

GAO Finds Delayed Cleanup of Leaking Underground Storage Tanks Threatens Groundwater and Public Health

Rep. John D. Dingell (D-MI), Chairman of the House Committee on Energy and Commerce, and Rep. Hilda L. Solis (D-CA), Vice Chair of the Subcommittee on Environment and Hazardous Materials, today released a Government Accountability Office (GAO) report that estimates it would cost \$12 billion in public funds to clean up half of the confirmed leaks from underground storage tanks.

NEWS RELEASE

Committee on Energy and Commerce

Congressman John D. Dingell, Chairman

For Immediate Release

February 22, 2007

Contact: Jodi Seth (Dingell)

202-225-5735

Don Lyster (Solis)

202-225-9971

GAO Finds Delayed Cleanup of Leaking
Underground Storage Tanks Threatens
Groundwater and Public Health

\$12 Billion in Public Funds Needed for Cleanup

Washington, D.C. - Rep. John D. Dingell (D-MI), Chairman of the House Committee on Energy and Commerce, and Rep. Hilda L. Solis (D-CA), Vice Chair of the Subcommittee on Environment and Hazardous Materials, today released a Government Accountability Office (GAO) report that estimates it would cost \$12 billion in public funds to clean up half of the confirmed leaks from underground storage tanks. The GAO report, entitled "Leaking Underground Storage Tanks: EPA Should Take Steps to Better Ensure the Effective Use of Public Funding for Cleanups," also found that untimely cleanup increases the potential for contamination to spread and damage the environment and human health.

After a comprehensive state survey, the GAO found that cleaning up 54,000 of the 117,000 known leaks will cost \$12 billion dollars:

"States reported that cleaning up known releases from leaking underground storage tanks would cost an estimated \$12 billion in public funds from state and federal sources. This estimate reflects the amount of public funds that states expected it would cost to clean up approximately 54,000 known releases. States were unable to estimate the cost of cleaning up more than another 8,000 releases whose cleanup will require at least some public funds."

According to the GAO, 43 states expect to confirm about 16,700 new releases in the next five years that will require at least some public funds for cleanup.

"This report shows the gross inadequacy and disgraceful nature of President Bush's most recent budget request of \$72.4 million from the federal Underground Storage Tank Trust Fund," said Dingell. "The inexplicable failure to use available resources to speed the cleanup of pollution that is likely to spread places human health and the environment at an increased risk."

In 1986, the Leaking Underground Storage Tank Trust Fund was established for the specific purpose of cleaning up petroleum and MTBE contamination of drinking water supplies. Every American pays into the Trust Fund (one tenth of a cent/gallon) when they buy gas. The Trust Fund had a surplus of \$2.57 billion in 2006 that is expected to grow to \$3.0 billion at the end of Fiscal Year 2008. The tax on gasoline brought in \$197 million in 2006 and an additional \$99 million was collected in interest on the amounts in the Trust Fund. Yet, the President only requested \$72.4 million in his Fiscal Year 2008 budget for cleanup, which is approximately 2.82 percent of the total amount in the Trust Fund.

"This report shows clearly that the leaking underground storage tanks are not getting cleaned up. As a result, leaking underground storage tanks like the 12,000 in California, are contaminating our water supplies with MTBE and other carcinogens, unnecessarily risking public health," said Solis. "Taxpayers deserve to know that their tax dollars are being used appropriately, not being held in escrow by the Bush Administration to offset other misguided fiscal choices. It is time that our nation's water quality and health become a national priority."

Underground storage tanks that leak petroleum or other hazardous substances can contaminate nearby soil and groundwater, which serves as the source of drinking water for nearly half of all Americans. Individuals coming into contact with this contamination, which can contain known carcinogens, could experience health problems ranging from nausea to kidney or liver damage.

GAO also found that:

- State financial assurance funds in some states do not have sufficient resources to ensure timely cleanups (p. 28).
- In the event of a release, tank owners covered by state financial assurance funds usually pay a relatively small deductible, while the funds provide sometimes large sums of public funding to complete the required cleanup. Because these deductibles are small, they may not provide an incentive for tank owners to prevent releases from occurring (p. 44).
- EPA lacks assurance that states are adequately overseeing and enforcing financial responsibility provisions. GAO found that "only about one-third of states check coverage on an annual basis, while the remaining states generally reported they check less frequently or not at all... If the required coverage is not in place when a release occurs, funds may not be available to pay for cleanup in a timely manner, thus increasing the potential for contamination to spread and damage the environment and human health. Additionally, a lack of available funds may result in taxpayers paying more of the cleanup costs than they would have otherwise paid" (p. 43).

- 30 -

(Read the GAO Report)

Prepared by the Committee on Energy and Commerce

2125 Rayburn House Office Building, Washington, DC 20515

