

DEPARTMENT OF ENVIRONMENTAL QUALITY, OFFICE OF LAND RESOURCES

SUBJECT: Regulation No. 12: Storage Tanks

DESCRIPTION: The Arkansas Department of Environmental Quality (ADEQ) proposed this rulemaking before the Arkansas Pollution and Ecology Commission (APC&EC) to 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.*

The proposed amendments to the regulation include the following:

- 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;
- 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;
- Incorporates 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
- 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.

PUBLIC COMMENT: A public hearing was held on September 6, 2017. The public comment period expired on September 20, 2017. The Department provided the following summary of the comments that it received and its responses:

Charles M. Miller, Executive Director, Arkansas Environmental Federation

Comment: The Arkansas Environmental Federation (AEF) is a non-profit association with over 200 members, primarily Arkansas businesses and industries that manufacture

products, provide services, and employ skilled workers in Arkansas while also insuring that their operations comply with all federal and state environmental, safety and health regulations. As such, the AEF appreciates the opportunity to submit comments on proposed revisions to Arkansas Pollution Control & Ecology Commission (APC&EC) Regulation 12 (storage tanks).

Response: The Department acknowledges the comment.

Comment: AEF's comments focus specifically on the Act 584 of 2017 provisions that eliminate the registration and fee requirements for petroleum aboveground storage tanks ("ASTs"). Additional provisions of Act 584 provided petroleum ASTs the ability to access the Arkansas Petroleum Storage Tank Trust Fund in the event such tanks opted to meet the registration/fee requirements.

Reg.12.201 Registration Requirements

(A) As provided by state and federal law and except as otherwise provided in this section, all owners and operators of storage tanks must register their tanks in accordance with this Regulation.

(B) (1) ~~No~~ An owner or operator shall not receive any regulated substance into any underground storage tank ~~for which~~ without furnishing current and proper proof of registration, ~~as provided by under~~ Reg.12.202(A), ~~has not been furnished~~ to the person selling the regulated substance.

(2) ~~No~~ A person selling any regulated substance shall not deliver, or cause to be delivered, a regulated substance into any underground storage tank for which he or she has not obtained current and proper proof of registration, ~~as provided by under~~ Reg.12.202(A), from the owner or operator.

(C) ~~The provisions of this~~ This Regulation shall not apply to aboveground tanks located on farms, if the contents ~~of which~~ are used for agricultural purposes and not held for resale.

(D) ~~The provisions of this~~ This Regulation shall not apply to aboveground tanks storing a regulated substance at a location on a transitory or temporary basis, for example, short-term use at non-permanent construction, roadway maintenance, timber harvesting, or emergency response locations.

(E) ~~The provisions of this~~ This Regulation shall not apply to storage tanks containing a *de minimis* concentration of a regulated substance.

(F) (1) An aboveground storage tank that contains petroleum may be registered under this section at the option of the owner or operator for the purpose of allowing potential eligibility for reimbursement under the Petroleum Storage Tank Trust Fund Act, Ark. Code Ann. § 8-7-901 et seq.

(2) If an owner or operator of an aboveground storage tank that contains petroleum chooses to register the aboveground storage tank under this section, a certification of registration under Reg.12.203 must be obtained and the storage tank registration fees under Reg.12.203 must be paid.

Response: The Department agrees that the suggested change would provide helpful clarification. Reg. 12.201(F) will be changed to add a new subdivision (F)(2) as indicated above.

Steve Ferren, Executive Vice President, Arkansas Oil Marketers Association

Comment: I am writing on behalf of the Arkansas Oil Marketers (“AOMA”) in regards to Notice of Proposed Regulation Changes, Public Hearing, and Public Comment Period – Regulation 12. AOMA very much appreciated the Arkansas Department of Environmental Quality (“ADEQ”) holding the June 8th stakeholder meeting which provided myself and several of our members the opportunity to express views on the draft and related issues. We have appreciated the opportunity to work with the agency as it finalizes formal proposed revisions to Regulation 12.

