

North Carolina  
Department of Environment and Natural Resource



Division of Waste Management

Michael F. Easley, Governor  
William G. Ross Jr., Secretary  
Dexter R. Matthews, Director

June 3, 2002

Dear State Trust Fund Stakeholder:

This letter is to inform underground storage tank owners/operators and other interested parties of solvency issues regarding the commercial part of the Leaking Petroleum Underground Storage Tank Cleanup Funds (State Trust Funds). The Commercial Fund is one of two funds through which underground storage tank (UST) owners, operators, or landowners can request reimbursement for soil and/or groundwater cleanup activities resulting from leaking petroleum USTs. The State Trust Funds have been in effect since 1988 and has aided in the cleanup of more than 4,400 sites across North Carolina.

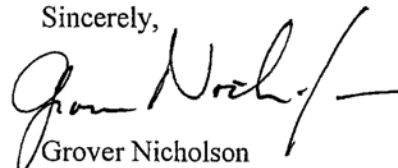
Since the end of the first week of April 2002, the balance of the Commercial Fund has not been sufficient to cover all obligations. As of the date of this letter, there was \$2,428,217 available to cover a requested amount of \$5,312,398 in reimbursement claims. This shortfall is the result of incoming revenues being exceeded by incoming reimbursement claims. This amount is exclusive of any other State Trust Fund financial obligations, such as administrative costs necessary for operation of the program. Statistical forecasts indicate that under current conditions, the Commercial Fund will have a zero fund balance in late June 2002.

The Division of Waste Management (DWM) UST Section is taking the following step to ensure that the balance of the Commercial Fund does not approach zero. As has been the practice in the past, claims will be reimbursed in the order that they were finally determined [NCGS 143-215.94J(e)] but effective June 17, 2002 the Commercial Fund will operate on a month-to-month basis according to the incoming monthly revenue. For example, if only \$2 million dollars of revenue is received for the month of May 2002, then the first \$2 million dollars of audited claims next in line will be reimbursed during the month of June 2002. This change will most likely result in an increase in the amount of time to pay State Trust Fund reimbursement claims. This policy does not effect the payment of Noncommercial Fund claims because at this time it is not projected that there will be a solvency issue for this fund.

The State Trust Fund is an important element in the cleanup of leaking petroleum USTs, not only at commercial facilities but also at residential properties where many homeowners still use USTs to store home heating fuel oil. The DWM realizes the importance of the State Trust Fund and continually strives to investigate new and innovative cost-effective methods to clean up the many leaking UST sites across North Carolina.

If you should have any questions concerning this matter, please contact George Matthis, Head of the Trust Fund Branch at (919) 733-1332.

Sincerely,



Grover Nicholson  
Chief, UST Section

Cc: Secretary William G. Ross, Jr.  
Dexter Matthews

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