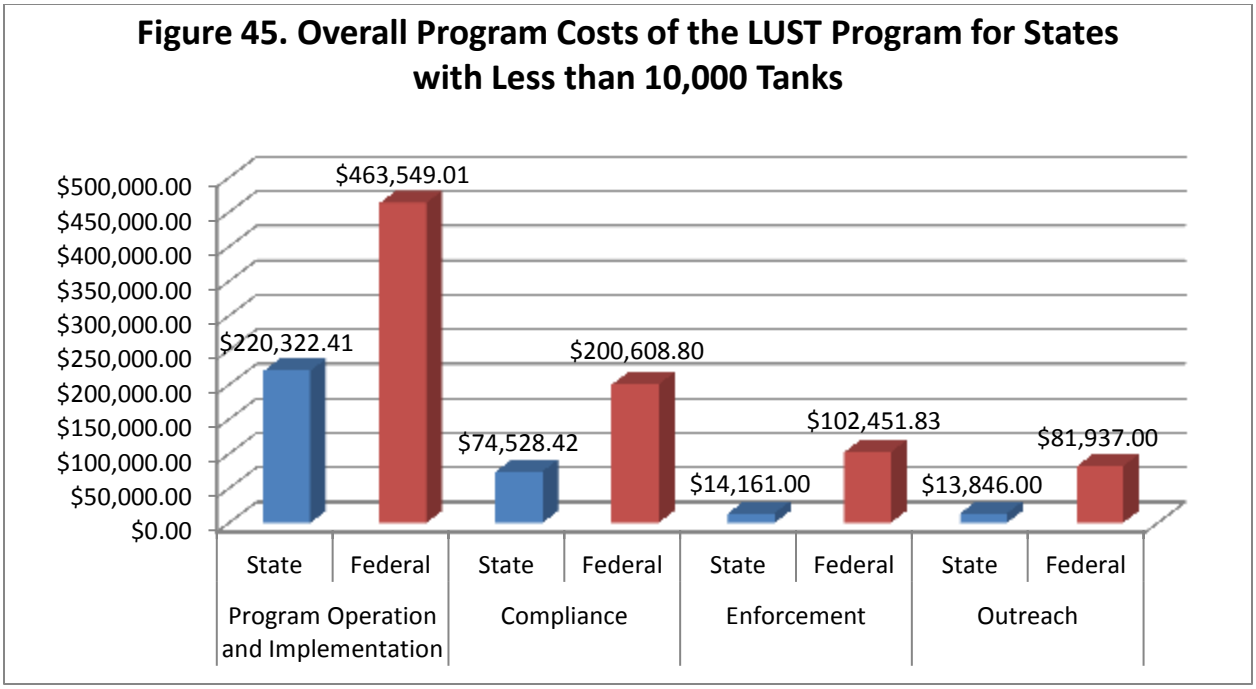
inspections. They also show that the majority of federal funds are used by the States for oversight of corrective action and compliance inspections. States with larger tank populations did not provide sufficient breakout of costs by category to allow for a graphical representation of these costs.



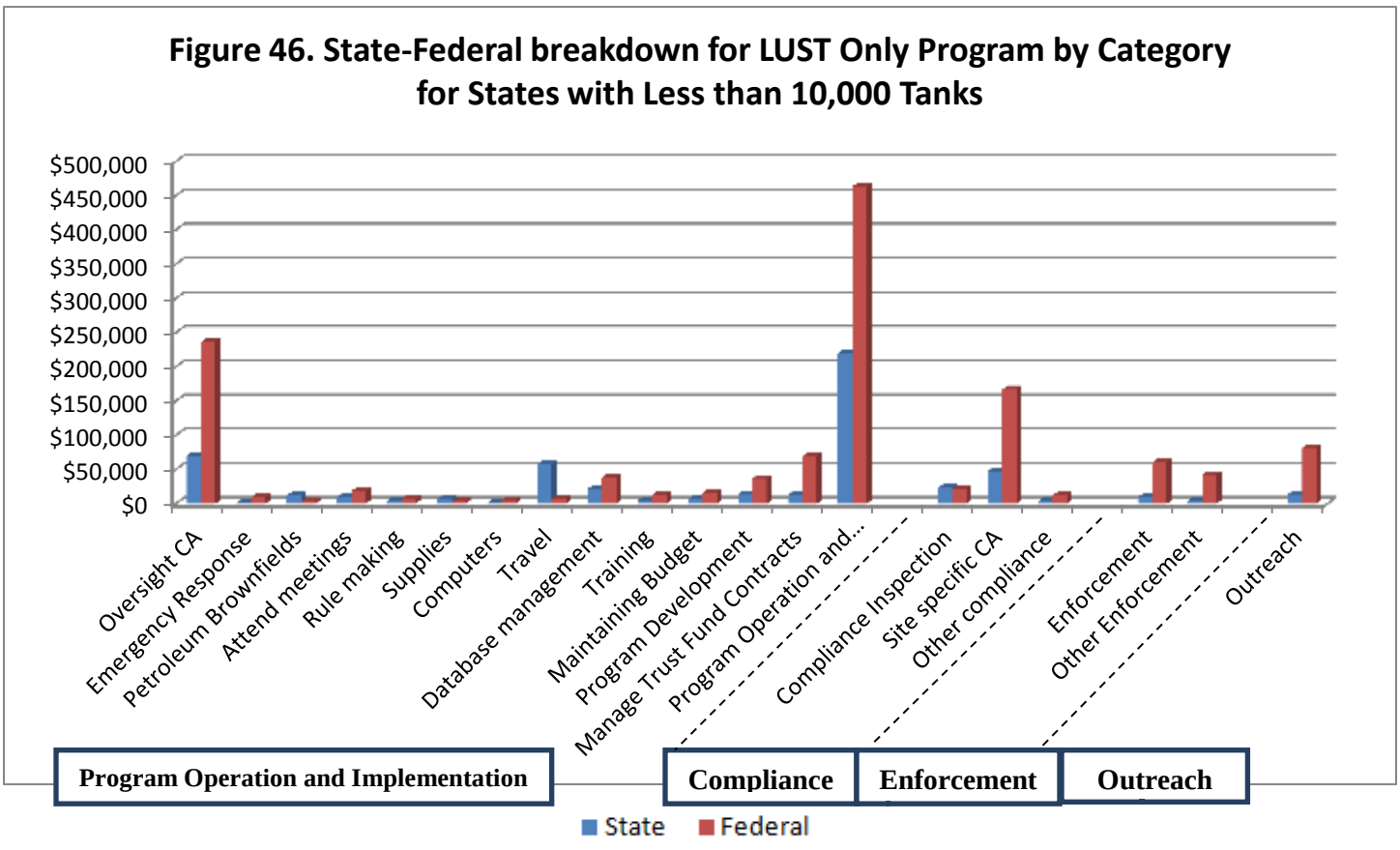
Total Program Costs – LUST Only Programs

Seven small States with LUST-only programs responded to the survey. For these States, the programs spend approximately 58% on program operation and implementation, 24% on Compliance, 10% on enforcement, and 8% on outreach. Figure 45 below represents the breakout of these costs per category. The responses for two large States that responded provide insufficient data to breakout costs in this manner.

Figure 45 demonstrates that program operation and implementation is where the mission critical work is being done. For the two large States, the average program costs are $4,596,500. Of this average, 67% ($3,073,900) was funded by the States with the remaining 33% ($1,522,600) funded by federal grants. For the seven States with tank universes smaller than 10,000 tanks, the average program costs for these States are $1,171,396 (Figure 45.) Of that average, 28% ($322,851) was funded by the States with the remaining 72% ($848,545) funded by federal grants.



The data represented by Figure 46 below show the breakout of costs per category for both State funds and federal funds in small States. These data show that the majority of State and federal funds are devoted to critical program functions such as State oversight of corrective action, site specific corrective actions and outreach. The costs reported for travel represents costs associated with travel related to conducting compliance inspections and corrective action oversight.



Total Program Costs – State Fund Only Programs

The State Trust Fund-only programs are spending approximately 40% on program operation and implementation, 3% on Compliance, 57% on enforcement, and less than 1% on outreach for the two States reporting with tank populations greater than 10,000 tanks (large States, Figure 47). For the six States with tank populations less than 10,000 tanks (small States), State Trust Funds are spending 80% on program operation and implementation, 6% on compliance, 11% on enforcement, and 3% on outreach (Figure 48). The data show that State funds devote more of their funds for enforcement versus the other State cleanup programs. Some of these expenses are devoted to subrogation and cost recovery efforts, an important element of most State funds. None of the eight State Fund only programs receive federal funding to run their programs.

Figure 47. Overall program costs of State Fund Only Programs for States with More than 10,000 tanks

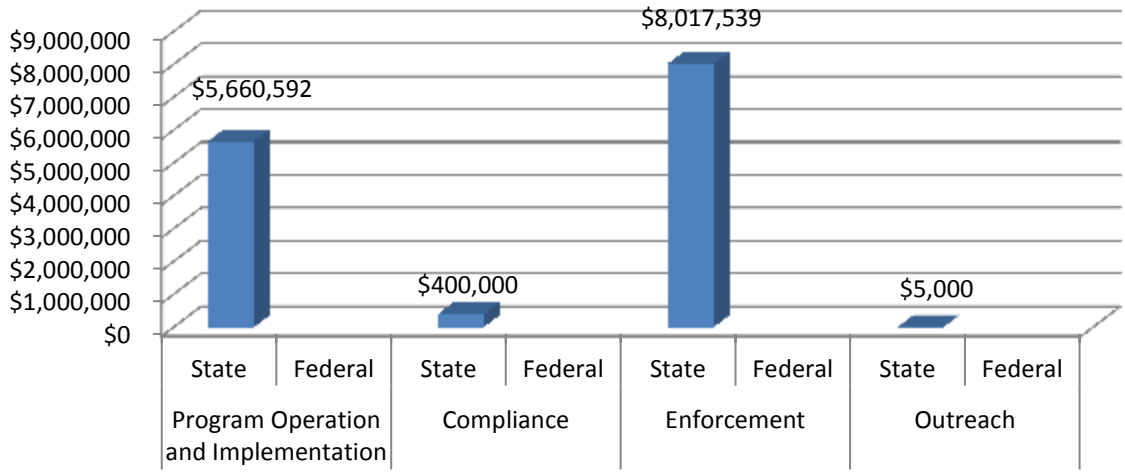
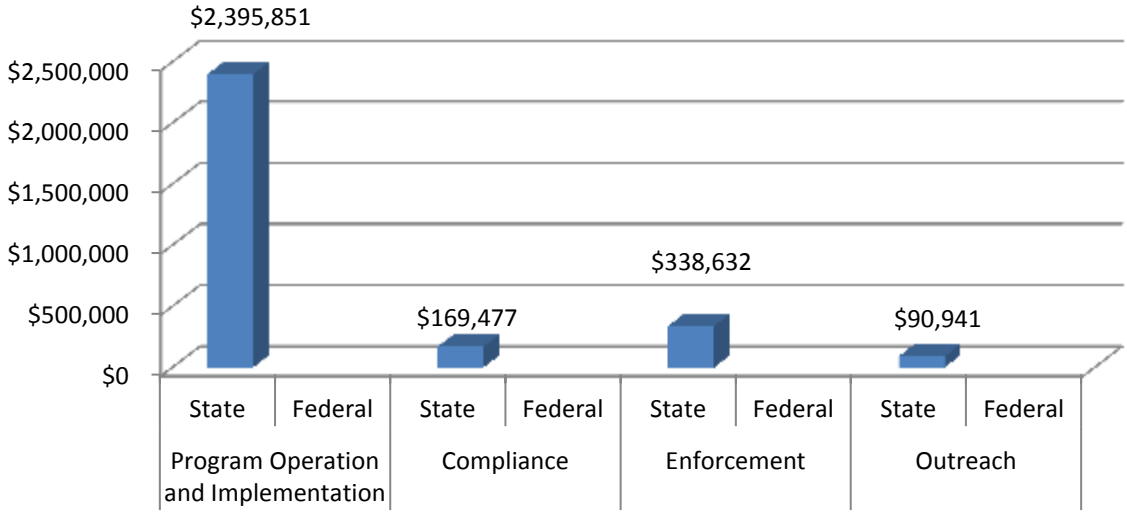
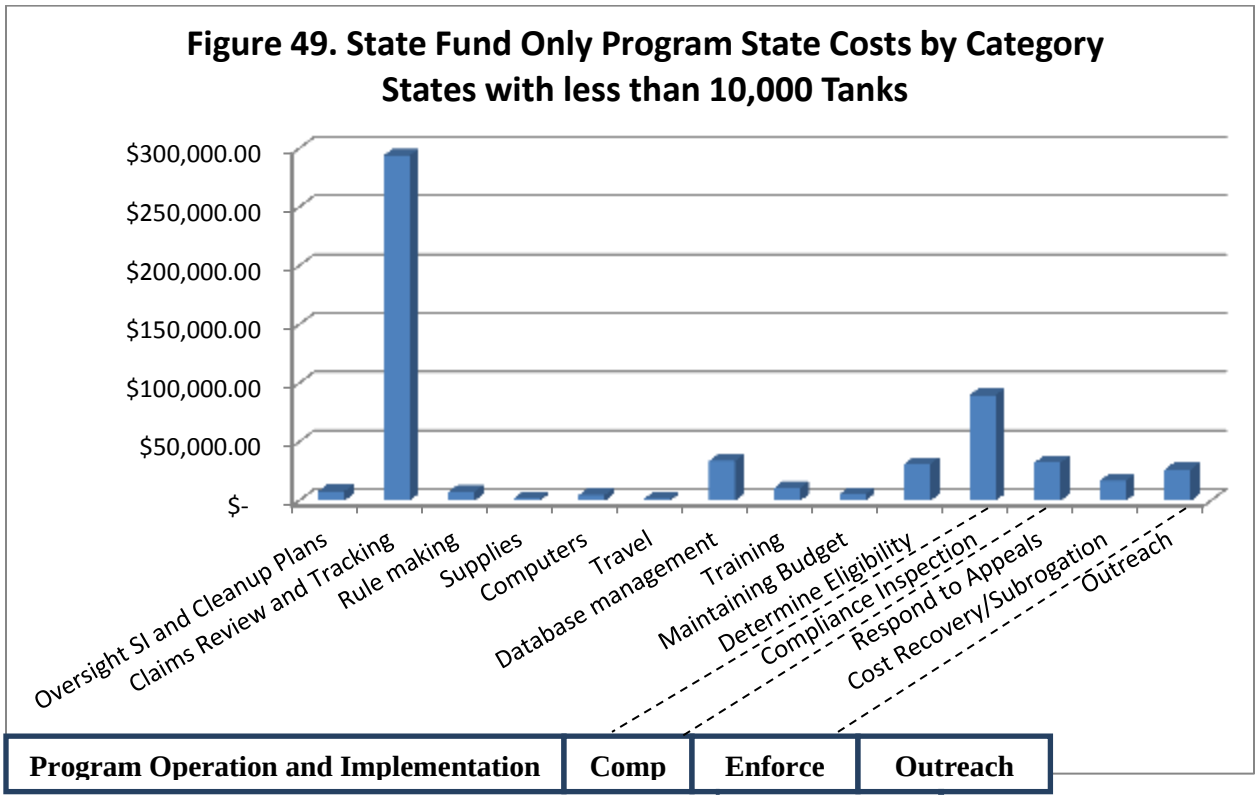