AOMA has over 200 members which include independent petroleum marketing companies who represent wholesaler and retailers of gasoline, diesel, lubricants and renewable fuels. Associate members include companies that provide petroleum equipment and environmental services to our industry. Many of our members are small family-owned businesses and play a vital role in supplying petroleum products to various areas of our state. By necessity, both underground storage tanks (“USTs”) and aboveground storage tanks (“ASTs”) are a critical component of a typical AOMA member’s operation.

As you may know, AOMA has a long history in working with ADEQ on the Arkansas statutory and regulatory provisions addressing both USTs and ASTs. We worked with ADEQ and the Arkansas General Assembly in the late 1980s in crafting the two statutes that both provided the agency authority to regulate USTs and created the trust fund. Further, we have continued to stay involved with legislative and regulatory changes related to these programs over the past two-and-a-half decades.

We have always appreciated ADEQ’s sensitivity to the need to protect the environment along with recognition that a substantial portion of the regulated community using USTs and ASTs are small businesses. Further, these facilities are often located in rural parts of the state and may be critical sources of petroleum products for a large area. In other words, these facilities play a vital role in many Arkansas communities.

AOMA recognizes that the changes to Regulation No. 12 are driven by the 2015 revisions to the federal UST regulations along with the Arkansas General Assembly legislation which includes:

- Act 534 (addressing UST piping secondary containment)
- Act 584 (AST registration/fees)

AOMA would like to emphasize that it continues to support Arkansas’s operation of this delegated federal UST program. We recognize the need for swift preparation by ADEQ of

a rules/program package that can be approved by the United States Environmental Protection Agency (“EPA”). Therefore, we plan to provide to ADEQ any necessary assistance to facilitate revision of Regulation No.12.

As you know, revisions to the federal UST regulations have been minor and infrequent since their original promulgation. The Arkansas UST statute has always required that Arkansas promulgate companion regulations that are neither more nor less stringent than the federal UST regulations. Further, Arkansas Pollution Control and Ecology Commission Reg. 12.104 has simply mandated that the UST regulations adopted by the EPA be incorporated by reference.

The Reg. 12.104 (Incorporation of Federal Regulations) language has simplified the Arkansas rulemaking process in regards to USTs. However, as we discussed in prior stakeholder meetings, the 2015 UST revisions offer states certain choices in terms of regulatory requirements. Therefore, AOMA believes it important to identify for ADEQ the areas in which EPA has provided the states flexibility in terms of certain UST regulatory requirements. We would like to work with ADEQ in determining how these choices can be specified in Regulation No. 12 and yet maintain the simplicity provided by Reg. 12.104 (Incorporation of Federal Regulations).

Response: The Department acknowledges the comment.

Comment: The choices discussed below were identified in a June 8th memorandum from our national association (Petroleum Marketers Association of America) (“PMAA”) titled *Strategies for State Adoption of EPA 2015 UST Amendments*. An abbreviated discussion of these choices/recommendations include:

- AOMA opposes and believes ADEQ should consider adopting language that would eliminate use of the Petroleum Equipment Institute UST Standards as either part of Regulation No. 12 or as a matter of agency policy which include:
 - PEI Recommended Practice 1200 (RP-1200) protesting an inspection of UST systems
 - PEI Recommended Practice 900 (RP-900) addressing walk-through inspections
- AOMA requests that the agency consider language which states that any referenced industry standards shall not impose any additional regulatory requirements not included under 40 CFR Part 280 of the federal UST regulations.
- Incorporate in Regulation No. 12 the alternative test method for containment sumps that was proposed by PMAA and subsequently adopted by EPA
- EPA recognized PMAA’s alternative integrity test method for sumps used as secondary containment and interstitial monitoring for UST system piping as “equally protective of the environment”
 - PMAA notes that this test method can therefore be used in place of the RP-1200 containment sump test method referenced in the 2015 revisions

○ AOMA will provide ADEQ any necessary documentation regarding EPA's prior recent approval

Response: According to 40 CFR 280 of the Federal Regulations, PEI Recommended Practice 900 (RP-900) is only an option for owners and operators to use to meet the monthly walk-through inspection requirements. PEI Recommended Practice 1200 (RP-1200) is an option allowing alternatives in case codes of practice and manufacturer's requirements are not available. ADEQ acknowledges that EPA approved PMAA's low liquid level integrity test as an alternative test method for containment sumps.

