



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGIONAL ADMINISTRATOR  
REGION 5  
77 WEST JACKSON BOULEVARD  
CHICAGO, IL 60604-3590  
**MAY 15 2018**

Ms. C. Heidi Grether, Director  
Michigan Department of Environmental Quality  
Constitution Hall  
525 West Allegan Street  
P.O. Box 30473  
Lansing, Michigan 48909-7973

Dear Ms. Grether:

This letter responds to the Michigan Department of Environmental Quality (MDEQ's) November 14, 2017 petition (the Petition) for approval of two state financial mechanisms for use by owners and operators of refined petroleum underground storage tanks (USTs) to demonstrate financial responsibility for deductible amounts under Michigan's Underground Storage Tank Cleanup Fund. After reviewing the two financial mechanisms which were submitted with the Petition, I approve their use to demonstrate financial responsibility for the deductible amounts Michigan's Underground Storage Tank Cleanup Fund requires at MICH. COMP. LAWS § 324.21510a (2017).

The Petition requested a determination from the U.S. Environmental Protection Agency under 40 C.F.R. § 280.100, to allow owners and operators to use the following two additional mechanisms to demonstrate financial responsibility for the Michigan Underground Storage Tank Cleanup Fund deductible amounts:

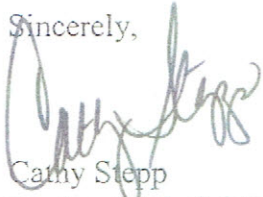
- 1) A financial test of self-assurance that demonstrates a tangible net worth of at least three times the appropriate deductible amount; and
- 2) A deposit of account for the appropriate deductible amount in a financial institution as defined in Section 1202 of the Banking Code 1999, 1999 PA 276, MCL 487.11202.

40 C.F.R. § 280.100 allows owners or operators of underground storage tanks located in a state that does not have an approved underground storage tank program to use a state-required financial mechanism to demonstrate financial responsibility to meet the requirements of 40 C.F.R. § 280.93, if the Regional Administrator determines the state mechanism is at least equivalent to the financial mechanisms specified in 40 C.F.R. Part 280 Subpart H. This letter notifies MDEQ that EPA has determined the two financial mechanisms described in the Petition are equivalent to the financial mechanisms at 40 C.F.R. Part 280, when used to meet financial responsibility for the deductible amounts at Mich. Comp. Laws § 324.21510a (2017).

Therefore, in addition to using any of the mechanisms already allowed in the federal financial responsibility rule, UST owners and operators can use those two state-developed mechanisms to cover the deductible amounts. The Petition, which EPA received on November 14, 2017, did not seek use of those mechanisms for other purposes; federal financial mechanisms at 40 C.F.R. Part 280 Subpart H remain available to USTs in Michigan.

Again, EPA approves of Michigan's application to use the two financial mechanisms submitted to demonstrate financial responsibility. If I can be of further assistance, please feel free to contact me or your staff may contact Sherry Kamke, Underground Storage Tank Section Chief, at (312) 353-5794.

Sincerely,



Cathy Stepp  
Regional Administrator