Figure 48. Overall program costs of State Fund Only Programs for States with Less than 10,000 tanks



The data represented by Figure 49 below show the breakout of costs per category for State Fund only programs in small States. The data suggests that the majority of State funds are devoted to critical program functions such as claims review, tracking, and compliance inspections.



Total Cost Summary

The data collected in this survey reveals the difference in the amount of the funding sources between small and large States. Given the realities of efficiencies of scale, the States with the smaller tank universes rely more heavily on federal funding for maintaining their cleanup programs. This is true for both LUST only programs as well as LUST and State Fund programs. States with larger tank universes are able to fund their programs at a higher percentage than States with smaller tank populations. Smaller States will have a more difficult task of replacing any drops in federal grant funding. Both large and small States will suffer program cuts should federal funds be reduced.

It should be noted that the data collected and presented here does not include the billions of dollars the State Funds programs have spent on actual cleanup of releases. Nonetheless, since 2008, States have seen considerable reductions in their State budgets. Yet the data shows that States continue to demonstrate success in preventing releases and cleaning up past releases. This cannot be done without the considerable investment of federal dollars States have received to assist in operating their programs. The data suggests that any significant reduction of federal participation in funding cleanup programs nationwide will likely disproportionately affect States with smaller tank universes.

Comparing data from States that reported as combined State Fund and LUST programs to that of States that reported as a LUST-only program demonstrates that all State programs, regardless of whether programs are combined or not, rely significantly on federal participation to ensure the programs effectively address the mission of protecting public health and the environment. Although separate State Fund programs do not use

federal grant resources to operate, the assertion that a reduction of federal participation would adversely affect States' ability to process claims is not unreasonable. The reduction of funding in the cleanup programs is likely to lead to a greater burden placed on the State Fund programs to cover some of the costs of the cleanup program, which means there would be a corresponding decrease in funds available to process claims. Some State Fund programs would likely have to reduce some of their administrative support for the program to account for this added financial burden. Any reduction in funding would hamper efficient funding of site cleanup work, thereby slowing down the number of site cleanups, closures, and the reduction in the backlog.

As detailed in the following pages, it is apparent that State LUST cleanup programs are at a critical period. State programs are mostly mature and have had tremendous success managing the public health and environmental risks associated with petroleum storage. In spite of program successes, there is still an urgent need for a fully viable regulatory presence. Although State programs have already demonstrated an ability to adapt to fluctuating State and federal funding, it appears that future funding reductions to State programs could so adversely affect State programs that they become ineffectual and are unable to fulfill their mission.

The data demonstrate that States with large tank universes are contributing significant resources to the tanks program and that this effort is augmented by federal resources. In general, given the current economic realities, it is unlikely that there would be additional State resources available to account for any reduction in federal funding in supporting all State tank programs

The data presented in Figures 45 and 46 document that States with smaller tank universes are heavily dependent on federal funding in maintaining an effective tanks program. The mission critical tasks of corrective action oversight, site specific compliance inspections, enforcement and outreach account for the majority of the allocation of State and federal funding. These mission critical tasks are essential to the goals of State programs. These tasks ensure that cleanups are fully and properly completed.

The data further suggest that States are spending a minimal amount of federal funding on functions of program operation and implementation that are not critical to fulfilling their primary mission. These additional functions are necessary components of any effectively operating program, but do not directly affect public health and the environment. The minimal expenditures for additional, but necessary functions of programs suggest that further reduction in these areas will result in a reduction of program functionality. The data infer that it is likely that any significant reduction in federal funding to State programs will result in a direct reduction of States' ability to fulfill the mission critical tasks identified in Figure 49.

Program Operation and Implementation

Cleanup programs for many States have been in operation since before the federal regulations were promulgated in 1988. These State programs, to one extent or another, successfully accomplish the mission of protecting public health and the environment by cleaning up petroleum contamination and mitigating contaminant exposure to the public. Although these cleanup programs have functioned well for years, there are still significant challenges that must be faced.

Along with the problem of reduced federal funding, such challenges include responding to new petroleum releases, addressing backlogged LUST sites, responding to new emergency response actions, assessment for vapor intrusion impacts, and sampling/monitoring for additional contaminants of concern (e.g., lead scavengers) which were not originally considered when the programs were set up. Program operation and implementation

(Figures 42, 43, 46, and 49) is the area where the bulk of program work is accomplished, as approximately 80% of State and federal funds are spent in this area.

The majority of federal and State funds are being spent in program operation and implementation: the most mission critical work of State cleanup programs. This includes providing the State oversight to ensure site investigations and cleanups are being initiated and done correctly, providing the claims review and tracking to ensure prompt payment of cleanups costs, attending critical site and program meetings, and managing the States' databases.

Key Program Challenges

States face a significant number of new challenges as UST/LUST Programs continue to evolve. This includes the challenge of new releases, the unpredictable financial burden of emergency responses, the additional costs of petroleum vapor intrusion assessments, new contaminants of concern, and future efforts of States to reduce numbers of "backlogged" petroleum release sites.

New Releases

Despite advances in technology, it is inevitable that additional releases will occur. These are due to human error, accidents, or equipment failure. Although the annual number of new releases reported has decreased enormously in the last decade according to the U.S. EPA UST Performance Measures (from 25,000-30,000 new releases per year during the late 1990s to 6,128 new releases per year according to data collected through September 2013), they continue to occur. In addition to the reported releases, there are historic releases being discovered or releases that have yet to be fully remediated. These historic releases will continue to be discovered as long as new roads or sewers are constructed and properties with historic petroleum storage/usage are redeveloped.

Emergency Response Actions

Emergency responses are an on-going type of release that requires State regulatory agencies to take immediate action and to expend resources to protect public health and the environment. A catastrophic release of petroleum can result in explosion hazards from vapors or product entering buildings and utilities, and cause significant impact to surface water and groundwater, posing an immediate threat. In addition, an older but more gradual release of petroleum can pose serious exposure risks when changing site conditions or property redevelopment results in newly completed paths of exposure.

State emergency response actions could involve immediate mobilization of staff and/or environmental contractors to investigate and mitigate the release. Evacuating buildings, providing temporary housing, venting fumes, pumping out product, flushing a sewer, and collecting product on surface water bodies are all examples of emergency response actions. These actions require experienced State personnel with the training, equipment, and resources required to mitigate the release. Case incidents of recent emergency response actions undertaken by States are included in ASTSWMO's *Compendium of Emergency Response Actions at Underground Storage Tank Sites.*

These emergency functions have traditionally been funded by federal grants and are a critical part of the LUST program. These situations create the greatest immediate risk to public health and the environment, and

require significant resources to mitigate. Emergency response activities are likely to occur in the future and more so if State tank programs are underfunded.

Vapor intrusion

Petroleum vapor intrusion into living spaces has long been recognized as an exposure pathway that must be evaluated. States that have not already developed petroleum vapor intrusion (PVI) guidance or regulations are considering how they will address this problem.[4] States often use a risk-based approach to deal with PVI. When PVI is actually occurring in an enclosed space, it often will result in an emergency response as mentioned above. PVI poses unique challenges for remediation and mitigation.

Vapor transport by utility corridors can exacerbate vapor intrusion into living spaces. Most utility lines, particularly water and sewer, are placed in porous bedding such as pea gravel or sand, which acts as a secondary conduit carrying petroleum and petroleum vapors. States typically address PVI with treatment systems that pump contaminated groundwater and extract soil vapor, or with installation of radon type system to prevent the mixing of PVI into a structure's ambient air. Many older systems are at risk of age-related failure, and may only be identified through routine inspections by experienced State personnel. State resources in the UST area are limited, and reductions in federal funds will force States to divert resources dedicated to other UST mission critical functions to functions involving PVI.

Contaminants of Concern

As the LUST program has matured, the number of petroleum contaminants that are of concern has increased having an impact on costs to remediate and State assets available to continue mission critical functions. Fuel additives such as methyl-tert-butyl-ether (MTBE) and ethylene dibromide (EDB) have been recognized as significant hazards to public health and the environment. As reformulated fuels become more prevalent in the fuel supply, new additives may become contaminants of concern at future releases.

U.S. EPA requirements have increased the percentage of ethanol allowed in reformulated gasoline, leading to the potential for increased costs of cleanups. The increase in the number of contaminants of concern directly affects the cost of investigation and corrective action. This will further strain State programs currently struggling with limited resources.

Backlog Reduction

State cleanup programs are devoting resources toward reducing the number of sites needing corrective action. U.S. EPA continues to emphasize the cleanup backlog and backlog reduction in LUST Trust Fund grant work plans, and the State Fund Soundness review process. In light of the other challenges mentioned above, State backlog reduction efforts will be adversely affected by reduced funding. Since States need to devote their resources to the highest priority work influenced by risk to public health, such as emergency responses, work on the backlog will likely suffer with diminishing federal funding.

<u>Budget Reductions</u>

State programs are faced with reductions in funding from both federal and State sources. There are many sites throughout the nation that are undergoing active remediation yet an increasing number of sites waiting for

[4] U.S. EPA has been drafting PVI guidance, which is expected to be released soon.

cleanup funding remain. Future budget reductions will result in less cleanups completed. State programs will be forced to choose between priorities, reduce or eliminate some program activities, and/or reduce the number of staff, potentially reversing the present trend of decreasing staff case loads, resulting in decreased program responsiveness and likely reduced attentiveness to lower priority sites. Long-term cleanups and fewer cleanups completed per year will increase the threat to groundwater and pose greater risk to public health and the environment.

Compliance

Compliance functions of the LUST program are typically achieved by oversight activities conducted through on-site inspections of corrective actions. When a release occurs, the tank owner/operator must retain a professional cleanup contractor to define the extent of soil and groundwater contamination, including identifying off-site contamination to neighboring properties, conduct free product recovery activities, and conduct other corrective actions. State oversight is required to ensure this work is conducted properly and that public health exposure is mitigated.

For each confirmed release that needs a corrective action plan, the States must provide notice to those members of the public directly affected by the release and the planned corrective action as well as those in the public concerned about the impact the release has had on the local community. States are responsible for ensuring that tank owners/operators comply with these regulations to report, investigate, and cleanup releases from UST sites. State staff review field protocols and conduct on-site inspection. In some States, the State program contracts directly with the consultants to complete the cleanup activities. Where this occurs, the action is a staff intensive activity requiring significant amounts of staff resources. All of these activities require the expenditure of scarce State resources.

In some States, there are licensing and certification programs for contractors and consultants that must be met before their firm can conduct work on LUST projects. This can include requirements for annual recertification or to maintain continuing education credits to keep their certification current. State staff also provides oversight of projects by conducting site visits during phases of the cleanup to provide technical assistance and ensure that activities are being done in compliance with State regulation, guidance, standards, or procedures.

