

## **EPA SUPPORT FOR US INSULAR AREAS – February 2012**

**EPA is proud of the** support it has been able to provide to the U.S. jurisdictions of American Samoa, CNMI, Guam, and the U.S. Virgin Islands, from historic increases in infrastructure funding to improve the safety and availability of drinking water in all islands, to supporting the first LEED building between Hawaii and Australia, to monitoring radiation in the Pacific following the nuclear crisis in Japan.

**HISTORIC INCREASES IN FUNDING** – Since 2009, EPA has provided more than \$90 million dollars in water and sewer construction funding to the jurisdictions of American Samoa, CNMI, Guam, and the USVI, more than all prior years combined. This is a result of ARRA funding in FY09, and, beginning in FY10, a new set aside for the U.S. Insular Areas within EPA’s national water and wastewater infrastructure funds. For example, using FY11 funds, EPA has provided over \$30 million for infrastructure in the Insular Areas. The drinking water funds have been or are being used to connect American Samoa’s main water system to the remote villages of Fagalii and Fagamalo, to increase CNMI’s water storage and improve water distribution, and in Guam to enhance water treatment and disinfection. Wastewater funds have built sewer outfalls in Guam and CNMI, are connecting more villages in American Samoa to the sewer system, and in all territories are being used to upgrade sewage treatment plants.

**IMPROVEMENTS IN WATER QUALITY** - EPA has been using all tools available – funding, enforcement, technical assistance, capacity building, and partnership – to improve drinking water and nearshore water quality.

A decade ago in Guam, boil water notices were common. In 2011, Guam’s drinking water met all EPA health-based standards. A decade ago on the island of Saipan, only about 10% of the population had access to continuous 24-hour water. Today that has increased to 80%, improving the quality of life for many residents. EPA has partnered with DOI OIA, the CNMI Governor’s Water Task Force, and the Commonwealth Utilities Corporation to support increases in water availability. In American Samoa, EPA has partnered with DOI OIA and the American Samoa Power Authority to provide drinking water to remote villages, as well as improve water quality.

**SUPPORT FOR LOCALLY-BASED ENVIRONMENTAL PROTECTION** – In FY11, EPA provided over \$12 million to support the American Samoa EPA, CNMI DEQ, Guam EPA, and USVI DPNR/DEP. US EPA has worked with local government to strengthen the financial and technical capabilities of these agencies to oversee solid waste, monitor beach and drinking water safety, reduce land base impacts to coral reefs, reduce fuel spills, reduce the risk from air pollution, pesticides and contaminated soil, and otherwise protect the environment and health of their

communities. EPA consolidates grants per the Omnibus Territories Act to improve grant efficiency at federal and local levels, and waive matching requirements.

**RADIATION MONITORING** – In response to nuclear crisis following the March 11, 2011 Japanese earthquake and tsunami, EPA deployed temporary radiation monitors in Guam and Saipan to supplement the national radiation monitoring network. EPA-trained local government crews operated and serviced these monitors, including on weekends and holidays. Data from these monitors was fed into EPA’s national on-line

**EMERGENCY RESPONSE AND CLEANUP** – EPA was aboard FEMA’s first flight to American Samoa in response to the 2009 tsunami. EPA’s Superfund program has a long history of responding to natural disasters in the Pacific and Caribbean, and will continue to do so. It has also undertaken significant cleanup or removal of sites contaminated by petroleum or other chemicals in all insular areas.

**REDUCING LEPTOSPIROSIS** – EPA has supported American Samoa EPA’s efforts to reduce the potentially fatal disease of Leptospirosis, spread through contact with animal waste, by turning poor pig waste management into a sustainable practice. Supported by EPA funding, and in partnership with USDA’s EQUIP program, ASEPA has led an effort to decrease the number of illegal piggeries, and get pig owners to employ sustainable pig

system, helping to protect people in the Western Pacific.

**MILITARY BUILDUP** – The military buildup is bringing opportunities and challenges to Guam, even as the scope of the buildup changes. EPA, along with DOD, other federal agencies, and the Government of Guam, has taken a leadership role in the buildup environmental review process, in quantifying the impacts to Guam’s civilian infrastructure, and in formulating agreement on implementation of Adaptive Program Management, a key mitigation measure. EPA will continue to take a strong role in the buildup as it evolves.

management. The results: a cumulative nutrient load reduction 166,055 pounds of nitrogen and 63,258 pounds of phosphorous into American Samoa’s water ways, a large reduction in bacterial loading into streams and onto beaches, and the removal of 5 water bodies from EPA’s list of polluted water bodies.

**SUPPORTING THE FIRST LEED BUILDING BETWEEN HAWAII AND AUSTRALIA** – In July 2011, construction began on a new “green” building to house American Samoa EPA, designed to be LEED Platinum. When completed later in 2012 it will have a green roof, generate 35kW of energy through photovoltaics, and minimize energy use. ASEPA’s former building was damaged in the 2009 tsunami. The building is being funded by EPA, DOE, NOAA, and FEMA.

