Exhibit C:

ADEQ's Statement of Basis and Purpose

BEFORE THE ARKANSAS POLLUTION CONTROL AND ECOLOGY COMMISSION

IN THE MATTER OF PROMULGATION OF)	
REGULATION NO. 12,)	DOCKET NO. 17-003-R
STORAGE TANKS)	

ARKANSAS DEPARTMENT OF ENVIRONMENTAL QUALITY'S STATEMENT OF BASIS AND PURPOSE

- 1. The Arkansas Department of Environmental Quality (ADEQ) requests that the Arkansas Pollution Control and Ecology Commission promulgate permanent Regulation No. 12: Storage Tanks to incorporate state law changes concerning storage tanks made by the Arkansas General Assembly, to include without limitation Acts 257, 534, and 584 of 2017; and federal regulatory changes promulgated by the United States Environmental Protection Agency (EPA) in the *Federal Register*, 80 FR 41566-41683, July 15, 2015, concerning 40 C.F.R. Parts 280-281. The Commission's authority for amending Regulation 12 is found in Ark. Code Ann. § 8-7-802 and the Petroleum Storage Tank Trust Fund Act, Ark. Code Ann. § 8-7-901 *et seq*.
 - 2. The new regulation includes the following changes:
 - a. Revisions to Reg.12.109 to remove the one thousand foot (1,000') limitation related to secondary containment and monitoring for all new or replaced underground storage tanks, secondary containment and monitoring for all new or replaced piping connected to any underground storage tank, and an under-dispenser spill containment for all new or replacement motor fuel dispenser systems consistent with Act 534 of 2017;
 - b. Revisions to Reg.12.201 to make the registration of aboveground storage tanks optional; to allow the owner or operator of an aboveground storage tank containing petroleum to be potentially eligible for reimbursement under the

Petroleum Storage Tank Trust Fund Act if the tank is registered and all fees required under state law or regulation are paid consistent with Act 584 of 2017;

- c. Incorporation of changes to 40 C.F.R. Parts 280-281 that concern airport hydrant fuel distribution systems and field constructed tanks, which are now defined as underground storage tanks, in Reg.12.104 by changing the date that Regulation 12 incorporates federal regulations by reference; and
- d. Minor revisions to include correcting typographical, grammatical, formatting, and stylistic errors, to include without limitation a minor change to Reg.12.320 required by Act 257 of 2017.
- 3. Regulation 12 is necessary to serve the public interest and ensure compliance with state and federal laws and regulations.

Respectfully Submitted.

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