



CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY



MATTHEW RODRIQUEZ
SECRETARY FOR
ENVIRONMENTAL PROTECTION

1001 I STREET, SACRAMENTO, CALIFORNIA 95814 • P.O. BOX 2815, SACRAMENTO, CALIFORNIA 95812-2815
(916) 323-2514 • (916) 324-0908 FAX • WWW.CALEPA.CA.GOV

EDMUND G. BROWN, JR.
GOVERNOR

May 14, 2014

To: All Interested Parties

The purpose of this letter is to notify all interested parties of the increase in the Unified Program state surcharge due to the Aboveground Petroleum Storage Act (APSA).

Beginning fiscal year 2014/2015, the Unified Program state surcharge will increase to include a \$26.00 assessment on each tank facility regulated under the APSA program. A tank facility located on a farm, nursery, logging or construction site that is conditionally exempt from preparing and implementing a Spill Prevention, Control, and Countermeasure plan pursuant to the Health and Safety Code, Chapter 6.67, Section 25270.4.5, is not exempt from paying this new APSA assessment. However, if a Certified Unified Program Agency (CUPA) does not assess any single fee on a tank facility, the state surcharge may be waived pursuant to the California Code of Regulations, Title 27, Section 15250(a)(3).

The new APSA assessment will cover the necessary and reasonable costs incurred by the Office of the State Fire Marshal (OSFM) to perform duties and responsibilities to implement, maintain and oversee the APSA program.

The Secretary for Environmental Protection is required to establish the amount of each component of the Unified Program state surcharge. California Code of Regulations, Title 27 provides the mechanism to publicly notice, receive public comments and finalize the Unified Program state surcharge.

On April 25, 2014, the new Unified Program state surcharge, including the APSA assessment, was published in the California Notice of Register with the Office of Administrative Law for a 30-day public comment period. After accepting and considering public comments, the Secretary will submit the new Unified Program state surcharge for final publication in the California Notice of Register. Upon final publication, the new Unified Program state surcharge will be considered effective. This will occur in June, 2014.

CUPAs will be responsible for assessing and collecting the new Unified Program State Surcharge during the normal billing cycle beginning fiscal year 2014/2015 beginning July 1, 2014.

Enclosed are supporting details from the Department of Forestry and Fire Protection - OSFM regarding the development of the APSA program assessment as an addition to the Unified Program state surcharge.

For questions regarding the APSA surcharge, please contact Jennifer Lorenzo, Office of the State Fire Marshal, at (916) 324-0232 or Jennifer.Lorenzo@fire.ca.gov.

Original signed by John Paine

John Paine, Manager
CalEPA Unified Program

Enclosure

cc: Mr. Kevin Reinertson
Chief of Code Development and Analysis Division
and Interim Chief of Fire Engineering Division
Office of the State Fire Marshal
P.O. Box 944246
Sacramento, California 95814

Ms. Jennifer Lorenzo
Office of the State Fire Marshal
P.O. Box 944246
Sacramento, California 95814



DEPARTMENT OF FORESTRY AND FIRE PROTECTION
OFFICE OF THE STATE FIRE MARSHAL
FIRE ENGINEERING DIVISION

P.O. Box 944246
SACRAMENTO, CA 94244-2460
(916) 445-8200
Website: www.fire.ca.gov



April 30, 2014

John Paine
Manager, Unified Program
California Environmental Protection Agency
Office of the Secretary
1001 I Street
Sacramento, California 95814

Subject: Unified Program State Surcharge for the Aboveground Petroleum Storage Act Program

Dear Mr. Paine:

This letter is to inform the California Environmental Protection Agency (CalEPA) of the process that led to the Aboveground Petroleum Storage Act (APSA) Program state surcharge.

The Department of Forestry and Fire Protection (CAL FIRE) – Office of the State Fire Marshal (OSFM) APSA Advisory Committee, which was established pursuant to Assembly Bill 1566 (Statutes of 2012, Chapter 532), formed a surcharge workgroup to determine a surcharge rate that would cover necessary and reasonable costs incurred by the OSFM for the implementation, maintenance and oversight of the APSA Program.

The surcharge workgroup was comprised of representatives of the OSFM, CalEPA, Verizon Wireless, Donlee Pump Company, California Farm Bureau Federation, U.S. Department of the Navy, California Independent Oil Marketers Association (CIOMA), Pacific Gas & Electric, Western States Petroleum Association, Defense Logistics Agency, and several Unified Program Agencies representing various regions of the State.

The surcharge workgroup initially met on May 17, 2013, to discuss surcharge options, including flat and tiered rates. Data used to determine the surcharge are: (1) OSFM budget needs based on the Budget Change Proposal approved by the Governor in October 2012 for the OSFM to oversee, implement, and maintain the APSA Program; and (2) the total number of regulated APSA tank facilities based on the fiscal year 2011-2012 Annual Inspection Summary Report from CalEPA. The flat rate of \$26 was calculated using the following formula:

$$\text{Surcharge Rate} = \text{Budget Needs} \div \text{Number of Tank Facilities}$$

An alternative option discussed by the surcharge workgroup was tiered rates. The option was not pursued due to the fact that there was no reasonable change in the level of oversight and services provided by the OSFM among tiers.

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On June 7, 2013, the surcharge workgroup concluded that the flat surcharge rate of \$26 assessed on each regulated tank facility was the most accommodating to all regulated tank facilities and will provide the necessary funds and ease of application and administration by the OSFM. During the July 11, 2013, APSA Advisory Committee meeting, a motion was made and second to recommend to CalEPA the \$26 flat rate for each regulated tank facility. The APSA Advisory Committee members voted unanimously to recommend to CalEPA the surcharge rate of \$26 for each regulated Aboveground Storage Tank (AST) facility.

Each CUPA will be responsible for assessing and collecting the new APSA state surcharge as part of their single fee system during their normal billing cycle for fiscal year 2014-2015, beginning July 1, 2014. Additionally, a tank facility located on a farm, nursery, logging or construction site that is conditionally exempt from preparing and implementing a Spill Prevention, Control, and Countermeasure plan per Health and Safety Code, Chapter 6.67, Section 25270.4.5, is not exempt from paying the state surcharge. However, if a CUPA does not assess any single fee on a tank facility, then the CUPA has the option to waive the state surcharge per the California Code of Regulations, Title 27, Section 15250(a)(3).

If you have any questions or need further information, please contact the OSFM CUPA Program Coordinator, Jennifer Lorenzo, at (916) 324-0232 or Jennifer.Lorenzo@fire.ca.gov.

Sincerely,



KEVIN REINERTSON
Chief of Code Development and Analysis Division and
Interim Chief of Fire Engineering Division