The data presented below in Figures 50 (LUST only) and 51 (LUST and State Fund combined) show the percentage of the overall budget that funds compliance in small States. Despite the critical nature of this work, it only represents 19% and 12%, respectively, of the overall budget. Since this work represents such a relatively small percentage of the overall budget, any reductions in the overall budget will likely not be absorbed by reducing compliance expenditures without significant adverse impacts on the program.

Figure 50. LUST Only Compliance Costs as Percentage of Total Program Cost States with less Than 10,000 Tanks

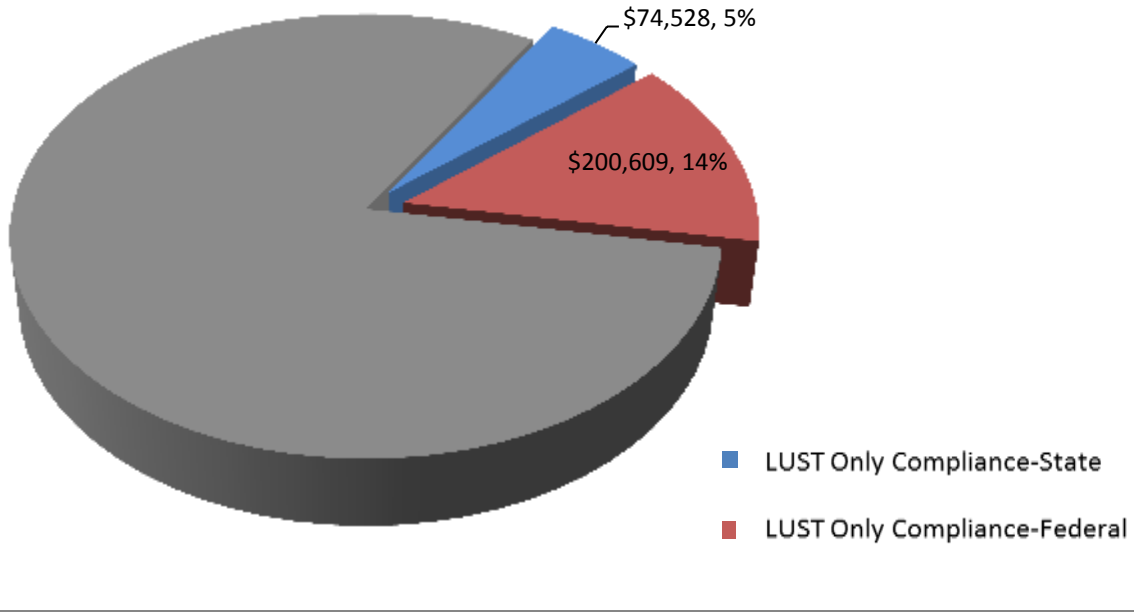
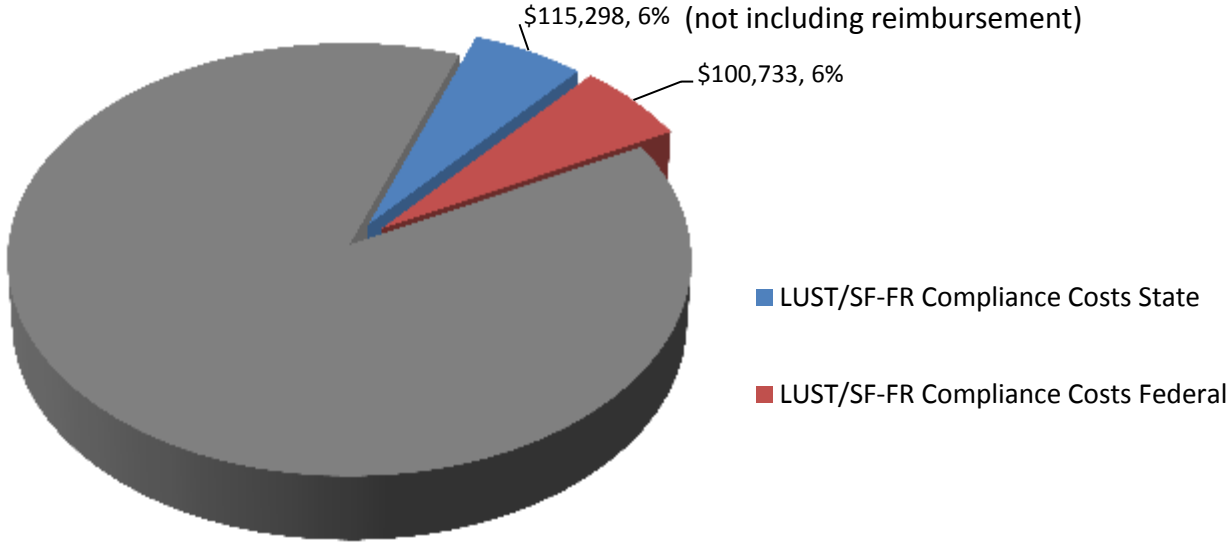


Figure 51. LUST/SF-FR Combined Compliance Costs as Percentage of Total Program Cost States with Less Than 10,000 Tanks



Oversight of investigation and cleanup projects is necessary to ensure that tank owners and operators comply with the regulations and standards for conducting cleanups of releases from leaking USTs. Most importantly, State oversight is conducted to ensure steps are taken to prevent exposure of contaminants to the public. Site visits and travel associated with this work can be costly, but ensure that the cleanup is done correctly and that there is adequate protection to human health and the environment. Oversight of consultants, contractors, and responsible parties assures that the public is protected from low-quality cleanups and potential fraudulent use of State and federal funds.

Future funding cuts will result in fewer site visits by State inspectors, less staff to provide oversight of investigations and cleanup activities, less staff to provide oversight of contractor licensing and certification, and other cleanup activities. This could lead to fewer cleanups conducted by States and an increase in the cleanup backlog.

Enforcement

The UST program is implemented primarily at the State and local level because of the size and nature of the regulated UST community. This includes the implementation of enforcement actions at LUST sites. The goal of LUST enforcement is to seek prompt compliance and resolution to violations, especially when those violations endanger public health and the environment, ensure proper, timely corrective action, and deter future violations. States encourage voluntary compliance in addressing releases and partner with the regulated community to educate tank owners/operators on the regulations to reduce violations. Since many of the tank owners and/or operators are small business owners that lack resources to provide adequate training, it is important that States provide education so that violations are corrected.

Ultimately, States may be forced to take enforcement actions against tank owners and/or operators of LUST sites when the investigation, risk assessment, or cleanup of a petroleum release does not progress appropriately or in a timely manner, the responsible party refuses to conduct the activities, or the release poses an immediate threat to public health and the environment. The State may also be forced to take enforcement actions against owners/and operators that simply fail to report suspected or confirmed releases of regulated petroleum substances.

Each State has an enforcement process of working with the owner/operator to effectively communicate statutory and regulatory violations, and the appropriate course of action to resolve the violations. Each of these steps involves the dedication of State resources. The enforcement process is designed for the parties to negotiate in good faith to educate the tank owner/operator on what the violation is and how to eliminate or correct it. Negotiations to agree on a plan to achieve compliance in the investigation, risk assessment, or corrective action of the release in a timely fashion can result in either civil or criminal enforcement.

The severity of the release may require more timely enforcement response from the State. This generally occurs when a release imminently threatens the public or the environment. In these instances, the State may be forced to respond when a tank owner/operator is unknown, unwilling, or unable to respond or cannot respond quickly enough to mitigate the emergency. The State will respond and conduct the emergency response actions and then seek cost recovery from the responsible party under State and federal law.

Generally, as part of U.S. EPA approval of State programs, States are responsible for all legal, programmatic, and administrative activities necessary for conducting cost recovery activities for expenditures from the LUST Trust Fund. State efforts to recover these costs can lead to enforcement actions for the failure of tank owners/operators to pay the costs of corrective action, the enforcement of that corrective action, interest, indirect, management, and support costs associated with the corrective action or recovery activities. States also recover penalties and other associated costs.

Due to budget cuts over the last several years, State UST Programs have already reduced resources allocated to conduct enforcement activities. States have had to look at streamlining the process to maximize efforts. In some cases, States have been successful in promoting property transactions and redevelopment as reasons for

completing cleanups, rather than taking enforcement actions. The Petroleum Brownfields Program has helped many States address sites that might previously have gone through formal enforcement proceedings. Some States have also successfully promoted the availability of State funds to provide funding to pay for assessment and corrective action activities. However, these efforts are not always effective and aggressive enforcement must be pursued. Enforcement is a critical tool for protecting public health and the environment, typically in the most egregious circumstances. Reducing resources for enforcement activities delays corrective action at sites, exacerbates the backlog of stalled sites, and significantly increases the risk to public health and the environment.

The role of State funds in enforcement is demonstrated in at least two ways. Most State funds prevent the necessity of enforcement of cleanup requirements by providing a huge incentive to comply. The penalty of noncompliance may be a full or partial exclusion from the fund which compels many owners and operators to proceed with required cleanups. In addition, State funds across the country effectively accomplish most of the cleanup work required of responsible persons in LUST and State fund combined programs. If a responsible person refuses to cooperate, the State fund pays for and implements enforcement actions

The data presented below in Figures 52 (LUST only) and 53 (LUST and State Fund combined) show the percentage of the total budget for enforcement in small States. Despite the critical nature of this work, it only represents 13% and 4%, respectively, of the total budget. Since this works represents such a small percentage of the overall budget, any reductions in the overall budget cannot be absorbed by reducing enforcement expenditures. Enforcement actions are resource intensive and additional funding cuts will result in reduced enforcement actions.

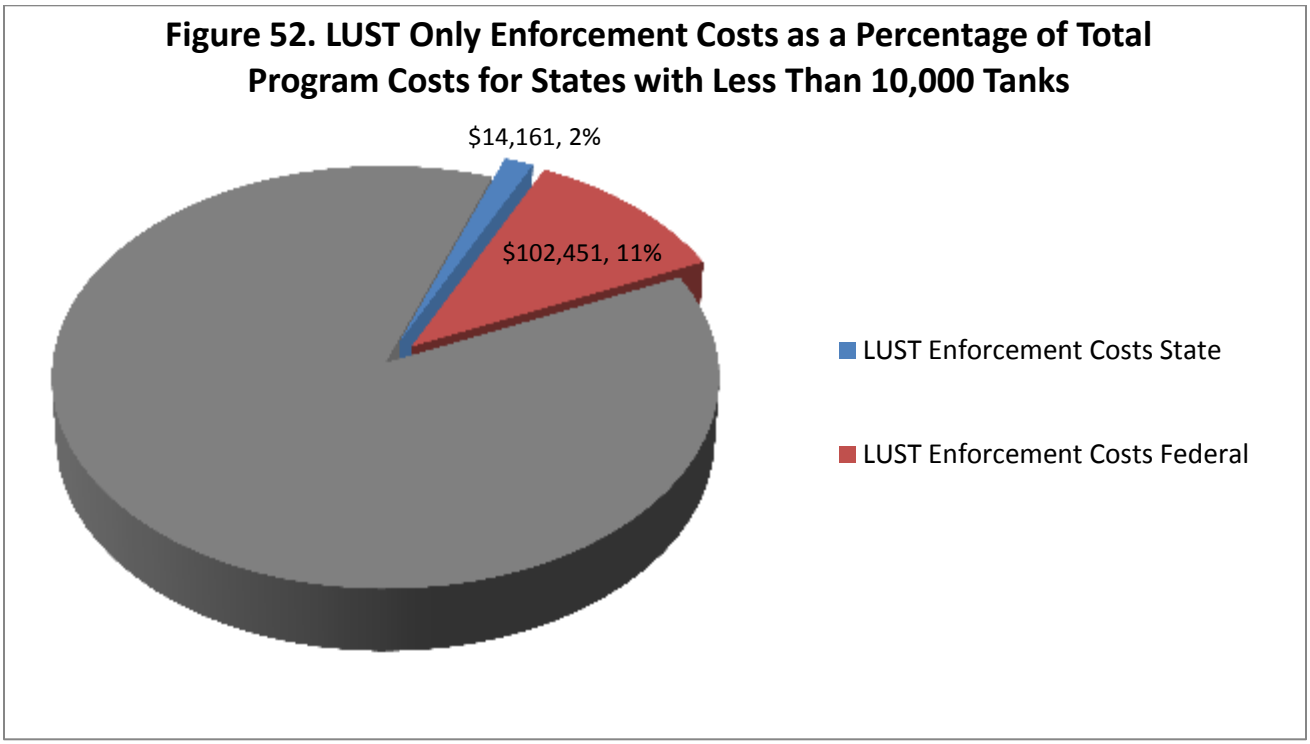
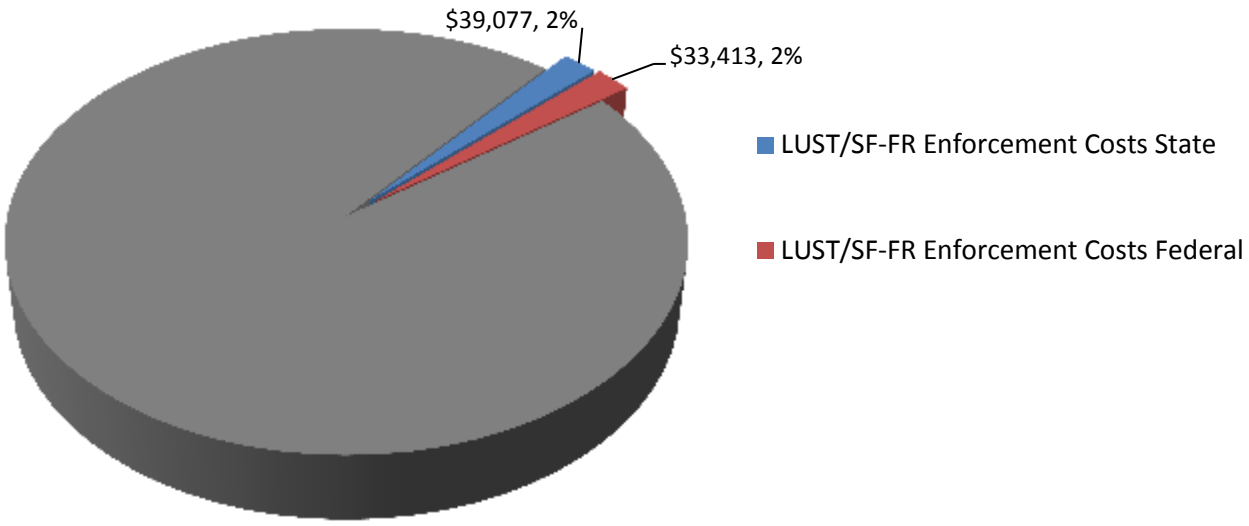