Comment: Since ADEQ has delegated UST program authority the State has two compliance deadline options

○ A later compliance deadline will provide the many Arkansas service and small businesses affected by the 2015 UST revisions additional time to obtain the necessary capital and/or financing to fund the necessary improvements

○ The October 13, 2021 deadline option should be adopted by ADEQ

Response: The October 13, 2021 deadline is being adopted by ADEQ for the date of full compliance with the federal regulations. In order to meet that deadline ADEQ will require monthly walk-through inspections to be initiated by no later than October 13, 2018, and within one year, annual release detection equipment testing will need to be completed. Spill containment, liquid tight sumps (sumps installed on or after July 1, 2007), and overfill prevention devices will need to be tested before October 13, 2021.

Comment: As to the legislatively driven Regulation No. 12 revisions, AOMA has the following comments.

First, the revisions to Regulation No. 12 that correspond to Act 534 appear to accurately tract that legislation. ADEQ had previously asked for our input as to the legislative choice in terms of secondary containment. As a result, we support the relevant language.

Response: The Department acknowledges the comment.

Comment: Second, significant revisions to Regulation No. 12 will need to be made to the draft revisions to comply with Act 584. The Arkansas Environmental Federation ("AEF") has submitted comments providing the necessary changes. AOMA supports these proposed changes and they are attached to our comments. Again, we believe that Regulation No. 12 should be revised to reflect Act 584's mandates.

In summary, Act 584 eliminated any mandatory registration or fee requirements for ASTs. Instead, it provided that the registration and fee requirements would only be applicable if an AST chose to participate in the trust fund. The elimination of mandatory fee and payment requirements also meant that the AST delivery and receipt prohibitions found in Chapter 2 would logically be eliminated.

Our reading of the draft revisions indicates that the only change to Chapter 2 is the adding of "F" which provides owners or operators of ASTs the option of registration to access the trust fund. It does not appear that the provisions of Chapter 2 mandating AST

registration/fee payment have been removed. Further, the provisions prohibiting sale or receipt of motor fuel to such ASTs also remain in Chapter 2. This is at odds with the legislation and necessary revisions must be made. We believe this was simply an agency oversight.

Response: See response to Comment by Charles M. Miller, regarding Reg.12.201.

Comment: Finally, in regards to Regulation No. 12, a number of AOMA members have raised an issue that we would like to see addressed as soon as possible. We would be happy to work with ADEQ in drafting appropriate language.

As you know, the Chapter 2 UST requirements mandate registration certification (with appropriate color sticker for the current year) prominently displayed at the location. It is our understanding that transport companies rely on that certification when delivering motor fuel to that location.

AOMA understands that ADEQ takes the position that if there is a change in ownership in the USTs/property the current certificate is invalid. Further, we understand that the transport company may be subject to penalties for delivering motor fuel into an unregistered UST. Similarly, it is our understanding that until the new certificate (with the new owner) is issued and prominently displayed at the site, no deliveries may be made. AOMA respectfully suggests that Chapter 2 should be revised to provide a “Safe Harbor” of some type for a valid certification being posted.

AOMA has serious concerns about penalties being imposed upon marketers or transportation companies that deliver motor fuel to a location if it has a current UST certificate at the site or the ADEQ website identifies the UST fees as having been paid (i.e., current).

We would suggest that Chapter 2 be revised to provide a grace period for filing registration paperwork. A 30-day grace period for the UST seller and buyer to submit the relevant paperwork and receive the new registration certificate should therefore be incorporated into Chapter 2. Further, penalties for failing to timely file a change of registration should not be imposed upon transportation companies or a marketer supplying the fuel in such limited circumstances. Instead, the only parties that should be penalized during this limited period would be the seller or buyer of the UST.

