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BONDING FUND
FIRE AND TORNADO FUND
PETROLEUM TANK RELEASE COMPENSATION FUND

BULLETIN 92-4

PETROLEUM TANK RELEASE COMPENSATION FUND
"REASONABLE COSTS"

Chapter 299, Section 20, of the 1991 Session Laws, allows only "reasonable" cleanup costs to be reimbursed by the Petroleum Tank Release Compensation Fund (Fund).

Because this is a statewide government program, reasonable costs have been developed on excavation and consultant charges used throughout the State, so all tank owners are treated equally.

Claims history has been used to determine these "reasonable reimbursable costs".

This means the Fund will pay UP TO the "reasonable costs", it does not mean the Fund will always pay this amount. The amount "up to" the "reasonable costs" will be determined at the time the claim is adjusted by the Fund. We hope the appropriate entities will not be automatically increasing their charges to the maximum "reasonable costs".

Reasonable Mileage Charges/Automobile and Pickup:

The maximum reimbursable cost for mileage for an automobile or pickup will be $.35 per mile.

State government and many private businesses are reimbursing $.20 per mile and the Federal government is reimbursing approximately $.27 per mile.

Reasonable Mileage Charges/Mobilization-Demobilization:

The maximum reimbursable cost for moving the drilling rig and one (1) support vehicle to the site and back will be $3.00 per mile.

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Reasonable Per Diem Charges:

The maximum reimbursable cost for per diem expenses will be $25.00 per day, per person. The charges submitted have been upwards of $75.00 per day which is extremely unreasonable. The State of North Dakota allows $17.00 per day for meals for their employees.

Reasonable Lodging Charges:

The maximum reimbursable amount for lodging charges will be the actual cost of the motel room.

Reasonable Excavation Labor Charges:

The maximum reimbursable amount for labor during the excavation portion of the clean-up will be $35.00 per hour. This expense has ranged between $15.00 and $45.00 per hour. This would include any of the laborers or foreman.

Reasonable Number of Laborers:

The maximum number of laborers working at the excavation site at any one time will be two (2) laborers. This includes a general contractor or foreman. If for some reason an additional laborer is needed at the job site, the specific reasons why needs to be submitted and it will be reviewed for possible reimbursement. When we say laborers, we do not mean the equipment operators because they are usually included in the charge for each particular piece of equipment.

Reasonable Postage Charges:

The maximum reimbursable amount of postage will be the actual cost to mail or ship soil or water samples to the laboratory. This does not mean emergency turn-around costs. The majority of these samples do not need to have a one or two-day turn-around so that additional cost would not be a reimbursable expense.

These costs are "reasonable" and will allow all tank owners throughout the State to receive equal reimbursement from the Fund.