



Kansas Grain & Feed Association
Kansas Cooperative Council
Renew Kansas Association

KGFA/Renew Kansas (785) 234-0461 www.ksgrainandfeed.org
KCC (785) 233-4085 www.kansasco-op.coop
816 SW Tyler, Topeka, Kansas 66612

February 3, 2016

TO: House Committee on Commerce, Labor and Economic Development
From: Randy Stookey, Vice President and General Counsel
Kansas Grain and Feed Association (KGFA) / Renew Kansas Association

Leslie Kaufman, President/CEO
Kansas Cooperative Council (KCC)

RE: Testimony in Opposition to HB 2356, establishing the Elevator Safety Act

Chairman Hutton and members of the House Commerce and Labor Committee. Thank you for the opportunity to comment today in opposition to HB 2356, as it pertains to the proposed Elevator Safety Act. I appear on before of the Kansas Grain and Feed Association and jointly with the Kansas Cooperative Council and the Renew Kansas Association.

KGFA is a voluntary state association with a membership encompassing the entire spectrum of the grain receiving, storage, processing and shipping industry in the state of Kansas. KGFA's membership includes over 950 Kansas business locations and represents 97% of the commercially licensed grain storage in the state. The KCC's membership includes farm marketing and agricultural supply cooperatives, rural electric and telecommunications companies, insurance and risk management operations, credit unions and Farm Credit system members. Renew Kansas is a voluntary trade association with membership encompassing the entire spectrum of the fuel ethanol processing, storage, and transportation industry in the state of Kansas. Ethanol plants receive, store and handle grain commercially in bulk as the grain is the raw input for the ethanol production process.

Together, our agribusiness members handle millions of bushels of grain each year. Thus, this bill is of interest to our associations and members.

The commercial grain warehouse industry in Kansas is heavily regulated by the Occupational Safety and Health Administration (OSHA) through a special industry emphasis program known as the LEP. As a part of the LEP, all man-lifts located at grain elevators are inspected by OSHA via both random and annual programed inspections. Under this program, OSHA annually

inspects the man-lifts and other conveyances defined by HB 2356 under OSHA regulations 20CFR1910.68, 29CFR1917.117, and ANSI standard A90.1-1969 which OSHA regulations incorporate by reference.

The industry standard to which insurance companies and OSHA inspections are performed are found under American Society of Mechanical Engineers (ASME) code A17.1 (Sect. 5.7 SPPE design, Sect. 8 Testing and Requirements); ASME A17.3 Safety Codes for Existing Man-lifts; and, ANSI standard A90.1-1969

Additional layers of protection, regulation, oversight, and safety requirements for these conveyance systems are provided by state grain warehouse inspectors, insurance company loss control officers, internal safety officers, and certain municipalities. Various inspections on the systems are performed monthly, bi-annually, and annually. Each of these additional layers of inspection brings associated costs and fees.

In addition to all of the current requirements and associated costs with inspecting man-lifts and conveyances at grain elevators, however, HB 2356 would also require the following: new license and training fees for inspectors, an annual registration and new annual certificate of operation fee for each conveyance (no statutory fee cap), an annual inspection fee for each conveyance (no statutory fee cap), and potential civil and criminal penalties.

As most grain elevators have multiple conveyance systems, these new costs and administrative hurdles would be compounded for each conveyance at the grain elevator.

For the grain warehouse industry, the new, additional layers of bureaucracy and undefined costs required under HB 2356 are entirely duplicative, overly-burdensome, and represent an unnecessary growth in state government. As written, HB 2356, would be extremely costly to the Kansas grain warehouse industry and ethanol processing plant industry.

For all the reasons set forth above, we feel this legislation is neither appropriate nor necessary for Kansas. Should this bill move forward, however, we would respectfully request that the commercial grain warehouse and ethanol processing plant industries be exempted from all provisions of the act.

Thank you for allowing us to appear before the committee today. I will stand for questions at the appropriate time.