Response: The Department acknowledges the comment. The changes recommended in this comment were not proposed in the pending regulatory amendment and not included in the statutorily-required public notice. Therefore, this comment is beyond the scope of this rulemaking.

Comment: AOMA also would like to address three issues that may not necessarily be incorporated into Regulation No. 12. We believe one or more other commenters are putting forth these recommendations. These issues need to be considered as ADEQ begins implementation of the 2015 UST revisions. They include:

Reuse of Water in Hydrostatic Testing

Under the topic, “UST Sump Test Water Characterization And Disposal” within the EPA “Questions and Answers About the 2015 UST Regulations – As of May 2017” (“Q&A”), EPA provides multiple references indicating the reuse of test water is permissible. We support other commenters’ recommendation of the reuse of test water to support conservation goals, reduce (potentially hazardous) waste generation, and reduce the burden of increased costs on the industry. We recommend as an option organizations work with third party service providers to develop a testing approach incorporating a “milk-run” schedule in which it would only service their organization during the milk-run; thereby, eliminating the potential for cross contamination between fuel stations from separate companies. In this approach, test water will be introduced to sumps for site testing, and at the conclusion of the test, the water will be placed into a mobile tank and transported to the next test site.

Test Water Management

EPA also provides in the Q&A additional direction under the “UST Sump Test Water Characterization and Disposal” topic that test water can be cleaned or filtered while the water is being used/reused to test multiple sumps. Specifically, the Q&A states:

“A testing contractor or UST facility owner and operator could potentially reuse the water over and over again, especially if the test water is filtered in between uses to remove any free or dissolved petroleum. When the tester decides not to reuse the water, it then becomes a waste, must be characterized, and either properly disposed or determined if it can be reclaimed.”

We support other commenters that recommend the approval of filtration, absorption, or enzymatic cleaning agents to remove and/or reduce the petroleum constituents to further prolong the test water life cycle. They also note and we support their analysis that EPA has concluded that a waste determination would not need to be made until the completion of the testing cycle. The testing contractor who determines when to remove the water from service should be considered the “generator” of the test water.

Alternative Test Methods

Other commenters note that in the Q&A topic “Containment Sump – Alternative Test Procedures,” EPA acknowledges that requiring UST owners to test sumps at 4 inches above the highest penetration as outlined in PEI RP1200 “*may create unusual challenges and unintended consequences.*” They note that EPA provides an example of a site using liquid sensors in the sumps along with positive shutdown to illustrate an acceptable alternative test method. In this example, the agency provides guidance that an acceptable test measure would be to fill the sump to the level which would activate the sensor. AOMA also agrees with this position, and recommends ADEQ approve this test method to conserve water and significantly reduce waste.

Finally, AOMA is concerned that the 2015 UST revisions will require activities that generate greater amounts of water that may be regulated. The previous example of hydrostatic testing is one example. We would respectfully request the initiation of a stakeholder process with ADEQ Water and UST personnel to explore creative options for addressing the disposition options. Temporary, General NPDES or authorizations need to be discussed. Because it will take some time to consider alternatives and the length of the permitting process AOMA believes this discussion should start in the near future.

AOMA recognizes that several of these comments are not germane to the proposed revisions to Regulation 12. Nevertheless, we believe that these suggested action items are time sensitive and discussions should begin in the near future on how to address these issues.

Response: The Department acknowledges the comment. This comment concerns issues that were not proposed in the pending regulatory amendment and not included in the statutorily-required public notice. Therefore, this comment is beyond the scope of this rulemaking.

Audray K. Lincoln, Region 6, Environmental Protection Agency

Comment: What are the implementation dates for your rules?

Response: Arkansas does and will continue to use the implementation dates required by the federal regulations for SPA states.