Figure 53. LUST/SF-FR Combined Enforcement Costs as Percentage of Total Program Costs for States with Less Than 10,000 Tanks
(not including reimbursement and 3rd party costs)



As State tank programs adjust to operate within an environment of ever-reducing resources, increasingly difficult decisions will have to be made on what portions of the program must be reduced. The data suggests that a majority of enforcement costs are being absorbed by the States using federal funds. The reduction in enforcement effort would likely manifest itself throughout any State LUST program. A viable and effective enforcement program gives the regulated community incentive to fully participate in the LUST regulatory program

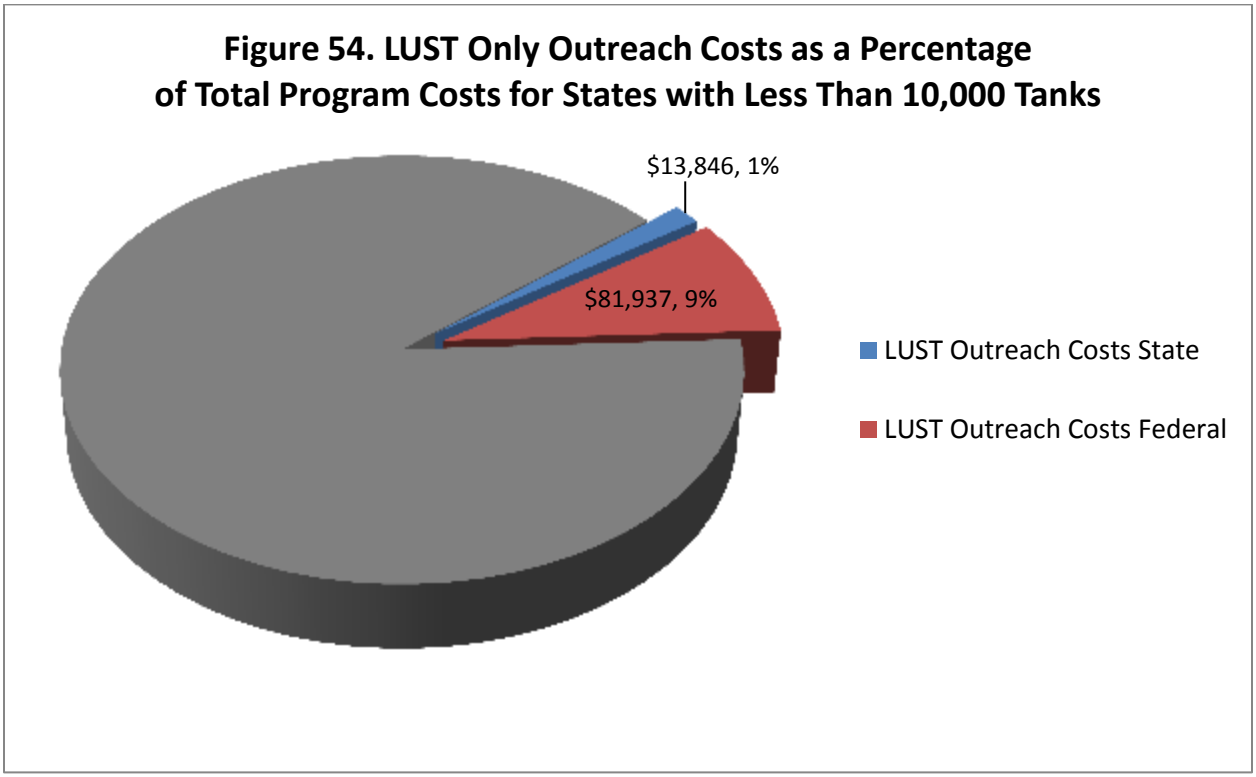
Outreach

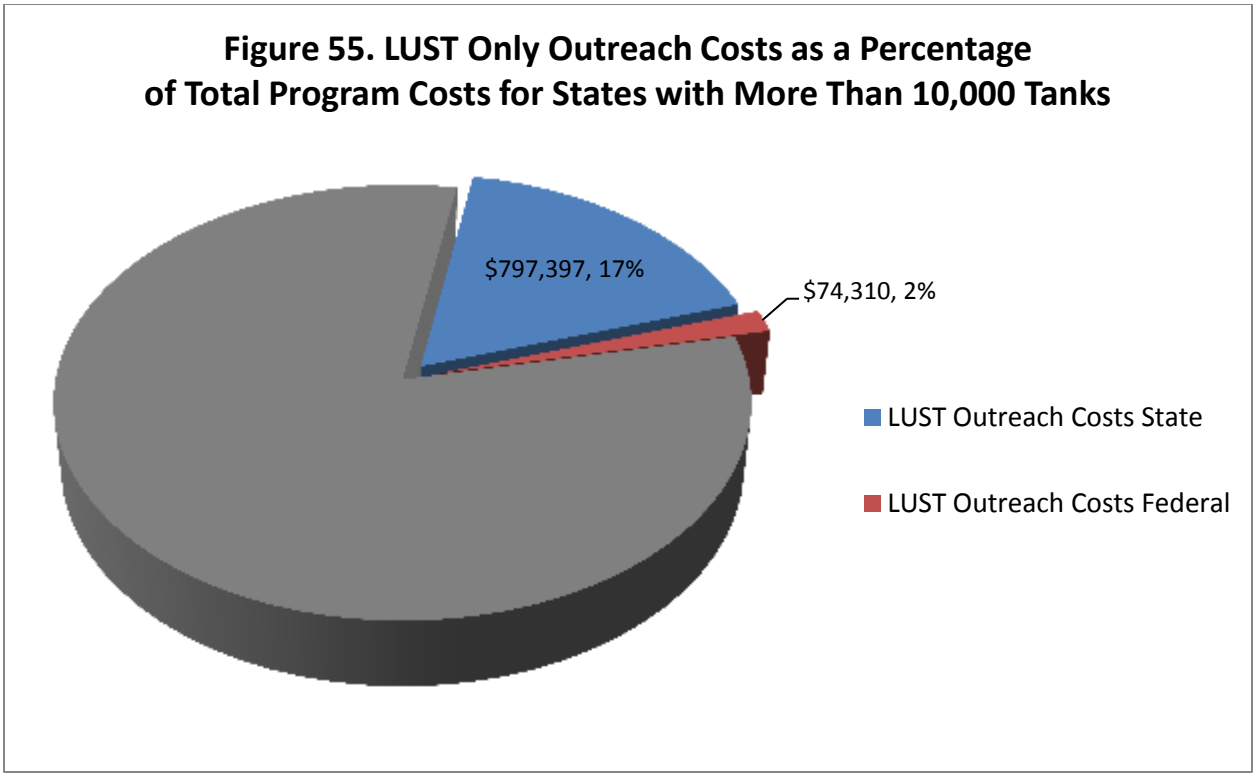
An important component of the national cleanup program is the need to provide outreach to the regulated community, affected third parties, the local community, cleanup contractors, the legislature and other interested parties. This outreach may include regular newsletters, guidance documents or fact sheets. In addition, States hold public meetings, conduct public service announcements and provide information in local newspapers. Effective outreach assures timely implementation of remediation by removing obstacles and promoting community cooperation and participation. The use of a State's website has become a critical tool in the dissemination of important site cleanup information.

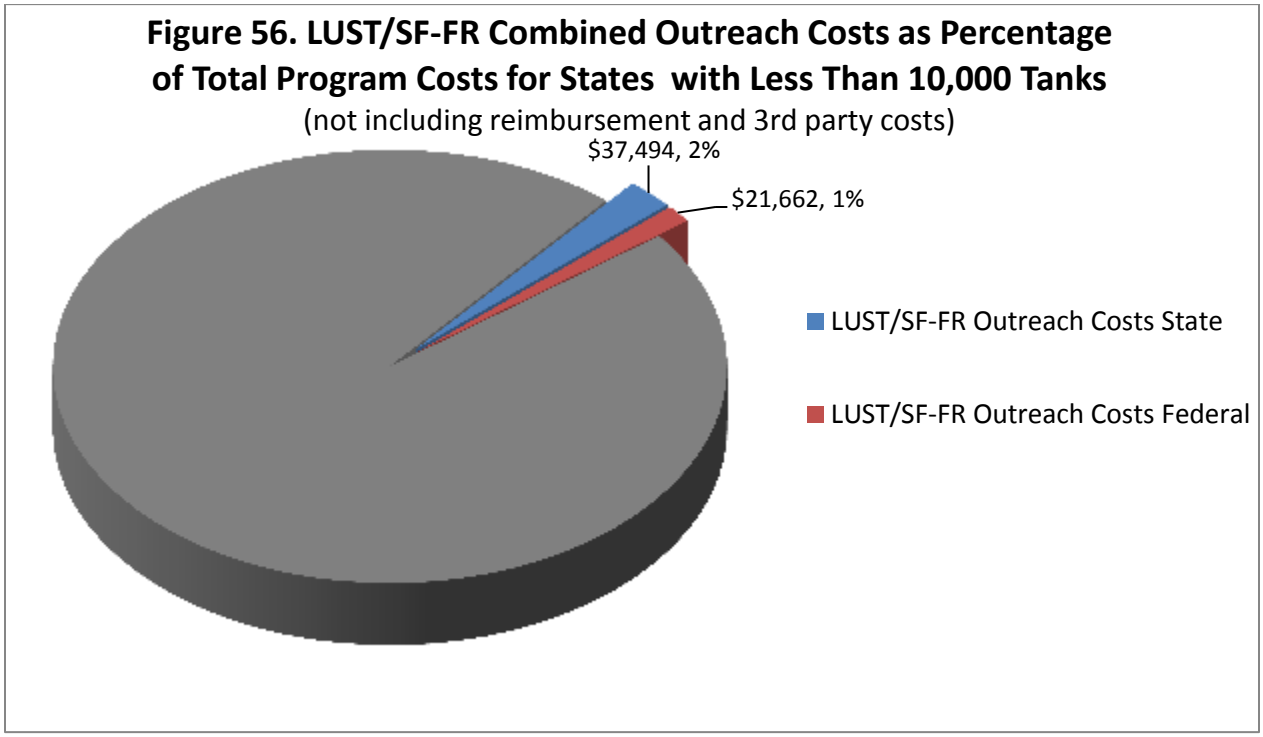
Providing readily accessible and understandable site cleanup information is essential for a successful program. Site owners need to know what is required of them when a petroleum release occurs from one of their USTs. Consultants have to be familiar with State cleanup goals and requirements and how to achieve them in a cost effective manner. A State's Trust fund needs to communicate what costs are reimbursable and what costs are not covered by the program. The local community needs to know how a release has affected the local area and what measures are being taken to protect its citizens and their property values. And most importantly, an affected third party needs to understand the potential health effects of a petroleum release and corrective actions implemented to mitigate the release.

Not only is outreach integral to any successful tanks program, it is required by federal UST regulations. These regulations require certain community engagement activities related to LUST sites when a corrective action plan is required. In addition, the *LUST Trust Fund Cooperative Agreement Guidelines* (May 24, 1994) require that States develop and implement a public participation policy. The LUST Trust Fund guidelines detail steps that States can take to promote two-way communication between States and the affected public, while recognizing that public participation activities should be appropriate to the circumstances of a release. Specifically, the LUST Trust Fund guidelines promote facilitating public understanding of State response procedures and actions, and encouraging public input into State response decisions and schedules.

