



Janet Napolitano  
Governor

# ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

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Stephen A. Owens  
Director

## NOTICE

April 28, 2006

### **Re: Financial Responsibility Requirements and End of State Assurance Fund Eligibility**

Dear UST Owner or Operator:

As an owner or operator of an underground storage tank (UST) system in Arizona, federal laws (Title 40, Code of Federal Regulations, Part 280, Subpart H) and state laws (Arizona Revised Statutes, Title 49, Section 1006) require that you have a current financial responsibility (FR) mechanism. FR means having the financial ability to pay for both costs of corrective actions and third-party liability claims associated with releases of a petroleum product from your UST systems.

While Arizona's State Assurance Fund (SAF) currently may cover up to the first \$500,000 of eligible corrective action costs, it does not provide for compliance with FR requirements above \$500,000 in corrective action costs or any third-party liability. Furthermore, releases reported after June 30, 2006 will not be eligible for SAF coverage. This has two significant impacts: (1) UST owners and operators will be dependent on their FR mechanisms to pay for all needed corrective actions for those releases reported after June 30, 2006; and (2) the SAF cannot be used for compliance with any state or federal FR requirements after June 30, 2006.

Among the many FR mechanisms allowed, UST pollution liability insurance is the most commonly selected option. UST owners and operators are encouraged to contact their insurance agent or broker prior to June 30, 2006 to obtain adequate insurance coverage to be in compliance with federal and state FR laws. Noncompliance with FR requirements may result in an enforcement action by ADEQ.

If you have questions or want more information, please call ADEQ's UST Financial Responsibility Coordinator, Maria Rodriguez, at (602) 771-2214, or at (800) 234-5677 (extension 771-2214), or by email at [mmr@azdeq.gov](mailto:mmr@azdeq.gov). You may also find more information on ADEQ's website at: [www.azdeq.gov/environ/ust/fr.html](http://www.azdeq.gov/environ/ust/fr.html).

Sincerely,

Ronald Kern, Manager  
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