

**ARKANSAS POLLUTION CONTROL & ECOLOGY
COMMISSION
ECONOMIC IMPACT/ENVIRONMENTAL BENEFIT
ANALYSIS**

Rule Number & Title: Regulation No. 12, Storage Tanks

Petitioner: ADEQ

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2A. ECONOMIC IMPACT

1. Who will be affected economically by this proposed rule?

State: a) the specific public and/or private entities affected by this rulemaking, indicating for each category if it is a positive or negative economic effect; and b) provide the estimated number of entities affected by this proposed rule.

- a) All regulated storage tank owners, public or private, will be positively affected by the repeal of the self-inspection audit form requirement. All underground storage tank (UST) owners, public or private, are required to comply with the UST operator training requirement, but the economic effect is anticipated to be primarily neutral with minimal, if any, economic impact to tank owners. There are no foreseen economic impacts associated with the clarification of procedural timeframes for tank owners covered by the Petroleum Storage Tank Trust Fund, nor should there be any economic effect on tank owners from the clarification of trust fund coverage.*
- b) There are approximately 3,800 registered owners of regulated underground and aboveground storage tanks that will be covered by the self-audit form repeal and the trust fund changes for clarification. The UST operator training requirement affects approximately 2,500 UST owners and an estimated 8,000 UST operators.*

Sources and Assumptions: *RST Database; assumption of an average of 2 operators per UST facility at an estimated 4,000 facilities.*

2. What are the economic effects of the proposed rule? State: 1) the estimated increased or decreased cost for an average facility to implement the proposed rule; and 2) the estimated total cost to implement the rule.

- 1) Regulation No. 12 revisions deleting the self-audit language and clarifying trust fund procedures and coverage should have a neutral economic effect. The new UST operator training*

EXHIBIT

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requirements may either have a slightly increased cost or no increased cost at all to UST owners. The only cost proposed is an exam fee of \$25 for Class A and Class B operators, which may be borne by the individuals seeking certification rather than the tank owners. 2) Estimated total cost to implement the proposed changes is \$50 per facility for a total of \$200,000.

Sources and Assumptions: RST Database; assumption is for a \$25 exam fee for an average of 2 individuals per facility multiplied by approximately 4,000 UST facilities.

3. List any fee changes imposed by this proposal and justification for each.

An exam fee of \$25 is proposed under the existing authority of A.C.A. §8-7-802(a)(2)(A) to help defray a small part of the agency's costs of providing monthly Class A and Class B operator testing venues across the state. With the large number of individuals required to become certified under this federal law, it is essential that training and testing be made available out in the state as well as centrally at the agency's North Little Rock headquarters. ADEQ will provide the operator training classes at no cost to individuals.

4. What is the probable cost to ADEQ in manpower and associated resources to implement and enforce this proposed change, and what is the source of revenue supporting this proposed rule?

The projected financial impact to ADEQ to implement the federally mandated operator training requirements is approximately \$15,000-\$16,250 per fiscal year in state matching funds. The revenue source funding this program's implementation is the federal Underground Storage Tank (UST) Program grant awarded to the state by EPA. The other proposed regulatory changes should have no associated costs to ADEQ in manpower or resources.

Sources and Assumptions: RST budget and grants; assumption of cost based on salary/fringe for one existing staff position.

5. Is there a known beneficial or adverse impact to any other relevant state agency to implement or enforce this proposed rule? Is there any other relevant state agency's rule that could adequately address this issue, or is this proposed rulemaking in conflict with or have any nexus to any other relevant state agency's rule? Identify state agency and/or rule.

There is no known impact to another state agency nor is there another state agency's rule that could address any of the proposed changes. This rulemaking is not in conflict with, nor has any nexus to, any other relevant state agency's rule.

Sources and Assumptions: n/a

6. Are there any less costly, non-regulatory, or less intrusive methods that would achieve the same purpose of this proposed rule?

No.

Sources and Assumptions: n/a

2B. ENVIRONMENTAL BENEFIT

1. What issues affecting the environment are addressed by this proposal?

The operator training requirement should have a long-term positive effect on the environment. Providing training and requiring that operators have a minimum level of knowledge prior to operating a UST system should help ensure that compliance measures will be followed and help lessen or prevent releases of stored regulated substances to the environment.

2. How does this proposed rule protect, enhance, or restore the natural environment for the well being of all Arkansans?

Properly trained operators should equate to fewer releases to the environment from regulated underground storage tank systems.

Sources and Assumptions: *EPA guidance for operator training.*

3. What detrimental effect will there be to the environment or to the public health and safety if this proposed rule is not implemented?

There will remain a higher threat of potential releases to the environment from UST systems because of operator error or noncompliance with state and federal UST regulations. Such releases not only carry a threat of environmental harm but can also pose a serious threat to public health and safety due to the nature of the substances stored in USTs.

Sources and Assumptions: *n/a*

4. What risks are addressed by the proposal and to what extent are the risks anticipated to be reduced?

Risk addressed by the proposal: Releases from USTs – anticipated to be reduced to very low by proposed operator certification requirements.

Sources and Assumptions: *n/a*