The data presented below in Figures 54 (LUST only, small States), 55 (LUST only, large States), and 56 (LUST and State Fund combined, small States) show the percentage of the total budget that funds outreach. Despite the critical nature of this work, it only represents 10, 19 and 3%, respectively of the total budget. Since this work represents such a small percentage of the overall budget, any reductions in the overall budget cannot be absorbed by reducing outreach expenditures. It should be noted that Figure 55 showed a significance investment in outreach from a large State that had a robust outreach program. In fact, this Figure represents only that one State response and likely does not reflect other large States as they did not report any investment in this area.







The one large State that responded to the survey spent a considerable portion (17%) of their total State program participation on conducting outreach, while only relying on slight support from the federal contribution for outreach. In contrast, States with small tank universes rely significantly on federal participation to support their outreach programs. This is true for both LUST only programs as well as LUST and State Fund combined programs. States with larger tank universes are able to rely much less on federal funding to maintain the program.

The data suggest that any significant reduction of federal participation in funding cleanup programs nationwide will likely disproportionately affect States with smaller tank universes. Since conducting outreach is such a critical component of a cleanup program, any cuts in federal funding will have a serious effect on this activity, especially for State with smaller tank populations. Failing to conduct such outreach could result in improper cleanups, an uninformed community, irate third parties and cleanup costs outside the State fund limits.

CONCLUSIONS

The information collected in this survey has yielded the following conclusions:

- The Tanks program has evolved into a strong partnership between the federal government, the regulated community, and the States. States cannot absorb any future reductions in federal funding without significant loss in their ability to operate a fully functioning program.

- Future budget cuts will result in the reduction or elimination of mission critical work. The data shows that States have a heavy reliance on federal funds for this work. As budgets are reduced, States will likely be forced to make cuts in mission critical program implementation components.

- The UST compliance program has made great strides in increasing the number of compliant tanks, which has resulted in fewer releases. States rely on federal funding to support roughly half of their UST program operating costs.

- Future budget reductions will result in a decrease of inspection frequency due to staffing reductions and lack of resources to maintain the cycle.

- Onsite inspections provide a valuable opportunity to educate tank owners and operators and reinforce the idea that noncompliance will be caught and enforcement actions will result. Reductions in inspection frequency will provide less of this valuable onsite presence and will likely lead to more noncompliant tanks.

- Groundwater contamination and other threats to public health are likely to increase if State programs are not adequately funded in the future.

- Future budget reductions will result in fewer cleanups completed.

- The LUST and State Trust cleanup programs have cleaned up 84% of the confirmed releases identified since program inception, yet a backlog of sites remain to be cleaned up. A significant cause of the backlog is funding limitations.

- States with combined LUST-State Fund programs or large States with LUST only programs rely on a balance of State and federal funds to support their operating costs. Small States with LUST only programs depend on federal funds for 72% of their operating costs.

- Small States with LUST only cleanup programs or those operating at or near a base level of UST program funding are particularly vulnerable to additional cuts in federal funding. Further cuts may result in reduced inspection frequency, increased risk of releases and delayed cleanups.

- Reductions in staff, especially more experienced and skilled staff, will result in States being less effective at managing cleanups and the LUST site backlog will subsequently increase. The speed of cleanups and the number of cleanups completed will decline, and cleanup goals will not be met. In

addition, delays in addressing sites will increase the cost of cleanups in the long run. Contamination plumes will spread with additional threats to groundwater, public health, and the environment.

This Core Report illustrates that significant federal and State resources are necessary to implement the national tanks programs, which is critical for the protection of public health and the environment. The data show that in addition to important federal resources, States are committing significant resources of their own to maintain the programs and are concentrating their resources on mission critical tasks. Increasing State requirements without corresponding federal funding will have adverse effects on human health and the environment as States are unable to maintain effective UST compliance programs. Even in the absence of additional federal regulatory requirements, federal funding cuts could make many State programs less effective at preventing future petroleum releases and slow the pace of corrective action leading to site closure.

RECOMMENDATIONS

The information collected in this survey has yielded the following recommendations:

- The results of this report should be shared with U.S. EPA and Congress to ensure they are informed of the impact of future federal budget cuts on the national UST program.
- The results of this report should be shared with State legislatures to ensure they are informed of the impact of future State budget cuts on the national UST program.

APPENDIX A: CORE REPORT SURVEY

PURPOSE

The purpose of this survey is to gather information from as many States as possible to give a representative cost of administering the UST program nationwide. Once this data is gathered, we will be able to take the information to write the programs' Core Report. The UST program is carried out in a variety of ways across the States and Territories (States), from UST Compliance to LUST Corrective Action to Financial Responsibility and State Funds. Facts and figures resulting from this survey may provide more detailed information that could help programs understand the impacts of program budgetary cuts.

INTRODUCTION

ASTSWMO is requesting program costs as well as site specific clean-up cost information. This survey is set up so that each of the following four types of programs will be surveyed: UST Compliance program, LUST Corrective Action and combined State Fund program, Separate State Fund program, and Separate LUST Corrective Action program. This survey will ask first, for the total cost of each of the individual programs listed above. The amounts are all broken down into State Funding and Federal Funding. On the State Funding portion, this will include, but is not limited to your program's State match. This survey will focus on program implementation and development, compliance, enforcement, and outreach.

- **Section A: UST Compliance Program**
- **Section B: LUST Corrective Action and State Fund Combined Program**
- **Section C: State Fund Program**
- **Section D: LUST Corrective Action Program**

The respondent will only have the ability to complete one Section at a time. If you need to enter responses for more than one section you must complete and submit one Section of the survey before you can begin to complete another Section.

This survey will ask first for the total cost of each of the individual programs listed above. The amounts are all broken down into State Funding and Federal Funding. On the State Funding portion, this will include, but is not limited to, your program's State match. For Federal Funding, DO NOT include funding received from the American Recovery and Reinvestment Act (ARRA).

For each program, this survey will focus on program development and implementation, compliance, enforcement, and outreach.

The majority of questions ask for responses to be entered in two formats:

1. the actual dollar cost of an activity (whole digits only, rounded to the nearest dollar)
2. the number of hours spent on an activity (or full-time equivalent (FTE)).

Comments are encouraged since most States will have very different ways of looking at these questions and they may not seem to fit every program exactly. If there are additional activities that you feel are not accounted

for, please write them in so that we can better evaluate the data once it is received. Because of the variability among State programs in scope, authority, and procedures, it will be left to the individual State to determine how sub-activities are included within these activities below for the purposes of time and cost estimating.

This survey features a "Save and Continue" feature that allows you to save your responses to the survey and come back later. If selected (the button is at the top of the question pages), you will receive an email with a link to your survey that will allow you to finish later.

State Survey Contact Information

I work in a/an*

( ) UST Compliance Program

( ) LUST Corrective Action and State Fund Combined Program

( ) State Fund Program

( ) LUST Corrective Action Program

Please complete.

First and Last Name*: _____

Agency*: _____

Position Title*: _____

Email Address*: _____

Phone Number*: _____

Section A: UST Compliance Program

1) What was the total annual cost over federal or State fiscal year 2011 for your UST Compliance Program? This should include all your costs.

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

2) How does your State or program calculate FTEs?

3) How many FTEs are in your program?

Program Development and Implementation

As additional requirements are placed on State UST programs, the costs associated with the activities that support these core requirements also increase. The primary objective of the program development and implementation component of the Core Report is to establish a range of costs for those activities necessary to incorporate new requirements in the UST program, apply for funding to support the program, and ongoing costs to run the program. Examples of program development and implementation activities include, but are not limited to, the following:

- Freedom of Information Act (FOIA) requests
- State certification of UST workers (third-party operator training provider certification, auditing, installers, removers, cathodic protection (CP) testers)
- State approval of trainers and training programs for operator training (not including State education of any operators)
- Recordkeeping, including registration and ownership or operator changes, equipment updates, and tank status updates
- Billing and collection of UST registration or permit fees
- Budgeting activities related to the development, maintenance and updating of a budget
- Grant development, attainment, reporting and other data management tasks
- Regulatory development activities: writing regulations, meeting with legislators to get regulations approved, justifications for regulations and positions required
- Building operator training programs or developing and staffing them for meeting operator training requirements
- Developing and conducting training of UST Staff and support staff, writing and keeping current standard operating procedures (SOPs), guidance documents (internal and external), and policies

4) Budget Question

What was the annual cost of developing, reviewing and maintaining an UST Compliance Program budget (allocating funds and applying for grants)?

	Dollars	Number of Hours
State Funding	___	___
Federal Funding	___	___

Comments:

5) Regulatory Question

What was the annual UST Compliance Program cost of rulemaking/developing regulations/justifications/preparing and posting public comments (including attending legislative meetings and educating legislative bodies as well as public record requirements of the EPAct)?

	Dollars	Number of Hours
State Funding	___	___
Federal Funding	___	___

Comments:

6) Database Maintenance

What was the annual UST Compliance Program cost of collecting and updating information in your database?

	Dollars	Numbers
State Funding	___	___
Federal Funding	___	___

Comments:

What was the annual UST Compliance Program cost of collecting and processing registration or permit fees?

	Dollars	Number of Hours
State Funding	___	___
Federal Funding	___	___

Comments:

What was the annual UST Compliance Program cost of reviewing and responding to Freedom of Information Act (FOIA) or other informational requests?

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

Comments:

7) Training and Certification Programs

What was the annual UST Compliance Program cost of developing Operator Training programs to comply with the EPAct requirements?

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

What was the annual UST Compliance Program cost of implementing Operator Training? (This is external training and includes certification programs and conducting training at the time of inspections.)

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

What was the annual cost of UST Compliance Program staff conducting or oversight/review of Operator Training documentation (such as certification documentation, training lists, etc.)?

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

Comments:

What was the annual UST Compliance Program cost of developing internal training materials and conducting training (guidance, policies, SOPs, webinars) for UST staff and support staff? Include here sending staff to training and time spent in training, but not the travel costs (ex., airfare, hotels, etc.).

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

Comments:

8) Operating Supplies

What was the UST compliance program's annual operating budget for FY11? If possible identify each item listed below.

	Dollars	**Number of Hours**
Supplies: State Funding	___	___
Supplies: Federal Funding	___	___
Computers: State Funding	___	___
Computers: Federal Funding	___	___
Travel: State Funding	___	___
Travel: Federal Funding	___	___
Other (identify in comments): State Funding	___	___
Other (identify in comments): Federal Funding	___	___

Comments:

9) Other Costs for Program Development and Implementation Activities

Please identify and describe any other costs for UST Compliance Program development and implementation activities not captured by the questions above. Please identify what activities are covered under these costs in the comments box below.

	Dollars	Number of Hours
State Funding	___	___
Federal Funding	___	___

Comments:

Compliance

The primary objective of the "Compliance" component of the Core Report is to establish a range of costs for those activities necessary for UST facilities to achieve, determine and maintain compliance with the UST regulations. This would include all activities up until time that notice of violation (NOV) is issued. For the purposes of this survey, do not include enforcement actions, such issuing NOVs. Those items are covered elsewhere in the survey and their costs should not be counted here. Examples of compliance activities include:

- Inspections and follow up activities up to NOV's
- Installation inspections
- Retro-fit/Repair inspections
- Removal and Closure inspections
- Operator Training (posting and checking to see if trained)

Comments are encouraged since most States will have very different ways of looking at these questions and they may not seem to fit every program exactly. If there are additional activities that you feel are not accounted for, please write them in so that we can better evaluate the data once it is received.

10) What is your inspection frequency?

( ) 1 year

( ) 1.5 years

( ) 2 years

( ) 2.5 years

( ) 3 years

( ) Other: _____*

11) What level of budget cut would result in your State not meeting the 3 yr inspection requirement?

( ) 0%

( ) 10%

( ) 15%

( ) 20%

( ) Other: _____*

12) Who conducts inspections in your State?

( ) State Staff

( ) Contractors

( ) 3rd Party

( ) Other: _____*

13) Are Installation inspections included in your program.

( ) Yes

( ) No

14) Are Retro-fit/Repair inspections included in your program?

( ) Yes

( ) No

15) Are Removal/Closure inspections included in your program?

( ) Yes

( ) No

16) Does your staff or contract staff conduct Operator Training certification as part of your onsite compliance inspections?

( ) Yes

( ) No

17) Cost of Preparing for Inspections

What was the annual UST Compliance Program cost of preparing for inspections (i.e., review of site, file review, etc.)?

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

Comments:

18) Cost of Conducting Inspections

What was the annual UST Compliance Program cost of conducting the inspection (State-led, contract or 3rd party)? Include travel related to the inspection, reviewing compliance documents (financial responsibility (FR), Release Detection, CP, etc.).

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

Comments:

19) Cost of Reviewing State-hired Third-Party or Contract Inspections

What was the annual UST Compliance Program cost of reviewing State-hired third-party or contract inspections, if applicable?

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

Comments:

20) Cost of Follow-up Activities

What was the annual UST Compliance Program cost of follow up activities after inspections (i.e., revisiting the site, paperwork, letters, etc.)? Include only up to the issuance of the first NOVs.