Comment: ADEQ IBR which takes in all of the federal dates but many of these will be before the effective date of the rule. How will ADEQ deal with implementation dates of different issues?

Response: For clarity, the difference between the effective date of APC&EC Reg. 12 and the EPA's implementation dates will be distinguished. First, the effective date of the amended APC&EC Reg. 12 as a state regulation is the date the regulation will have the full force and effect of law in Arkansas, which is ten (10) days after filing with the Arkansas Secretary of State after final adoption by the APC&EC.

As for the incorporation by reference (IBR) date, Arkansas law does not allow for the prospective adoption of federal law or regulations. Historically, all amendments to APC&EC Reg. 12 have used the date of the APC&EC's final adoption of the rulemaking as the date the most recent version of federal law and regulation can be incorporated in Reg. 12.104. Therefore, the effective date of the amendments to APC&EC Reg. 12 will be after APC&EC's final adoption and ten (10) days after filing with the Arkansas Secretary of State.

Second, as far as the EPA's implementation timeline, Arkansas has been using and will continue to use the implementation dates that have occurred to date as required by the SPA. All EPA implementation dates in the federal regulations will be incorporated by reference into APC&EC Reg. 12 after it is effective.

Comment: We find it confusion as to what Reg 12.104 means if there are not specified implementation dates for specific requirements: 12.104 "...and provided that the effective date of the provisions adopted herein by reference as provisions of this Regulation shall be the date such the provisions are specified as being effective by the Commission in its rulemaking and the effective date of the federal regulations adopted herein shall have no bearing on the effective date of any provisions of this Regulation:..."

Response: The quoted language is distinguishing between the effective date of APC&EC Reg. 12 and the federal regulations cited in Reg. 12.104. Arkansas law does not allow for the prospective adoption of federal law or regulations. However, nothing in Reg. 12.104 restricts ADEQ from following the EPA's implementation timeline that exists in the cited federal regulations as they exist on the date the APC&EC adopts the amendments to Reg. 12.

Rebecca Miller-Rice, an attorney with the Bureau of Legislative Research, asked the following question:

Reg.12.109: In Sections (A)(1), (B)(1), and (C)(1), the proposed revisions, via footnotes, have maintained the limitation that the sections apply only to those respective tanks or fuel dispenser systems installed or replaced after July 1, 2007; however, that date limitation appears to have been specifically stricken from the respective provisions in Act 534 of 2017, §§ 1, 2, and 4. Can you reconcile this for me? **RESPONSE:** The federal regulation removed the July 1, 2007 reference. Act 534 of 2017 removed this date as well to avoid any interpretation that the state law was more stringent than the federal regulation. However, during the stakeholder meetings on the regulation, an issue was raised that the removal of the date completely from the regulation may cause confusion to the regulated community as far as establishing that an underground storage tank or piping was not in compliance with the secondary containment requirements in the regulation because the tank or piping was installed before July 1, 2007. Inspectors are trained about this and this date is included in inspection forms. In response to all of this information, the decision was made to include the date in footnotes for clarity and as historical reference to the regulated community and the public.

The proposed effective date is pending legislative review and approval.

FINANCIAL IMPACT: For owners and operators of regulated storage tanks, there is an estimated cost of \$2,400 for walk-through inspections, testing of sumps, and spill buckets.

There is no cost to state, county, and municipal governments to implement the rule.

LEGAL AUTHORIZATION: Pursuant to Arkansas Code Annotated § 8-7-802(a)(1), the Arkansas Pollution Control and Ecology Commission has the power and duty to promulgate, after notice and public hearing, and to modify, repeal, and enforce, as necessary or appropriate to implement or effectuate the purposes and intent of Title 8,

