



Par Hawaii

LATE

February 12, 2016

**TESTIMONY IN OPPOSITION TO SENATE BILL 3108,
RELATING TO UNDERGROUND STORAGE TANKS**

Senate Committee on Economic Development, Environment & Technology

The Honorable Glenn Wakai, Chair

The Honorable Sam Slom, Vice Chair

Senate Committee on Water, Land & Agriculture

The Honorable Mike Gabbard, Chair

The Honorable Clarence Nishihara, Vice Chair

Friday, February 12, 2016 – 1:20 p.m.

State Capitol, Room 414

Chairs Wakai and Gabbard and members of the Committees,

Thank you for this opportunity to testify on Senate Bill 3108, Relating to Underground Storage Tanks. My name is Lance Tanaka, director of government and public affairs for Par Hawaii. Par Hawaii, Inc., formerly Mid Pac Petroleum, and Par Hawaii Refining, LLC, formerly Hawaii Independent Energy, are subsidiaries of Texas-based Par Pacific Holdings, Inc., formerly known as Par Petroleum Corporation.

The purpose of this bill is to ban new underground storage tanks within one hundred yards of the shoreline, as of July 1, 2016, and prohibit the operation and renewal of a permit for an underground storage tank within one hundred yards of the shoreline, as of January 1, 2030.

Par Hawaii opposes S.B. 3108.

S.B. 3108 will have the effect of shutting down gasoline stations situated along Hawaii's coastlines, and could disproportionately impact communities populated by residents of modest means. Of the gasoline stations operated by Par Hawaii that are potentially impacted, four are located along the Waianae coastline. Par Hawaii would have no recourse other than to close these stations over time, thereby forcing West Oahu residents to seek alternative fueling locations. With ever-increasing traffic issues experienced by drivers who traverse that corridor, this would be another burden added to their daily commuting challenges.

Furthermore, prohibiting underground storage tanks in coastline areas could affect property leases. Station operators may find themselves at a disadvantage when negotiating land leases for future sites, as commercial properties that are farther from

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the shoreline could unfairly command a premium. The added cost would ultimately have to be passed on to consumers.

Par Hawaii operates and maintains its underground storage tanks in strict accordance with regulations set by the U.S. Environmental Protection Agency and state Department of Health. These agencies have established rigorous operator training standards, inspections, containment and fiduciary responsibility requirements for underground storage tank operators and owners. We believe adhering to this regulatory framework minimizes incidents with underground storage tanks and provides a process for holding operators and owners accountable.

Thank you for allowing Par Hawaii the opportunity to present this testimony in opposition to Senate Bill 3108.

A handwritten signature in black ink, appearing to read "Lance N. Tanaka". The signature is fluid and cursive, with a long horizontal stroke at the end.

Lance N. Tanaka
Director, Government & Public Affairs
Par Hawaii