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

Comments:

21) Other Costs for UST Compliance Activities

Please identify and describe any other costs for UST Compliance Program compliance activities not captured by the questions above. Please identify what activities are covered under these costs in the comment box below.

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

Comments:

Enforcement

The primary objective of the "Enforcement" component of the Core Report is to establish a range of costs for those activities that follow after an inspection reveals that violations warrant an enforcement action. This will allow States that have joint inspection/enforcement programs (i.e. the UST inspector performs inspections and also generates the enforcement action) to accurately represent cost per activity. For purposes of this survey, do not include pre-inspection activities or inspection activities before the issuance of the first Notice of Violation (NOV). Those items are covered elsewhere in the survey and their costs should not be counted here. Examples of Enforcement activities include:

- NOVs as a result of a physical inspection
- NOVs as a result of administrative functions
- Delivery Prohibition
- Enforcement Hearings

- Consent Orders
- Referrals

22) Cost of Minor Enforcement Actions

What was the annual UST Compliance Program cost of issuing and tracking minor enforcement actions (NOVs)?

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

Comments:

23) Cost of Major Enforcement Actions

What was the annual UST Compliance Program cost of issuing and tracking major enforcement actions, conducting enforcement meetings, closing actions (File Reviews, consulting with inspectors, follow-up inspections, identifying responsible parties, Consent Orders, Referrals, etc.)?

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

Comments:

24) Cost of Legal Actions

What was the annual UST Compliance Program cost of legal actions outside of the agency (i.e., court fees, filing fees)?

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

Comments:

25) Cost of Implementing Delivery Prohibition

What was the annual UST Compliance Program cost of implementing delivery prohibition (including tagging tanks, tracking and follow-up)?

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

Comments:

26) Other Costs for Enforcement Activities

Please identify and describe any other costs for UST Compliance Program enforcement activities not captured by the questions above. Please identify what activities are covered under these costs in the comment box below.

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

Comments:

Outreach

The primary objective of the "Outreach" component of the Core Report is to establish a range of costs for those activities necessary for the UST program to reach out to the public. Outreach activities are those activities that can be both internally how the State communicates with other governing bodies, as well as how it communicates with the general public. For the purposes of this survey, think of ways your State reaches out to communicate with the regulated community, contractors, legislators, petroleum marketers, etc.

Examples of outreach activities include:

- Public meetings
- Stakeholder meetings
- Town meetings
- Regulatory meetings to educate legislators on upcoming regulation changes;
- Pamphlets created and distributed to educate the public;
- Newsletters to keep the public informed;

- Postcard and letter reminders of upcoming compliance deadlines

27) Cost of Communications

What was the annual cost of developing and sending out an UST Compliance Program pamphlets, guidance documents, newsletters, or fact sheets to educate the regulated community or contractors?

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

Comments:

28) Cost of Stakeholder and Town Meetings

What was the annual cost of preparing for and conducting UST Compliance Program stakeholder and town meetings?

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

Comments:

29) Cost of Program Website

What was the annual cost of developing and maintaining an UST Compliance Program website?

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

Comments:

30) Cost of Reminders and Technical Assistance

What was the annual cost of designing and/or distributing post card reminders or letters to tank Owners/Operators, technical assistance on-site or over the phone?

	Dollars	Number of Hours
State Funding	___	___
Federal Funding	___	___

Comments:

31) Other Outreach Activities Costs

Please identify and describe any other costs for UST Compliance Program outreach activities not captured by the questions above. Please identify what activities are covered under these costs in the comment box below.

	Dollars	Number of Hours
State Funding	___	___
Federal Funding	___	___

Comments:

32) What are the critical work activities your program would have to do to survive and how much would that costs?

Based on the questions provided in this survey and the responses you provided above, what are the critical work activities your program would have to do to survive? Please list up to five.

Task 1: _____

Task 2: _____

Task 3: _____

Task 4: _____

Task 5: _____

How much would these work activities cost?

	Dollars	Number of Hours
Task 1	___	___
Task 2	___	___
Task 3	___	___

Task 4	___	___
Task 5	___	___
State Funding	___	___
Federal Funding	___	___

Section B: LUST Corrective Action and State Fund Combined Program

33) Total Cost for Combined LUST Corrective Action and State Fund Combined Program?

What was the total annual cost over federal or State fiscal year 2011 for your LUST Corrective Action and State Fund Combined Program? This should include all your costs.

	Dollars	**Number of Hours**
State Funding (including, but not limited to, State matching funds)	___	___
Federal Funding	___	___

34) How does your State or program calculate FTEs?

35) How many FTEs are in your program?

_____

36) Has your fund been approved by U.S. EPA as a financial responsibility (FR) mechanism?

( ) Yes

( ) No

Development and Implementation

The primary objective of the "Implementation" component of the Core Report is to establish a range of costs for those activities necessary to operate and maintain the LUST Corrective Action and State Fund Combined Program each year. These costs will typically represent the majority of costs the program spends each year.

Program development costs are those costs necessary to incorporate new requirements and apply for funding to support the program. Program development costs are those activities that are typically a onetime cost for the program or can be for the advancement of a new initiative. Examples of program development and implementation activities include:

- Writing regulations, meeting with legislators to get regulations approved, justifications for regulations and positions required
- Building claims tracking databases
- Applying for and justifying grants through U.S. EPA as well as any other sources your individual State might pursue for funding
- Attending meetings on grants, budgets, legislative rulemaking
- Developing and conducting training of State Fund staff and support staff, writing and keeping current Standard Operating Procedures (SOPs), guidance documents (internal and external), and policies
- Technical staff needed to provide State oversight in reviewing and approving site investigation and cleanup plans
- Financial staff needed to provide claims review and tracking activities
- Administrative staff necessary to provide tasks to support claims payment activities
- Attending meetings necessary to manage program (this would include regular board meetings, staff meetings, developing annual reports)
- Managing State contracts, program support (third-party claims administrator and processing, etc.)
- Annual operating budget including supplies, vehicles, computers, travel, etc.

37) Programmatic Questions

What was the annual cost of LUST Corrective Action technical staff/State Fund Program staff needed to provide State oversight in reviewing and approving site investigation and cleanup plans?

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

Comments:

What is the annual cost to your State to provide Emergency Response to UST sites?

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

Comments:

What is the annual cost to your State to provide support for the Petroleum Brownfields program?

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

Comments:

What was the annual cost of administrative and financial LUST Corrective Action and State Fund Combined Program staff needed to provide claims review and tracking activities?

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

Comments:

What was the annual cost of LUST Corrective Action and State Fund Combined Program staff attending meetings necessary to manage program (this would include regular board meetings, staff meetings, and developing annual reports)?

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

Comments:

What was the annual cost of LUST Corrective Action and State Fund Combined Program staff needed to manage State contracts to assist the State Fund program? Please identify and list each contract separately? Examples of State Fund contracts include claims processing, third party claims administrator, actuarial analysis, inability to pay.

List up to three contract examples here.

Contract 1: _____

Contract 2: _____

Contract 3: _____

Contract 1

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

Contract 2

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

Contract 3

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

Comments:

38) Regulatory Questions

What was the annual LUST Corrective Action and State Fund Combined Program cost of rulemaking/developing regulations/justifications/preparing and posting public comments (including attending legislative meetings and educating legislative bodies, as well as public record requirements of the EPAct)?

	Dollars	Number of Hours
State Funding	___	___
Federal Funding	___	___

Comments:

39) Operating Supplies

Supplies

	Dollars	Number of Hours
State Funding	___	___
Federal Funding	___	___

Computers (hardware and software, including licenses)

	Dollars	Number of Hours
State Funding	___	___
Federal Funding	___	___

Travel

	Dollars	Number of Hours
State Funding	___	___
Federal Funding	___	___

Comments:

40) Database Maintenance

What was the annual LUST Corrective Action and State Fund Combined Program cost of collecting and updating information in your database?

	Dollars	Number of Hours
State Funding	___	___

Federal Funding	___	___

Comments:

41) Training and Certification Programs

What was the annual LUST Corrective and State Fund Combined Program cost of developing internal training materials and conducting training (guidance, policies, SOPs, webinars) for UST staff and support staff? Include here sending staff to training and time spent in training, but not the travel costs (ex., airfare, hotels, etc.).

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

Comments:

42) Budget Questions

What was the annual cost of developing, reviewing and maintaining a LUST Corrective Action and State Fund Combined Program budget (allocating funds and applying for grants)?

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

Comments:

43) Other Development and Implementation Activities Costs

Please identify and describe any other costs for LUST Corrective and State Fund Combined Program development and implementation activities not captured by the questions above. Please identify what activities are covered under these costs in the comment box below.

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

Comments:

Compliance

The following survey questions relate to LUST Corrective Action and State Fund Combined Program compliance activities. This also includes any costs to respond to audits or appeals of State Fund decisions. Examples of this work include:

- Clean-up oversight inspections
- Appeals of program reimbursement decisions

44) Compliance Questions

What was the annual LUST Corrective Action and State Fund Combined Program cost of conducting LUST oversight inspections? Only report costs separate from the State UST regulatory program.

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

Comments:

What was the annual cost to the LUST Corrective Action and State Fund Combined Program for responding to appeals of reimbursement decisions?

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

Comments:

45) The following questions are for site-specific LUST corrective action cleanup costs. These should not include any programmatic costs answered in the survey questions above or funding received from the American Recovery and Reinvestment Act (ARRA).

State Fund LUST Corrective Action Costs

1. What was the annual cost to the State Fund program for conducting site specific cleanups?: _____

2. What is your State Fund historic average cost/site?: _____

3. What is your estimate of State Funds needed to address your State cleanup backlog?: _____

Comments:

What amount of Federal LUST Trust dollars does your State use on site specific cleanup/corrective action costs? (Please do not include any staff time.)

	Dollars
State Funding	___
Federal Funding	___

Comments:

Enforcement and Cost Recovery

The primary objective of the "Enforcement" component of the Core Report is to establish a range of costs for enforcement activities needed to support the LUST corrective action program. Examples of Enforcement activities include:

- Notices of Violation as a result of a failure to conduct corrective action
- Administrative orders to require corrective action
- Enforcement Hearings, Consent Orders, Referrals
- LUST Trust Fund cost recovery actions
- State Fund Cost Recovery/insurance subrogation

46) Enforcement and Cost Recovery Questions

What was the annual cost of conducting LUST Corrective Action and State Fund Combined Program enforcement activities?

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

Comments:

What was the annual Federal LUST Trust Fund cost of conducting cost recovery activities?

	Dollars	Number of Hours
State Funding	___	___
Federal Funding	___	___

Comments:

What was the annual cost to prepare for and defend State Fund third-party claims?

	Dollars	Number of Hours
State Funding	___	___

Comments:

47) Other Enforcement Activities Costs

Please identify and describe any other costs for LUST Corrective Action and State Fund Combined Program enforcement activities not captured by the questions above. Please identify what activities are covered under these costs in the comment box below.

	Dollars	Number of Hours
State Funding	___	___
Federal Funding	___	___

Comments:

Outreach

The primary objective of the "Outreach" component of the Core Report is to establish a range of costs for those activities necessary for the LUST Corrective Action and State Fund Combined Program to reach out to the public. Outreach activities are those activities that can be both internally how the State communicates with other governing bodies, as well as how it communicates with the general public. For the purposes of this survey, think of ways your State communicates with the regulated community, contractors, legislators, Petroleum Marketers, etc. Examples of outreach activities include:

- Public meetings

- Stakeholder meetings
- Town meetings
- Regulatory meetings to educate legislators on upcoming regulation changes
- Pamphlets created and distributed to educate the public
- Newsletters to keep the public informed

48) Outreach Questions

What was the annual cost of your LUST Corrective Action and State Fund Combined Program to send out newsletters, distribute guidance documents or fact sheets?

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

Comments:

What was the annual cost of your LUST Corrective Action and State Fund Combined Program to conduct meetings to provide outreach to your regulated community?

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

Comments:

What was the annual cost of your LUST Corrective Action and State Fund Combined Program to manage its website?

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

Comments:

49) Other Outreach Activities Costs

Please identify and describe any other costs for LUST Corrective Action and State Fund Combined Program outreach activities not captured by the questions above. Please identify what activities are covered under these costs in the comment box below.

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

Comments:

50) What are the Core work activities your program would have to do to survive and how much would that costs?

Based on the questions provided in the survey and the responses you provided above, what are the critical work activities your program would have to do to survive? Please list up to five.

Task 1: _____

Task 2: _____

Task 3: _____

Task 4: _____

Task 5: _____

How much would the work activities cost?

	Dollars	**Number of Hours**
Task 1	___	___
Task 2	___	___
Task 3	___	___
Task 4	___	___
Task 5	___	___
State Funding	___	___
Federal Funding	___	___

Section C: State Fund Program

51) What was the total annual cost over federal or State fiscal year 2011 for your State Fund Program? This should include all your costs.

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

52) How does your State or program calculate FTE?

53) How many FTEs are in your program?

_____

54) Has your fund been approved by U.S. EPA as a financial responsibility (FR) mechanism?