Chapter 7, Subchapter 8 of the Arkansas Code concerning regulated substance storage tanks, rules and regulations relating to an underground storage tank release detection, prevention, corrective action, and financial responsibility program as required by the federal Resource Conservation and Recovery Act of 1976 and the Energy Policy Act of 2005, Pub. L. No. 109-58. The Commission is further authorized to adopt appropriate rules and regulations not inconsistent with the Petroleum Storage Tank Trust Fund Act, codified at Ark. Code Ann. §§ 8-7-901 through 8-7-909, to carry out the intent and purposes of and to assure compliance with the Act. *See* Ark. Code Ann. § 8-7-903(b). The proposed revisions implement changes brought about by Act 257 of 2017, sponsored by Representative Matthew Shepherd, which made technical corrections to Title 8 of the Arkansas Code concerning environmental law; Act 534 of 2017, sponsored by Representative Les Eaves, which amended the law concerning underground storage tanks and secondary containment; and Act 584 of 2017, sponsored by Representative Andy Davis, which amended the law to make the registration of aboveground storage tanks optional and amended the eligibility for reimbursement from the Petroleum Storage Tank Trust Fund. Per the Department, the revisions also include changes required to comply with federal law, specifically, *Federal Register*, 80 FR 41566-41683, July 15, 2015, concerning 40 C.F.R. Parts 280-281.

**QUESTIONNAIRE FOR FILING PROPOSED RULES AND REGULATIONS
WITH THE ARKANSAS LEGISLATIVE COUNCIL**

Arkansas Department of Environmental Quality (ADEQ) by and through the Arkansas Pollution Control and Ecology Commission

DEPARTMENT/AGENCY (APC&EC)

DIVISION Office of Land Resources (OLR)

DIVISION DIRECTOR Kevin White, Associate Director

CONTACT PERSON Wanda Paes, Petroleum Tank Trust Fund Manager

ADDRESS 5301 Northshore Drive, North Little Rock, Arkansas

PHONE NO. 501-682-0981 **FAX NO.** 501-682-0880 **EMAIL** paes@adeq.state.ar.us

NAME OF PRESENTER AT COMMITTEE MEETING Jarrod Zweifel

PRESENTER EMAIL zweifel@adeq.state.ar.us

INSTRUCTIONS

- A. Please make copies of this form for future use.
- B. Please answer each question completely using layman terms. You may use additional sheets, if necessary.
- C. If you have a method of indexing your rules, please give the proposed citation after "Short Title of this Rule" below.
- D. Submit two (2) copies of this questionnaire and financial impact statement attached to the front of two (2) copies of the proposed rule and required documents. Mail or deliver to:

Donna K. Davis
Administrative Rules Review Section
Arkansas Legislative Council
Bureau of Legislative Research
One Capitol Mall, 5th Floor
Little Rock, AR 72201

- 1. What is the short title of this rule? Regulation No. 12: Storage Tanks

 - 2. What is the subject of the proposed rule? Storage Tanks. ADEQ proposes this rulemaking before the APC&EC 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.

 - 3. Is this rule required to comply with a federal statute, rule, or regulation?
Yes No
Federal Register, 80 FR 41566-41683, July 15, 2015, concerning 40 C.F.R. Parts 280-281.
- If yes, please provide the federal rule, regulation, and/or statute citation.

4. Was this rule filed under the emergency provisions of the Administrative Procedure Act?

Yes No

If yes, what is the effective date of the emergency rule? Not applicable

When does the emergency rule expire? Not applicable

Will this emergency rule be promulgated under the permanent provisions of the Administrative Procedure Act?

Yes No

5. Is this a new rule? Yes No

If yes, please provide a brief summary explaining the regulation. _____

Does this repeal an existing rule? Yes No

If yes, a copy of the repealed rule is to be included with your completed questionnaire. If it is being replaced with a new rule, please provide a summary of the rule giving an explanation of what the rule does. _____

Is this an amendment to an existing rule? Yes No

If yes, please attach a mark-up showing the changes in the existing rule and a summary of the substantive changes. **Note: The summary should explain what the amendment does, and the mark-up copy should be clearly labeled "mark-up."**

6. Cite the state law that grants the authority for this proposed rule? If codified, please give the Arkansas Code citation. Ark. Code Ann. § 8-7-802; Petroleum Storage Tank Trust Fund Act, Ark. Code Ann. § 8-7-901 et seq. , Acts 534 and 584 of 2017; and Reg.12.104(A).

