necsema
New England Convenience Store & Energy Marketers Association

April 1, 2021

Testimony of Brian Moran
Director of Government Affairs, New England Convenience Store & Energy Marketers Association

Rhode Island General Assembly
House Finance Committee

RE: Article 1, Section 19 of H.6122– *Corrections to the FY22 Appropriations Act*

Statement of Opposition

Chairman Abney and Members of the Committee-

The New England Convenience Store & Energy Marketers Association (NECSEMA) represents convenience store and gasoline retailers and the businesses which supply them. NECSEMA members own, operate and/or supply the nearly 500 convenience stores and gas stations in Rhode Island which employ 7,200 people and generate almost $2 billion in sales annually.

Article 1, Section 19 of the would have the Department of Environmental Management transfer one million dollars ($1,000,000) from the Underground Storage Tank (UST) Fund to the State Controller. We respectfully oppose this transfer and ask that this amendment be struck.

One million dollars represents approximately 25% of the Fund's total balance – a significant amount. In fact, the Fund typically pays out $2,000,000 per year per RIDEM. Transferring $1,000,000 risks an inability to pay future claimants and sets a bad precedent to consider this source in the future.

The UST Fund provides a valuable environmental and commercial purpose. Every gallon of motor fuel carries a $.005 fee that is paid directly into the Fund. The funds collected are used exclusively for reimbursing tank owners for site cleanup and soil remediation when storage tanks are removed.

The US EPA requires UST owners to demonstrate financial responsibility and have the capability to pay for third-party liability compensation. Rhode Island's Fund provides that financial responsibility so UST owners can demonstrate financial compliance. Otherwise, tank owners and operators would be forced to purchase cost prohibitive private insurance.

Rhode Island's UST Fund is one of the best managed in the nation in part because it consistently has adequate funds to distribute. The EPA wrote and published regulations that require tank owners to prevent, detect and clean up releases. In 1996, Rhode Island became one of 31 states in the country approved by the EPA to manage its own UST management and clean-up program and, according to RIDEM, has completed 864 cleanups.

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Finally, we recognize Governor McKee's budget was drafted before the federal *American Rescue Plan* became law. This stimulus has been reported to provide the state of Rhode Island with $1.78 billion. We would hope this new development will render this transfer unnecessary.

Thank you for your thoughtful consideration on this matter.

Respectfully submitted,

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