

# Mary Lazich

State Senator - Senate District 28

Senate Committee on Agriculture, Small Business, and Tourism  
October 30, 2013  
Senate Bill 346 and Assembly Bill 440

Greetings committee members and thank you for your attention to Senate Bill 346 (SB 346) and Assembly Bill 440 (SB 440). The bills allow the Department of Natural Resources (DNR) to issue grants created under 2013 Act 20, the 2013-2015 State Budget, to assist with removal of vapor recovery equipment at gas stations.

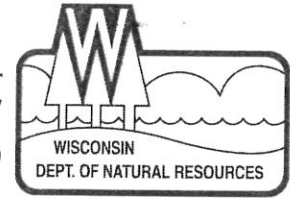
During the 2011-12 legislative session the legislature approved 2011 Act 196 directing the DNR to end Stage II Vapor Recovery June 30, 2013. Today's motor vehicles have onboard refueling vapor recovery systems, and the Environmental Protection Agency (EPA) finds Stage II Vapor Recovery equipment at gas stations is not necessary.

2013 Act 20, the budget, created a vapor recovery equipment removal grant program, providing petroleum inspection funds for removing Stage II vapor recovery equipment at gas stations. Grant recipients must pay 50% of the eligible removal costs and the maximum grant allowed is \$8,000. The budget provision directed the DNR to promulgate administrative rules. The problem is the rules process is expected to take more than a year.

SB 346 and AB 440 specify the grant in statute and make the lengthy rule making process unnecessary. SB 346 and AB 440 allow grant money to be available sooner to the nearly 845 gas stations in the non-attainment zone with Stage II Vapor Recovery systems.

The EPA found vapor emissions recovered may actually be less with Stage II and onboard refueling vapor recovery systems dual operation. Providing stations with tools to accelerate the removal of Stage II Vapor Recovery systems will lessen the systems environmental impact.

I ask the committee approve SB 346 and AB 440. Thank you for your attention to this bill.



**Testimony to the Wisconsin Senate Committee on Agriculture, Small Business, and Tourism  
Senate Bill (SB) 346**

**By Bart Sponseller – Air Management Bureau Director,  
Bureau of Air Management  
October 30, 2013**

I am Bart Sponseller, the Air Management Bureau Director for the Department of Natural Resources and I am testifying for information only regarding SB 346. This bill would eliminate the requirement that the DNR promulgate rules for the program that provides grants to retail gasoline stations for the decommissioning of Stage II vapor recovery systems. The grant program is a provision of the biennial budget.

Formerly, Stage 2 vapor recovery systems were required in the counties of Kenosha, Kewaunee, Manitowoc, Milwaukee, Ozaukee, Racine, Sheboygan, Washington and Waukesha to help attain and maintain the National Ambient Air Quality Standard for ground level ozone. The U.S. EPA removed the requirement for Stage 2 vapor recovery in ozone nonattainment areas because onboard refueling vapor recovery (ORVR) is deemed by U.S. EPA to be in widespread use nationally. Onboard refueling vapor recovery started to be phased in beginning in 1998 for light-duty vehicles and has continued for light-duty trucks and heavy-duty vehicles in the early- to mid-2000's. Onboard systems essentially serve the same purpose as Stage 2 vapor recovery systems at retail gasoline stations. It is important to note that, as U.S. EPA has found, there can actually be an emissions increase if both systems are in place at the same time.

Historically, 844 retail gasoline stations were required to have Stage 2 vapor recovery systems in the 9-county area noted above. Since April 16, 2012, the date state legislation allowed retail stations to decommission Stage 2 vapor recovery systems, 357 of the 844 retail gasoline stations have decommissioned their Stage 2 systems.

This bill specifies eligible costs under the grant program, which includes the cost of labor and parts to replace hardware, like hoses and nozzles, as well as costs for required tests which ensure proper decommissioning of the Stage 2 system. If this bill were adopted, the Department would discontinue the current rule making process, which would serve the same function as this bill (i.e., specifying eligible costs). In addition, the Department would move ahead quickly with the development of grant processes that would enable the disbursement of the grant funds for eligible costs.

Thank you for the opportunity to provide information on SB 346. I would be happy to answer any questions you have at this time.