7. What is the purpose of this proposed rule? Why is it necessary?

The proposed amendments are necessary to comply with changes to state law by the General Assembly, including Acts 257, 534, and 584 of 2017, and changes to the *Federal Register*, 80 FR 41566-41683, July 15, 2015, concerning 40 C.F.R. Parts 280-281. Changes to the regulation include:

- 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;
- 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;

- Incorporates 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

- 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.

8. Please provide the address where this rule is publicly accessible in electronic form via the Internet as required by Arkansas Code § 25-19-108(b).
www.adeq.state.ar.us/regs/drafts/draft_regs.htm

9. Will a public hearing be held on this proposed rule? Yes No
If yes, please complete the following:

Date: September 6, 2017
Time: 2:00 p.m.
Commission Room
ADEQ Headquarters
5301 Northshore Drive
Place: North Little Rock, AR 72118

10. When does the public comment period expire for permanent promulgation? (Must provide a date.)

The public comment period expires on September 20, 2017. However, after the public comment period, the regulation must be reviewed by the Legislative Committees and the APC&EC must adopt the final regulation. The earliest estimated time for APC&EC adoption is January 2018, with the effective date being ten (10) days after the APC&EC files with the Secretary of State, approximately February 2018.

11. What is the proposed effective date of this proposed rule? (Must provide a date.)

February 2018

12. Please provide a copy of the notice required under Ark. Code Ann. § 25-15-204(a), and proof of the publication of said notice. The Arkansas Pollution Control and Ecology Commission (APC&EC) is exempt from the definition of “agency” under the Administrative Procedure Act. (See Ark. Code Ann. § 25-15-202(2)(C)). However, laws concerning the promulgation of regulations by the APC&EC do require public notice, a copy is attached.

13. Please provide proof of filing the rule with the Secretary of State and the Arkansas State Library as required pursuant to Ark. Code Ann. § 25-15-204(e). The Arkansas Pollution Control and Ecology Commission (APC&EC) is exempt from the definition of “agency” under the Administrative Procedure Act. (See Ark. Code Ann. § 25-15-202(2)(C)). Filing with the Secretary of State does not occur until after legislative review and adoption by the APC&EC.

14. Please give the names of persons, groups, or organizations that you expect to comment on these rules? Please provide their position (for or against) if known. None anticipated.

FINANCIAL IMPACT STATEMENT

PLEASE ANSWER ALL QUESTIONS COMPLETELY

DEPARTMENT Arkansas Department of Environmental Quality (ADEQ)

DIVISION Office of Land Resources (OLR)

PERSON COMPLETING THIS STATEMENT Wanda Paes

TELEPHONE (501)682-0981 **FAX** (501)682-0880 **EMAIL:** paes@adeq.state.ar.us

To comply with Ark. Code Ann. § 25-15-204(e), please complete the following Financial Impact Statement and file two copies with the questionnaire and proposed rules.

SHORT TITLE OF THIS RULE APC&EC Regulation No. 12: Storage Tanks

- 1. Does this proposed, amended, or repealed rule have a financial impact? Yes No
- 2. Is the rule based on the best reasonably obtainable scientific, technical, economic, or other evidence and information available concerning the need for, consequences of, and alternatives to the rule? Yes No
- 3. In consideration of the alternatives to this rule, was this rule determined by the agency to be the least costly rule considered? Yes No

If an agency is proposing a more costly rule, please state the following:

- (a) How the additional benefits of the more costly rule justify its additional cost;
N/A
- (b) The reason for adoption of the more costly rule;
N/A
- (c) Whether the more costly rule is based on the interests of public health, safety, or welfare, and if so, please explain; and;
N/A
- (d) Whether the reason is within the scope of the agency's statutory authority; and if so, please explain.
N/A

4. If the purpose of this rule is to implement a federal rule or regulation, please state the following:

- (a) What is the cost to implement the federal rule or regulation?