( ) Yes

( ) No

Development and Implementation

As additional requirements are placed on State Fund Programs, the costs associated with the activities that support these core requirements also increase. The primary objective of the program development and implementation component of the Core Report is to establish a range of costs for those activities necessary to incorporate new requirements in the State Fund Program, apply for funding to support the program, and ongoing costs to run the program. Examples of program development and implementation activities include, but are not limited, to the following:

- Writing regulations, meeting with legislators to get regulations approved, justifications for regulations and positions required
- Building claims tracking databases
- Attending meetings on grants, budgets, legislative rulemaking (reminder: this is for applying program development and not for maintaining and reporting ongoing program work. That will be covered in program implementation)

- Developing and conducting training of State Fund staff and support staff, writing and keeping current standard operating procedures (SOPs), guidance documents (internal and external), and policies
- Financial staff needed to provide claims review and tracking activities
- Administrative staff necessary to provide tasks to support claims payment activities
- Attending meetings necessary to manage program (this would include regular board meetings, staff meetings, developing annual reports)
- Managing State contracts to support program (third party claims administrator, claims processing, etc.)
- Annual operating budget including supplies, vehicles, computers, travel, etc.

55) Programmatic Questions

What was the annual cost of State Fund Program staff needed to provide State Fund oversight to review and approve site investigation and cleanup plans?

	Dollars	**Number of Hours**
State Funding	___	___

Comments:

What was the annual cost of administrative and financial State Fund Program staff needed to provide claims review and tracking activities?

	Dollars	**Number of Hours**
State Funding	___	___

Comments:

What was the annual cost of State Fund Program staff needed to manage State contracts to assist the State Fund Program? Please identify and list each contract separately. Examples of State Fund contracts include claims processing, third party claims administrator, actuarial analysis, inability to pay.

List up to three contract examples here.

Contract 1: _____

Contract 2: _____

Contract 3: _____

Contract 1

	Dollars	Numbers of Hours
State Funding	___	___
Federal Funding	___	___

Contract 2

	Dollars	Number of Hours
State Funding	___	___
Federal Funding	___	___

Contract 3

	Dollars	Number of Hours
State Funding	___	___
Federal Funding	___	___

Comments:

56) Regulatory Question

What was the annual State Fund Program cost of rulemaking/developing regulations/justifications/preparing and posting public comments (including attending legislative meetings and educating legislative bodies as well as public record requirements of the EPAct)?

	Dollars	Number of Hours
State Funding	___	___

Comments:

57) Operating Supplies

What was the State Fund Program annual operating budget? If possible identify each item listed in the comment box.

	Dollars	Number of Hours
Supplies/State Funding	___	___
Computers (including hardware, software, licenses)/State Funding	___	___
Travel/State Funding	___	___
Other/State Funding	___	___

Comments:

58) Database Maintenance

What was the annual State Fund Program cost of collecting and updating information in your database?

	Dollars	Number of Hours
State Funding	___	___
Federal Funding	___	___

Comments:

59) Training and Certification Programs

What was the annual State Fund Program cost of developing internal training materials and conducting training (guidance, policies, SOPs, webinars) for staff and support staff? Include here sending staff to training and time spent in training, but not the travel costs (ex., airfare, hotels, etc.).

	Dollars	Number of Hours
State Funding	___	___

Comments:

60) Budget Questions

What was the annual cost of developing, reviewing and maintaining a State Fund Program budget (allocating funds and applying for grants)?

	Dollars	Number of Hours
State Funding	___	___

Comments:

61) Other Development and Implementation Activities Costs

Please identify and describe any other costs for State Fund Program development and implementation activities not captured by the questions above. Please identify what activities are covered under these costs in the comment box below.

	Dollars	Number of Hours
State Funding	___	___

Comments:

Compliance

The following survey questions relate to State Fund compliance activities. This also includes any costs to respond to audits or appeals of State Fund decisions. Examples of this work includes:

- Regular compliance inspections
- Appeals of program reimbursement decisions

62) Compliance Questions

What was the annual State Fund Program cost of conducting compliance and clean-up inspections? Only report costs separate from the States UST Compliance regulatory program.

	Dollars	Number of Hours
State Funding	___	___

Comments:

What was the annual cost to the State Fund Program for responding to appeals of reimbursement decisions?

	Dollars	Number of Hours
State Funding	___	___

Comments:

63) Other Compliance Activities Costs

Please identify and describe any other costs for State Fund Program compliance activities not captured by the questions above. Please identify what activities are covered under these costs in the comment box below.

	Dollars	Number of Hours
State Funding	___	___

Comments:

64) The following questions are for site-specific cleanup costs. These should not include any programmatic costs answered in the survey questions above or funding received from the American Recovery and Reinvestment Act (ARRA).

What was the annual cost to the State Fund program for conducting site specific cleanups?: _____

What was your State Fund historic average cost/site?: _____

What was your estimate of State Funds needed to address your State cleanup backlog?: _____

Comments:

Enforcement and Cost Recovery

The primary objective of the "Enforcement" component of the Core Report is to establish a range of costs for enforcement activities needed to support the State Fund program. Examples of Enforcement activities include:

- State Fund eligibility hearings
- State Fund cost recovery
- State Fund insurance subrogation

65) Enforcement and Cost Recovery

What was the annual cost of conducting State Fund eligibility determinations?

	Dollars	Number of Hours
State Funding	___	___

Comments:

What was the annual State Fund cost of conducting cost recovery/subrogation activities?

	Dollars	Number of Hours
State Funding	___	___

Comments:

What was the annual cost to prepare for and defend State Fund third-party claims?

	Dollars	Number of Hours
State Funding	___	___

Comments:

66) Other Enforcement Activities Costs

Please identify and describe any other costs for State Fund Program enforcement and cost recovery activities not captured by the questions above. Please identify what activities are covered under these costs in the comment box below.

	Dollars	Number of Hours
State Funding	___	___

Comments:

Outreach

The primary objective of the "Outreach" component of the Core Report is to establish a range of costs for those activities necessary for the State Fund program to reach out to the public. Outreach activities are those activities that can be both internally how the State communicates with other governing bodies, as well as, how it communicates with the general public. For the purposes of this survey, think of ways you're your State reaches out to communicate with the regulated community, contractors, legislators, petroleum marketers, etc.. Examples of outreach activities include:

- Public meetings
- Stakeholder meetings
- Town meetings

- Regulatory meetings to educate legislators on upcoming regulation changes
- Pamphlets created and distributed to educate the public
- Newsletters to keep the public informed

Comments are encouraged, since most States will have very different ways of looking at these questions and they may not seem to fit every program exactly. If there are additional activities that you feel are not accounted for, please write them in so that we can better evaluate the data once it is received.

67) Outreach Questions

What was the annual cost to your State Fund to send out newsletters, distribute guidance documents or fact sheets?

	Dollars	**Number of Hours**
State Funding	___	___

Comments:

What was the annual cost to your State Fund to conduct meetings to provide outreach to your regulated community?

	Dollars	**Number of Hours**
State Funding	___	___

Comments:

What was the annual cost to your State Fund to maintain your website?

	Dollars	**Number of Hours**
State Funding	___	___

Comments:

68) Other Outreach Activities Costs

Please identify and describe any other costs for State Fund outreach activities not captured by the questions above. Please identify what activities are covered under these costs in the comment box below.

	Dollars	Number of Hours
State Funding	___	___

Comments:

69) What are the Core "work tasks" your program would have to do to survive and how much would that costs?

What are the Core "work tasks" your program would have to do to survive?

Task 1: _____

Task 2: _____

Task 3: _____

Task 4: _____

Task 5: _____

How much would the "work tasks" cost?

	Dollars	Number of Hours
Task 1	___	___
Task 2	___	___
Task 3	___	___
Task 4	___	___
Task 5	___	___
State Funding	___	___
Federal Funding	___	___

Section D: LUST Corrective Action Program

70) What was the total annual cost over federal or State fiscal year 2011 for your LUST Corrective Action program? This should include all your costs.

	Dollars	Number of Hours
State Funding	___	___
Federal Funding	___	___

71) How does your State or program calculate FTEs?

72) How many FTEs are in your program?

_____

Program Development and Implementation

As additional requirements are placed on State UST programs, the costs associated with the activities that support these core requirements also increase. The primary objective of the program development and implementation component of the Core Report is to establish a range of costs for those activities necessary to incorporate new requirements in the UST program, apply for funding to support the program, and ongoing costs to run the program. Examples of program development and implementation activities include, but are not limited, to the following:

- Writing regulations, meeting with legislators to get regulations approved, justifications for regulations and positions required
- Applying for and justifying grants through U.S. EPA as well as any other sources your individual State might pursue for funding
- Attending meetings on grants, budgets, legislative rulemaking (reminder: this is for applying program development and not for maintaining and reporting ongoing program work)
- Developing and conducting training of State Fund Staff and support staff, writing and keeping current standard operating procedures (SOPs), guidance documents (internal and external), and policies
- Technical staff needed to provide State oversight in reviewing and approving site investigation and cleanup plans
- Financial staff needed to process LUST Trust Fund contract invoices for direct work
- Administrative staff necessary to provide tasks to support LUST Trust Fund contract activities
- Attending meetings necessary to manage program (this would include regular board meetings, staff meetings, developing annual reports)
- Annual operating budget including supplies, vehicles, computers, travel, etc.

73) Programmatic Questions

What was the annual cost of LUST Corrective Action technical staff needed to provide State oversight in reviewing and approving site investigation and cleanup plans?

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

Comments:

What is the annual cost to your State to provide Emergency Response to UST sites?

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

Comments:

What is the annual cost to your State to provide support for the Petroleum Brownfields program?

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

Comments:

What was the annual cost of LUST Corrective Action Program staff attending meetings necessary to manage program (including regular board meetings, staff meetings, developing annual reports)?

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

Comments:

What was the annual cost of LUST Corrective Action staff needed to manage LUST Trust Fund contracts? Please identify and list each contract separately.

List up to three contract examples here.

Contract 1: _____

Contract 2: _____

Contract 3: _____

Contract 1

	Dollars	**Numbers of Hours**
State Funding	___	___
Federal Funding	___	___

Contract 2

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

Contract 3

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

Comments:

74) Regulatory Questions

What was the annual LUST Corrective Action Program cost of rulemaking/developing regulations/justifications/preparing and posting public comments (including attending legislative meetings and educating legislative bodies, as well as public record requirements of the EPAct)?

	Dollars	Number of Hours
State Funding	___	___
Federal Funding	___	___

Comments:

75) Operating Supplies

What was your State's LUST Corrective Action Program annual operating budget? If possible identify each item listed below:

	Dollars	Number of Hours
Supplies: State Funding	___	___
Supplies: Federal Funding	___	___
Computers: State Funding	___	___
Computers: Federal Funding	___	___
Travel: State Funding	___	___
Travel: Federal Funding	___	___
Other (identify in comments): State Funding	___	___
Other (identify in comments): Federal Funding	___	___

Comments:

76) Database Maintenance

What was the annual LUST Corrective Action Program cost of collecting and updating information in your database?

	Dollars	Number of Hours
State Funding	___	___
Federal Funding	___	___

Comments:

77) Training and Certification Programs

What was the annual LUST Corrective Action Program cost of developing internal training materials and conducting training (guidance, policies, SOPs, webinars) for UST staff and support staff? Include here sending staff to training and time spent in training, but not the travel costs (ex., airfare, hotels, etc.).

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

Comments:

78) Budget Questions

What was the annual cost of developing, reviewing and maintaining a LUST Corrective Action Program budget (allocating funds and applying for grants)?

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

Comments:

79) Other Program Development and Implementation Activities Costs

Please identify and describe any other costs for LUST Corrective Action Program development and implementation activities not captured by the questions above. Please identify what activities are covered under these costs in the comment box below.

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

Comments:

Compliance

The following survey questions relate to LUST Corrective Action oversight activities. An example of this work includes:

- LUST Corrective Action oversight inspections.

80) Compliance Questions

What was the annual LUST Corrective Action Program cost of conducting State corrective action oversight inspections? Do not include costs related to State UST regulatory program inspections.

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

Comments:

What amount of Federal LUST Trust dollars does your State use on site specific cleanup/corrective action costs? (Please do not include any staff time.)

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

Comments:

81) Other Compliance Activities Costs

Please identify and describe any other costs for LUST Corrective Action Program compliance activities not captured by the questions above. Please identify what activities are covered under these costs.

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

Comments:

Enforcement and Cost Recovery

The primary objective of the "Enforcement" component of the Core Report is to establish a range of costs for enforcement activities needed to support the LUST corrective action program. Examples of Enforcement activities include:

- Notices of Violation as a result of a failure to conduct corrective action
- Administrative orders to require corrective action
- Enforcement Hearings
- Consent Orders
- Referrals
- LUST Trust cost recovery

82) Enforcement and Cost Recovery Questions

What was the annual cost of conducting LUST Corrective Action Program enforcement activities?

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

Comments:

What was the annual Federal LUST Trust Fund cost of conducting cost recovery activities?

