

TESTIMONY OF

David Glatt, Director of the North Dakota Department of Environmental Quality

Good morning, Chairman Porter and members of the House Energy and Natural Resource Committee. My name is David Glatt, Director of the North Dakota Department of Environmental Quality (NDDEQ). The DEQ is responsible for the implementation of many of the environmental protection programs in the state. I am here today to provide testimony in support of SB 2101 which requests a legislative management study be conducted on NDCC 23.1-13 Petroleum Products and NDCC 23.1-14 Antifreeze.

The origin of NDCC 23.1-13 Petroleum Products started back before 1900 AD and has been amended several times up to the present. The current law directs the DEQ to enforce the chapter and authorizes rule development. The law authorizes the regulation of the sale of various petroleum products which includes labeling requirements of containers and pipelines, and development of product quality specifications. In addition, it authorizes the DEQ to prohibit the sale of certain gasolines, motor fuels and additives and allows the DEQ to designate ports of entry and hold train cars for inspection. It also authorizes the tax commissioner to require reporting, collect tax and require surety bonds. Products covered under NDCC 23.1-13 include gasoline, kerosene, tractor fuel, heating oil, diesel fuel and alternative fuels.

Over the years the DEQ has collected and analyzed petroleum products to determine compliance with product specifications. The products tested by the DEQ typically have included gasoline, gasoline blends and diesel fuel. Current test parameters include octane, percent ethanol and cetane. In addition, the DEQ has inspected pump dispensing labels to determine compliance with appropriate regulations. Most of the chapters of NDCC 23.1-13 have not been addressed by the DEQ for many years. (30 plus years).

When evaluating the need to modify, keep or delete all or portions of NDCC 23.1-13 the DEQ was unsure how to proceed. Are chapters of the law currently being enforced by other federal or state agencies indicating a duplication of regulation? Are specific chapters desired for consumer protection or other needs and can some or all the chapter be repealed because they are considered obsolete? We have also received comment that the periodic testing of petroleum products should continue. We ask that SB 2101 be considered for a legislative management study to determine:

- What portions of the NDCC 23.1-13 should be kept, modified, or repealed?
- If chapters are kept who should enforce the law?
- Should the testing of petroleum products continue, and, if so, what products and parameters should be tested?
- Evaluate any other elements of the chapter deemed appropriate.

In addition, NDCC 23.1-14 Antifreeze Regulation is being requested to be evaluated for its relevance and need to continue. The law currently directs the DEQ to administer the chapter which addresses product registration, labeling requirements, inspection, sampling, and analysis and prohibited acts.

The DEQ currently accepts registration fees and evaluates the label to ensure compliance with the law. Recent registration fee collections are approximately \$15,000 per year.

The DEQ respectfully requests that NDCC 23.1-14 be evaluated for relevance in today's market. Questions that should be explored are:

- Do products need to be registered? If so, what chapters of the law should be required to ensure product quality and consumer safety?
- Should the DEQ continue to review product registrations, and should any testing be conducted to ensure product quality?
- Evaluate any other elements of the chapter as deemed appropriate.

This concludes my testimony, and I will stand for questions.