Current Fiscal Year

Next Fiscal Year

General Revenue	<u>\$ 0.00</u>
Federal Funds	<u>\$ 0.00</u>
Cash Funds	<u>\$ 0.00</u>
Special Revenue	<u>\$ 0.00</u>
Other (Identify)	<u>\$ 0.00</u>
Total	<u>\$0.00</u>

General Revenue	<u>\$ 0.00</u>
Federal Funds	<u>\$ 0.00</u>
Cash Funds	<u>\$ 0.00</u>
Special Revenue	<u>\$ 0.00</u>
Other (Identify)	<u>\$ 0.00</u>
Total	<u>\$0.00</u>

(b) What is the additional cost of the state rule?

Current Fiscal Year

General Revenue	\$ 0.00
Federal Funds	\$ 0.00
Cash Funds	\$ 0.00
Special Revenue	\$ 0.00
Other (Identify)	\$ 0.00
Total	\$ 0.00

Next Fiscal Year

General Revenue	\$ 0.00
Federal Funds	\$ 0.00
Cash Funds	\$ 0.00
Special Revenue	\$ 0.00
Other (Identify)	\$ 0.00
Total	\$ 0.00

5. What is the total estimated cost by fiscal year to any private individual, entity and business subject to the proposed, amended, or repealed rule? Identify the entity(ies) subject to the proposed rule and explain how they are affected. Only owners and operators of regulated storage tanks will be affected.

Current Fiscal Year

\$ \$ 2,400

Next Fiscal Year

\$ \$ 2,400

Estimated at \$2,400 for walk-through inspections, testing of sumps, and spill buckets.

6. What is the total estimated cost by fiscal year to state, county, and municipal government to implement this rule? Is this the cost of the program or grant? Please explain how the government is affected.

Current Fiscal Year

\$ \$ 0.00

Next Fiscal Year

\$ \$ 0.00

There are no implementation costs for this rule.

7. With respect to the agency's answers to Questions #5 and #6 above, is there a new or increased cost or obligation of at least one hundred thousand dollars (\$100,000) per year to a private individual, private entity, private business, state government, county government, municipal government, or to two (2) or more of those entities combined?

Yes No

If YES, the agency is required by Ark. Code Ann. § 25-15-204(e)(4) to file written findings at the time of filing the financial impact statement. The written findings shall be filed simultaneously with the financial impact statement and shall include, without limitation, the following:

- (1) a statement of the rule's basis and purpose;
- (2) the problem the agency seeks to address with the proposed rule, including a statement of whether a rule is required by statute;
- (3) a description of the factual evidence that:
 - (a) justifies the agency's need for the proposed rule; and

- (b) describes how the benefits of the rule meet the relevant statutory objectives and justify the rule's costs;
- (4) a list of less costly alternatives to the proposed rule and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;
 - (5) a list of alternatives to the proposed rule that were suggested as a result of public comment and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;
 - (6) a statement of whether existing rules have created or contributed to the problem the agency seeks to address with the proposed rule and, if existing rules have created or contributed to the problem, an explanation of why amendment or repeal of the rule creating or contributing to the problem is not a sufficient response; and
 - (7) an agency plan for review of the rule no less than every ten (10) years to determine whether, based upon the evidence, there remains a need for the rule including, without limitation, whether:
 - (a) the rule is achieving the statutory objectives;
 - (b) the benefits of the rule continue to justify its costs; and
 - (c) the rule can be amended or repealed to reduce costs while continuing to achieve the statutory objectives.

APC&EC REGULATION NO. 12:
STORAGE TANKS
Proposed Amendments – Executive Summary
July 14, 2017

The Arkansas Department of Environmental Quality (ADEQ) proposes this rulemaking before the Arkansas Pollution and Ecology Commission (APC&EC) to 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.*

The proposed amendments to the regulation include the following:

- 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;
- 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;
- Incorporates 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
- 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.