**RENEWABLE ENERGY** – EPA has partnered with DOI OIA, DOE NREL, and local

government in the development and ongoing activities of the territorial energy task forces. Additionally in CNMI, EPA helped establish a wind turbine and photovoltaic system at Saipan Southern High School, the first such system on the island, by allowing a hazardous waste violator to build a renewable energy system in lieu of a fine paid to the U.S. Treasury.

**ULTRA LOW SULFUR DIESEL (ULSD)** – EPA worked with Guam EPA, the Guam Legislature, and interested private sector partners to introduce ULSD to Guam’s gas stations in 2011, replacing what had been very high sulfur fuel. In American Samoa, EPA worked with FEMA to use ULSD in the diesel generators which replaced the power plant destroyed in the 2009 tsunami. There are significant health benefits associated with replacing high sulfur fuel with ULSD. In 2011, EPA made territories eligible for the first time for grants under the Diesel Emissions Reduction Act.

**SUSTAINABILITY** – EPA continues to support local efforts to improve sustainability in the Insular Areas, from the plastic bag ban in American Samoa, to the bottle bill in Guam, to improving recycling rates on all islands.

**CORAL REEFS** – EPA works with local government and other federal agencies to protect coral reefs in the Pacific and Caribbean. EPA is a member of the U.S. Coral Reef Task Force and its Steering Committee, and partners with others to prevent land-based sources of pollution, such as stormwater, sediment, or sewage,

from impacting coral reefs. For example in 2011 in Guam, EPA worked in partnership with DOD, NOAA, and Guam EPA to host stormwater design training for private developers, consultants, and government in preparation for the military buildup. In USVI, EPA has used the vessel *Bold* to research critical coral reef habitat. In addition, EPA has developed coral reef biocriteria to aid resource managers, and has supported research on coral resilience to climate change impact.

**CARE GRANT TO USVI** –Through an EPA \$300,000 CARE award, the Coral Bay Community in St. John, USVI was able to leverage over an additional \$1.5 million in other federal and private funding sources for continued environmental sustainability. The CARE project focused on minimization of toxics, including loading of sediments transported via storm runoff, related to rapid development of the area, in order to protect the coral ecosystem within the 3000 sq acres watershed community of Coral Bay.

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## EPA BRIEF

### HOVENSA – Closure of Petroleum Refinery in the Virgin Islands and EPA Region 2 activities

On January 18, 2012, Hovensa, LLC. announced that it would be closing the petroleum refinery part of its St. Croix facility. It has met with EPA and indicated that it expects to cease operation of the bulk of the refinery on February 15 or 16 but plans to continue to run the Sulfur Recovery and other units to process inventories to take care of waste issues. It will also operate units necessary to the operation of the storage/distribution terminal (eg., pumps, docks, small turbine). Hovensa also indicated that it would continue to operate units necessary to continue remediation, such as the sewage system, the waste water treatment system and possibly the surface impoundment unit.

At a February 9, 2012 meeting, Chris Coleman, corporate counsel for Hess, stated they'd like to "leave somebody the option to reopen" and reiterated that the facility intends to keep its permits as it considers them an asset. Preliminary discussions have begun on RCRA financial closure and permitting and on CAA permitting. EPA has also begun discussions relating to attainment and the need for modeling and attainment demonstrations, which are necessary for both NAAQS determinations and PSD permitting.

Hovensa also briefly touched upon how and whether the closure would impact upon the recently entered Clean Air Act Petroleum Refinery Initiative Consent Decree and indicated that while the facility would be seeking modifications it would not be seeking "endless" delays. Hovensa indicated that it thought the VI might want to consider using the agreed upon \$4.75 million set aside for territorial Supplemental Environmental Projects for renewable energy, solar, and other such projects. It also indicated that, as agreed, Hovensa would fund training on Continuous Emissions Monitoring for the Virgin Islands Water and Power Authority. EPA and Hovensa will meet to discuss the closure's impact on the Petroleum Refinery CD in early to mid March.

On February 8, 2012, Hovensa motioned the 3<sup>rd</sup> Circuit Court for an extension of an outstanding Clean Air Act 112(r) Order, issued August 24, 2011, that requires the facility to comply with the risk management program requirements of 40 C.F.R. Part 68 and bi-monthly reporting requirements included in the Order.

Region 2 also anticipates issuance of a Clean Air Act Notification of Violation and Compliance Order relating in part to prior noncompliance at the petroleum refinery and in part to ongoing noncompliance at the marine loading and tank areas, which will continue in operation.

The Commissioner for the Virgin Islands Department of Natural Resources and the Virgin Islands Solicitor General attended meetings with EPA and Hovensa. They reiterated that the VI wanted to insure that the petroleum refinery's shutdown is environmentally secure and expressed concern regarding the environmental and economic impacts of shutdown upon the Islands. The Virgin Island's tax revenues from the Hovensa facility were estimated at over 67 million dollars and the loss of 2,000 jobs is expected to increase the unemployment rate from approximately 8 to 18 percent.

The facility holds PSD permits and a RCRA permit issued by EPA as well as a title V Operating Permit and a CWA permit issued by the Virgin Islands Department of Natural Resources.

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