

Depleted fund slows petroleum cleanup projects

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(Host) A state fund that pays to clean up gas and oil spills is running out of money in part because it was used to pay for a sales tax holiday.

State officials say the shortfall comes as they're seeing greater demand because of leaks caused by aging fuel tanks.

The officials say some environmental work may be delayed because the fund doesn't have enough money.

VPR's John Dillon has more:

(Dillon) The Petroleum Cleanup Fund is financed by a small fee assessed on motor fuels and heating oil sales. In some years, it's built up a healthy surplus. And that has made it a plum target as officials scour the state budget looking for pots of money.

That's what happened in 2008. The legislature and the Douglas Administration took \$2.8

million from the fund to help offset revenues lost because of a sales tax holiday.

Now the fund is getting short of cash.

(Schwer) Where we're at now, we may actually have to say we can't pay for cleanups.

(Dillon) Chuck Schwer works for the Department of Environmental Conservation, and oversees the fund. He says if the fund isn't replenished, the public health and the environment could be threatened.

(Schwer) Because we're going to see real problems out there, hundreds of gallons in people's basements, oil flowing to streams, oil getting in drinking water wells. And if we can't fund those, that's something that's going to be difficult for the agency to handle. We feel it's really critical to get at those types of releases.

(Dillon) Schwer this week briefed a state advisory committee on status of the fund. He told the panel the state has already delayed some lower priority clean up work because of the shortfall. The members discussed ways to boost the cleanup effort - and they criticized the raid on the fund's resources.

Joe Choquette represents the Vermont Petroleum Association. He said that over the years the legislature has taken some \$9 million out of the fund to pay for other programs. Choquette also objected to a proposal to use money collected from motor fuel sales to pay for clean up of home heating oil spills.

(Choquette) So our concern as an industry is that we've gotten away from the core purposes of the fund, and now it's in trouble. And now we're being asked to transfer another \$500,000 from the motor fuel account to cover programs that weren't part of this core purpose.

(Dillon) A draft state report warns that the fund is in danger of becoming insolvent. It now has a little less than \$2 million, yet the demand for the environmental clean up keeps growing. Sixty one new sites were discovered this year, with 1,200 sites needing ongoing work.

Schwer said that the state has seen more fuel oil spills in the last few years as the tanks installed in people's basements corrode and leak over time.

(Schwer) We get probably get one call a week of an above ground tank that's failed. And most often than it's a very large quantity of fuel that's lost.

(Dillon) The state has tried to prevent the leaks through a grant program that helped people pay to replace the aging tanks. But that program has been suspended because of the funding shortfall.

At the same time, the state is collecting less money for clean up. That's because fuel oil sales have declined as people have made their houses more energy efficient.

So the advisory committee has asked the Legislature to double the fee - from a half cent to a

penny per gallon - in order to raise more money for the clean up work.

For VPR News, I'm John Dillon in Montpelier.

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