	Dollars	**Number of Hours**
Federal Funding	___	___

Comments:

83) Other Enforcement Activities Costs

Please identify and describe any other costs for LUST Corrective Action Program enforcement activities not captured by the questions above. Please identify what activities are covered under these costs in the comment box below.

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

Comments:

Outreach

The primary objective of the "Outreach" component of the Core Report is to establish a range of costs for those activities necessary for the LUST Corrective Action Program to reach out to the public. Outreach activities are those activities that can be both internally how the State communicates with other governing bodies as well as how it communicates with the general public. For the purposes of this survey, think of ways you're your State reaches out to communicate with the regulated community, contractors, legislators, Petroleum Marketers, etc. Examples of outreach activities include:

- Public meetings
- Stakeholder meetings
- Town meetings
- Regulatory meetings to educate legislators on upcoming regulation changes;
- Pamphlets created and distributed to educate the public; and
- Newsletters to keep the public informed

84) Outreach Questions

What was the annual cost to your LUST Corrective Action Program to send out newsletters, distribute guidance documents or fact sheets?

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

Comments:

What was the annual cost of your LUST Corrective Action Program to conduct meetings to provide outreach to your regulated community?

	Dollars	**Number of Hours**
State Funding	___	___
Federal Funding	___	___

Comments:

What was the annual cost to your LUST Corrective Action program to manage the program website?

	Dollars	Number of Hours
State Funding	___	___
Federal Funding	___	___

Comments:

85) Other Outreach Activities Costs

Please identify and describe any other costs for LUST Corrective Action Program outreach activities not captured by the questions above. Please identify what activities are covered under these costs.

	Dollars	Number of Hours
State Funding	___	___
Federal Funding	___	___

Comments:

86) What are the Core "work tasks" your program would have to do to survive and how much would that costs?

What are the Core "work tasks" your program would have to do to survive?

Task 1: _____

Task 2: _____

Task 3: _____

Task 4: _____

Task 5: _____

How much would the "work tasks" cost?

	Dollars	Number of Hours
Task 1	___	___
Task 2	___	___
Task 3	___	___
Task 4	___	___

Task 5	___	___
State Funding	___	___
Federal Funding	___	___

Thank You!

Thank you for taking the ASTSWMO UST/LUST Corrective Action/State Funds Core Report Survey. We truly appreciate the time and effort you put into responding to this survey. A text-only version of your answers will be sent to you.

APPENDIX B: STATE BUDGET IMPACT EXAMPLES

From: "Hoover, Joe" <HOOVER@adeq.state.ar.us>
To: Willie Kelley/R6/USEPA/US@EPA
Cc: "Bassett, Karen" <BASSETT@adeq.state.ar.us>, "Perry, Lynda" <LYNDA@adeq.state.ar.us>, "Paes, Wanda" <PAES@adeq.state.ar.us>
Date: 02/09/2012 01:24 PM
Subject: RE: Projected Reduction in Federal Funding for UST/LUST Programs -- Arkansas

Willie,

As we discussed during our program review meeting on January 25th, the projected cuts to FY2013 UST and LUST grants may have a serious impact on program implementation. This is to inform you that the Arkansas Department of Environmental Quality will not be able to use State general revenue to make up any budget shortfalls resulting from a reduction in federal funding and it may be necessary to curtail program activities to match available federal funding for FY 2013. Program curtailments may include Reductions in Force where necessary.

Cuts in federal funding will make meeting some of the current UST and LUST performance elements difficult, or impossible, to maintain at present levels going into FY2013. It will also hamper our ability to implement any new program performance elements linked to the proposed revision of 40 CFR 280 and 281, if these changes become effective for FY2013.

For your information, I've attached pertinent correspondence from the Arkansas Department of Finance and Administration concerning reductions in federal funding.

---Joe.

Joseph M. Hoover
Chief, Regulated Storage Tanks Division
Arkansas Department of Environmental Quality
Phone: (501) 682-0988
Fax: (501) 682-0971
Email: hoover@adeq.state.ar.us

VERMONT

AGENCY OF NATURAL RESOURCES

State of Vermont
Department of Environmental Conservation
1 National Life Drive
Montpelier VT 05620-3296
(802) 828-1138
FAX (802) 828-1011

July 12, 2013

Carolyn Hoskinson, Director
Office of Underground Storage Tanks
United States Environmental Protection Agency
Washington, DC 20460

RE: Backlog and the Budget

Dear Ms. Hoskinson:

I want to notify you of an issue facing the Vermont Department of Environmental Conservation as it relates to achieving its annual backlog target number. As of March 31, 2013 Vermont had a backlog of 601 confirmed UST releases. As part of our annual grant process we committed to achieving a cleanup completed status at 40 of those 601 sites. In the past we dedicated one staff position to working nearly exclusively on the backlog. Six months ago that position became vacant. Due to looming LUST Trust grant reductions to Vermont, we concluded that we do not have the resources to refill that position. As a result, we are currently below our 40 site target and are likely to finish the year at 30 or less sites. This situation is a direct result of the cut in our budget at the federal level.

I want to assure you that we take seriously the effort to clean up all of our leaking UST sites. These sites represent real exposure to Vermonters and serious impacts to the environment. Yet I also wanted you to know that we cannot achieve these results without adequate resources. Vermont currently invests considerable state resources to this problem yet we are seeing cuts at that level. We rely on the annual EPA LUST Trust grant to achieve our annual goals of protecting public health and the environmental from the damaging effects of leaking USTs. With cuts in our budget at both the state and federal level we will not be able to achieve these goals.

Should you have any questions concerning this issue, please feel free to contact me.

Sincerely,

Alyssa Schuren, Deputy Commissioner
Department of Environmental Conservation

STATE OF IDAHO
DEPARTMENT OF
ENVIRONMENTAL QUALITY

1410 North Hilton • Boise, Idaho 83706 • (208) 373-0502

C.L. "Butch" Otter, Governor
Curt Fransen, Director

May 21, 2012

Peter Contreras, Regional Program Manager
U.S. EPA Region 10
1200 Sixth Avenue, Suite 900
Mail Code: OCE-082
Seattle, WA 98101

Erik Sirs, Idaho State Coordinator
U.S. EPA Region 10
Idaho Operations Office
1435 North Orchard
Boise, ID 83706

Re: Decreased Federal Funding Negatively Impacting Mandated UST Tasks

Dear Peter and Erik,

The Idaho Department of Environmental Quality's (DEQ) Underground Storage Tank Program (UST Program) is setting FY 2013 budgets. EPA has provided the UST Program with anticipated FY2013 federal grant award levels for the UST STAG and LUST Prevention grants - the primary source of support for DEQ's UST Program. In addition to these federal funds, the State of Idaho provides the UST Program with the required 25% in matching funds; the UST Program received no additional financial support and is prohibited from charging fees for its services. Based on the anticipated support levels provided by EPA, in FY13 federal support for DEQ's UST Program will decrease from $426,000 to $346,000 or by $80,000 ($8,000 increase in STAG and $88,000 decrease in LUST Prevention). This equates to an 18.7% cut in federal funding. When the 25% state match is considered, the UST Program is facing a $100,000 FY13 funding decrease with the UST Program decreasing from $532,600 to $432,500.

With this letter, DEQ is making EPA aware that this anticipated funding cut will significantly impact DEQ's ability to sustain its recent UST Program successes. DEQ's recent successes include: (1) obtaining SPA from EPA; (2) meeting the secondary containment requirement; (3) establishing an improving facility compliance rate; (4) meeting inspection and training requirements with all federal deadlines; (5) developing electronic inspection and training tools; (6) providing facility-specific Management Plans for all UST facilities; and (7) developing a robust Compliance Assistance/Enforcement program. DEQ could not have achieved these successes absent the help and support of EPA Region 10 staff. All of the UST Program's recent successes are due to DEQ and EPA staff working closely together to achieve our shared goal of establishing an effective, state-led, UST Program in Idaho. DEQ appreciates and recognizes the support of EPA Region 10.

In order to maintain primacy and our recent successes, DEQ must meet numerous obligations including but not limited to: (1) complying with the three-year UST-facility inspection cycle (approx. 400 inspections annually); (2) maintaining and improving the Operator Training program for owners/operators; (3) maintaining the UST database; (4) maintaining a highly-trained staff of UST inspectors; and (5) performing UST Program Management duties (grant management, EPA reporting, budgeting, enforcement, personnel). In addition, DEQ's work load will significantly increase when EPA's new UST Rules are finalized. In addition to other tasks, DEQ's UST Program will need to: (1) modify its Inspection and Operator Training Application; (2) reissue facility Management Plans based on the new requirements; (3) retrain UST inspectors; (4) conduct educational meetings for UST owners and operators; and (5) undertake rulemaking to ensure our state rules comply with the new federal rules. This represents a substantial burden on an already strained program budget.

DEQ simply cannot meet these increasing obligations with the anticipated budget decreases. In fact, to manage a successful UST Program meeting all federal mandates, DEQ has projected its annual budget needs at $550,000 in annual federal funding. With the 25% state match, this equates a $687,500 total UST Program budget. From our perspective, $687,500 to run and manage a model UST Program represents a tremendously efficient, streamlined program.

DEQ understands the anticipated funding decreases are the result of a challenging budget picture at EPA and again reiterates our appreciation for the programmatic and financial support EPA Region 10 has provided and continues to provide; the UST Program represents a very successful State/Federal partnership. Because EPA is vested in DEQ's UST program success, we wanted to provide EPA with our very real budget concerns as early as possible. If federal funding for DEQ's UST Program decreases as anticipated, and particularly if those decreases carry forward beyond FY13, we stand to lose much of what we have accomplished together these past five years.

Thank you for your consideration and we look forward to continuing these budget discussions with EPA.

Sincerely,

Kristi Lowder
Underground Storage Tank Program Manager
Idaho Department of Environmental Quality

STATE OF ARKANSAS
Department of Finance and Administration

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MEMORANDUM

TO All State Agency Directors, Boards, Commissions, Presidents/Chancellors of State Supported Institutions of Higher Education

FROM: Richard A. Weiss, Director

DATE: November 29, 2011

SUBJECT: Reductions in Federal Funding

Due to the federal Budget Control Act of 2011, the phase out of stimulus funds, and other budget reductions by the U.S. Congress, state agencies receiving federal support may soon begin to experience drastic reductions in federal funding. In light of current economic conditions and the volatile federal landscape, this memo is intended to address and clarify the following points:

1. Agencies are required to certify funding for available appropriations as part of their Annual Operations Plans in order to comply with the State Fiscal Management Responsibility Act (A.C.A. 19-1-601 et seq.) Any Agency Director or Fiscal Officer who knowingly certifies inaccurate funding levels may be subject to civil penalties if those actions result in deficit spending or the use of unauthorized funds.

2. Governor Beebe has directed DFA to warn agencies against supplanting federal revenues with state funding. Due to current economic conditions, general revenues will not be available to address federal funding shortfalls. If federal funding for a program has been reduced or eliminated, the program must be curtailed to match available funding. This includes implementation of Reductions in Force where necessary. The DFA – Office of Personnel Management is available to assist any agency or institution in preparing for this contingency.

3. In 1996, the Arkansas Legislative Council charged DFA with providing instructions to all state agencies and institutions to develop a notification letter for employees hired in federally-funded positions to inform them that their positions would not be continued when and if federal funding for their program expired (memo attached). This policy remains in effect, and applies to all state employees whose salaries are funded all or in part by federal revenues.

RAW:brs:cr

Attachments(2)

State of Arkansas
DEPARTMENT OF FINANCE AND ADMINISTRATION
P.O. Box 3278
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OFFICE OF
THE DIRECTOR

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MEMORANDUM

TO: ALL STATE AGENCY DIRECTORS, BOARDS, COMMISSIONS, PRESIDENTS/CHANCELLORS OF STATE SUPPORTED INSTITUTIONS OF HIGHER EDUCATION

FROM: Richard A. Weiss, Director

SUBJECT: Federally Funded Positions

DATE: February 26, 1996

The Arkansas Legislative Council has requested that state agencies develop a notification letter for employees hired in Federally-Funded positions to inform them their positions will not be continued when federal funds expire.

The letter should be signed and dated prior to the new hire's first day of employment with a copy placed in the employee's permanent personnel file and a copy provided to the employee.

The format for the suggested notification letter is attached and may be modified to meet specific agency needs. A copy of the letter you plan to utilize should be filed with my office by March 22, 1996.

If you need further information concerning this matter, please call Artee Williams, State Personnel Administrator at 682-1823, Kay Barnhill, Classification and Compensation Manager at 682-1753 or Gaylon Simpson, Classification and Compensation, Higher Education Manager at 682-1757.

SAMPLE NOTIFICATION LETTER

Dear _____

This is to confirm that the position you are accepting is federally funded and that the state of Arkansas will not assume financial responsibility should these funds expire.

Please confirm your acceptance of these terms and conditions by signing and dating this letter. You will receive a copy of this letter and a copy will be placed in your personnel file.

_____ _____

Employee Signature **Date**

_____ _____

Agency Director **Date**

Position Number	Position Title	Grade/Salary	Incumbent