

latest leaks



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Petroleum Storage Tank Insurance Fund

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Policyholders On-Line!

Since January 1, twenty-five owners have signed up to renew 379 insurance policies "on-line."

All PSTIF policyholders are encouraged to consider this option as a way to save time and paperwork. Those who prefer to continue using paper documents and the U.S. Postal Service are, of course, welcome to do so!

New Participation Agreement

Insured UST owners recently received a new participation agreement from the PSTIF office. The new document, which replaces a 1996 version, incorporates the provisions for an extended reporting period that the Board implemented several months ago. It also contains some wording changes to make it consistent with the AST document issued by the PSTIF, some corrections and some language updates.

The only substantive changes made by the new document is that it eliminates a cap on legal defense costs that existed in the old version, and it authorizes the PSTIF to pay "first dollar" for third party claims.

Anyone with questions about the new document is encouraged to call us at 800-765-2765.

RBCA Tip

Many consultants are confusing two of the fundamental features of risk-based analysis. Part of a risk analysis is the preparation of an "Exposure Model" for the property, which is site-specific and analyzes which exposure pathways are complete under both current and future-use scenarios. This analysis, and the conclusions reached, are completely independent of what the cleanup standards are for the site. The Exposure Model can be developed without knowing the Tier 1 or Tier 2 standards. Refer to page 7-2 in the RBCA Tanks Guidance, and Form

"Tier 1-11" for information on the Exposure Model.

After a pathway has been determined to be complete, a second part of the analysis involves determining whether representative concentrations of chemicals of concern exceed the appropriate standards for that pathway. If any do, then a more site-specific risk assessment, (e.g., a Tier 2 analysis), or corrective action is required.

RBCA Successes

A fourth Internet Seminar was held on April 19 for environmental consultants. Called "RBCA Success Stories," it included two case studies where the RBCA Guidance was used to assess risks at tank sites and get the claims closed quickly. One case study involved a very old release reported nearly 20 years ago; it had the 31st release number ever assigned by MDNR. Under the old guidance, neither an end to "corrective action" nor a "No Further Action letter" were in sight. Using sound risk assessment principles, the consultant demonstrated that no additional corrective action was needed to protect public health and the environment, and MDNR closed the file.

The second was a newly discovered release at a tank facility where the owner needed to remove the tanks and complete cleanup on an expedited timeframe in order to sell the property. Within five months of the discovery of the release, all site work and reporting was complete, and MDNR closed the file.

For those who missed the initial presentation, the seminar is available at www.pstif.org under the "RBCA" tab.

RBCA NFA Count

The PSTIF has been unequivocal in its support for a risk-based approach to cleanups, as we believe it provides a more technically sound and more scientific approach to cleanups. But change

is hard, and there has been a learning curve for everyone.

Therefore we are especially pleased to report that RBCA is having a significant effect on cleanup efforts in Missouri. As of April 18, 43 different consultants had obtained "No Further Action letters" for their clients on 103 different properties. The PSTIF has seen some of its very old claims finally closed, and the total number of open claims is steadily declining. Much work remains to be done, but the success of the new approach is evident.

Congratulations to all!

ATG Leak Status Reports

A reminder for those of you who use automatic tank gauges, (ATGs) -- Some gauges have been certified for use as leak-detection devices based on an assumption that there is a certain level of fuel in the tank. (A higher liquid level creates more "head pressure," which affects the rate at which fuel could escape through a hole.)

UST operators are encouraged to make sure their "leak status reports" for at least nine months of each year show that the tank was tested for a 0.2 gph leak with the required level of fuel in it. If you are unsure what level is required, contact your equipment vendor or call the PSTIF.

Fuel Changes

The times they are a-changing, and so are the fuels we use to power our vehicles. The PSTIF will continue to insure any tank that contains a fuel which is at least 10% petroleum, and we are excited about the innovations in fuel and vehicle technology. But a word of caution is in order.

Tank owners need to be aware that - before switching fuels - there may be specific steps you need to take to clean your tank and/or check the system components. Some gaskets, seals, filters, etc., are affected by fuels containing alcohol, for example.

Two helpful web sites are:
www.ethanol.org/e85storage.html &
www.e85fuel.com/front_page/newsletter_of_the_steel_tank_ins.htm.

If you have questions about what needs to be done before switching fuels, talk to your petroleum marketer, your equipment company, the Division of Weights and Measures or the PSTIF. The last thing you want is to offer a new product to your customers, only to find out it has created unanticipated expenses for repairs and/or cleanups.

Hydrogen Cars?

The federal government, automakers and oil companies signed an agreement on March 30 to finance hydrogen-fueled vehicle demonstration projects. The pact calls for four centers to test hydrogen vehicles in a variety of locations and climates.

Companies hope to make a decision by 2015 whether hydrogen technology is ready for commercial application. Hydrogen storage and infrastructure are key obstacles that will have to be overcome.

New Insurance Requirement for Propane

SB182 has been passed by the Missouri Senate and is under consideration by the House of Representatives. If passed and signed by the Governor, it would require anyone who sells, handles or transports propane in Missouri to have insurance coverage for third party property damage and bodily injury. Minimum insurance

requirements would be \$1 million per occurrence and \$2 million annual aggregate. Proof of insurance would be required when registering with the Department of Agriculture.

The bill exempts persons who only sell propane in containers of 50 pounds or less that have been filled by another person who is registered and insured. Anyone with questions about the bill may contact Steve Ahrens, MO Propane Gas Association, 573-893-7655.

Federal UST Legislation

Tucked into the 1500-page Energy bill passed by the U.S. House of Representatives in April were changes to the federal law governing underground tanks. Titled "The Underground Storage Tank Compliance Act of 2005," the bill would require inspections of all USTs at least once every three years, establish training requirements for UST owners and operators and require states to establish a "red tag" authority, whereby the state can prohibit deliveries to non-compliant USTs.

The bill would also require states to either (a) require all new UST installations be double-wall tanks and piping, or (b) require manufacturers and installers of USTs be licensed and insured. The bill, HR6, is now under consideration by the U.S. Senate.

Check out our web site:
www.pstif.org.

Latest Leaks is a newsletter of the Missouri Petroleum Storage Tank Insurance Fund.

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