



**Illinois Petroleum Marketers Association
Illinois Association of Convenience Stores**

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WILLIAM J. FLEISCHLI
EXECUTIVE VICE PRESIDENT

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CLERK'S OFFICE

AUG 16 2004

STATE OF ILLINOIS
Pollution Control Board

Ms. Marie Tipsord
Illinois Pollution Control Board
James R. Thompson Center
100 W. Randolph, Suite 11-500
Chicago, IL 60601-3218

PC#1
R04-22,23

Dear Ms. Tipsord:

Thank you for allowing me to testify at the Pollution Control Board hearing that was held on Monday, August 9th.

Please find a copy of my testimony for your files. I have had several conversations with lenders and real estate agents, and based on what I told them about IEPA's proposed changes to the UST fund program they have voiced some real concerns.

Is it in your purview to request representatives from the Illinois Bankers Association, and the Community Bankers Association of Illinois to testify before the Board?

I think it would inform the Board and the industry the affect these changes would have on real property values.

Thank you and I look forward to hearing from you.

Sincerely yours,

BILL FLEISCHLI
Executive Vice President

BF:jk

TESTIMONY

I am Bill Fleischli, Executive Vice President of the Illinois Petroleum Marketers Association. I represent the Illinois Petroleum Distributors who pay the \$75 million in Environmental Fees that fund the U.S.T. Program.

As I read the new proposal the IEPA has submitted to the Board, our members have some real concerns.

The new proposal would require the use of less stringent clean-up

objectives for my members
property, while requiring that off-
site impact be addressed using the
most stringent regulatory
requirements. The proposal rule
change would only allow for the
reimbursement to the lower
standard on-site, making the owner
pay out of pocket for additional
costs if they choose to restore their
property to a more stringent
standard.

Currently, the fund pays for
reimbursement costs to clean up

the property to comply with state statutes. The owner/operator after consulting with their engineers chooses the standard they want to use to clean up their property, based on use and land value. Now the IEPA wants to mandate they use the less stringent standard and once a "No further Action Letter" is issued to the property this incident will no longer be eligible for the fund. Should IDOT or future law changes require a phase study of the property, and contamination be found and the property mandated

to be cleaned up the property will not be eligible for reimbursement for that incident from the LUST fund. Even though the owner is still paying into the LUST fund, the owner would be liable, even though he is still paying into the fund this incident will not be covered by the fund. This is not fair or right in our estimation.

The Illinois Petroleum Marketers Association is not against the tiered approach for clean ups. In fact, we lead the industry and the state with

this approach about 10 years ago.

What is wrong, is not allowing the owner of the property and the owner of the tanks the opportunity to make the right decisions for their particular piece of property and is shutting the owner out of the UST insurance fund after a “No further Action Letter” is issued for that incident even though he continues to pay into the fund. The IPMA believes this is not what the fund was originally set up to accomplish.

These hearings should be left open and lender and real estate people should be asked to testify to the effect this rule change will have on property values.

If a supposed shortage in the fund “is the reasoning for this proposal then I ask the agency to join the industry to help pass legislation that would prevent the Governor and General Assembly from taking any more dollars from the fund and help the industry pass legislation that would direct the Governor and

General Assembly to pay the fund
and the \$35-\$40 million they have
taken from the fund over the last 3
fiscal years.

Thank you and I will answer any
questions you may have at this
time.